HOW INNOVATIVE STRATEGIES CAN IMPACT FISCAL STRENGTH:

SUPPORTING A CULTURE OF INNOVATION IN SMALL COLLEGES

Stacy L. Sweeney

A DISSERTATION

in

Higher Education Management

Presented to the Faculties of the University of Pennsylvania
in Partial Fulfillment of the Requirements for the
Degree of Doctor of Education

2015

Supervisor of Dissertation:

Mary-Linda Armacost, Adjunct Professor of Education

Dean, Graduate School of Education:

Pamela L. Grossman, Dean and Professor

Dissertation Committee:

Mary-Linda Armacost, Adjunct Professor of Education

Peter H. Garland, Adjunct Assistant Professor of Education

Marcia A. Wratcher, Graduate Faculty, School of Education, Northcentral University
HOW INNOVATIVE STRATEGIES CAN IMPACT FISCAL STRENGTH:

SUPPORTING A CULTURE OF INNOVATION IN SMALL COLLEGES

COPYRIGHT

Stacy L. Sweeney

2015
DEDICATION

Dedicated in loving memory of my sister, Susan N. Sweeney, MSW

1963–2003

Her determination, service to others, and success in being the first of the Sweeney sisters
to earn her graduate degree always has been a great inspiration to me.
ACKNOWLEDGMENTS

There are many individuals who have made this dissertation journey possible for me, and I am forever grateful to them for their support, wisdom, and generosity of time and patience during these past two years. I feel very blessed to have been surrounded by such encouraging and understanding family, friends, and colleagues during the pursuit of my doctorate.

I am so thankful for having Mary-Linda Armacost as my dissertation chair; she was a perfect match based on her years of experience as a small-college president and scholar. Mary-Linda provided tremendous guidance on how to approach my topic and great insight throughout my study; her caring nature and enthusiasm were truly inspiring. I am also very appreciative of my other committee members, Marcia Wratcher and Peter Garland. Marcia’s wisdom, gained through implementing innovative higher education delivery models through the years, helped me to ensure that I had pinned down a definition of innovation that was precise and understood by my participants, which also helped to inform my interview questions. Peter’s great wealth of experience in serving at the highest levels of leadership for a state university system brought a unique and important perspective on the role university presidents and trustees should play in supporting and moving forward innovation.

I am also indebted to Joni Finney, who played a significant role during the time of my dissertation proposal in June 2014, offering her expert feedback as a scholar and professor of practice, which made for a tightened-up approach to my research questions. To Matt Hartley and Laura Perna, thank you for the dissertation workshop that was so timely and valuable; your wisdom and support throughout this entire experience has been
so greatly appreciated. A big thank you to Eric Kaplan and Ginger O’Neil for keeping us focused and on track; the workshops, emails, and reminders really did make a difference!

I am also forever grateful to Marty Sullivan from the Weingarten Learning Resource Center—better known as the writing lab expert. Your encouragement and support made a world of difference—thank you!

I owe a debt to my president, Paul LeBlanc, at Southern New Hampshire University (SNHU), who inspired my topic through his great accomplishments and also supported me in so many ways throughout this journey. I am thankful to my colleagues at SNHU for their understanding, support, and great enthusiasm for me in pursuing my doctoral research. In addition, I am grateful to Barbara Brittingham, Richard Ekman, Dave Pauldine, and others who shared their wisdom, allowing me to gain additional insight and perspective that added to my research and site selection in a substantive way.

My new colleagues from Colleges A and B, I can’t thank you enough for your hospitality, candor, generosity, and willingness to share your experiences as innovative small colleges that are making a positive difference. I look forward to staying connected! Cohort 13, you are my wonderful new “family” and support system that made it possible to be successful in this program.

I am so very grateful to my mother and father, Sharon, Shelia, Francis, Steve, Stacey, and my adorable niece, Skya Sweeney, for their constant support, cheerleading, and patience with my absence at many family gatherings. Your enthusiasm for me in reaching this milestone has meant the world to me. Finally, to my friends who put up with my almost total disappearance from their lives during the past two years, yet remained ever loyal and supportive, if the completion of my doctorate inspires you half
as much as you have inspired me, then I truly believe that we all will continue to fulfill our dreams. Thank you from the bottom of my heart!
ABSTRACT

HOW INNOVATIVE STRATEGIES CAN IMPACT FISCAL STRENGTH

SUPPORTING A CULTURE OF INNOVATION IN SMALL COLLEGES

Stacy L. Sweeney
Mary-Linda Armacost

Innovation in postsecondary education has become an important element of the landscape in order for institutions to remain competitive and, for some, as a means to survive (Selingo, 2013, p. 58). Small colleges and universities have experienced a more significant impact than most higher education institutions in attempting to remain competitive and promote innovation as they continue to deal with the aftermath of the 2001 and 2008 recessions and keep pace with the challenges of enrollment and finance. If small colleges are faced with the inability to create new and innovative delivery and business models, there is a danger that many of these small colleges will cease to exist (Crow, 2010; Rivard, 2013).

The primary purpose of this study was to explore how two small colleges adopted innovative strategies that maintained or improved their fiscal strength during a time when most small colleges were experiencing financial decline. How these innovative cultures have been supported at these small colleges, and their relation to the strategies employed, is also explored in this study. The overarching research question for this study was, “To
what extent can small colleges develop a culture that supports innovation and positively influences the financial stability of the institutions?

The findings of this study include innovative strategies used at each institution to impact fiscal strength, and elements that have been established to support a culture of innovation in addition to the way in which innovation has improved the student experience. Ultimately, the examples of innovative strategies implemented at these institutions, such as responding to student and market demands, having an innovative mission and vision and ensuring innovative individuals are leading the institution, could turn into sustainable solutions for other small colleges that may be struggling with student enrollment and revenue decline. The elements of innovative cultures that were discovered in this study could be used as a “best practices” list for other small colleges in their quest to develop and sustain an innovative culture.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgments</td>
<td>iv</td>
</tr>
<tr>
<td>Abstract</td>
<td>vii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xii</td>
</tr>
<tr>
<td><strong>Chapter 1—Introduction</strong></td>
<td>1</td>
</tr>
<tr>
<td>Purpose of Study</td>
<td>5</td>
</tr>
<tr>
<td>Significance of the Study</td>
<td>6</td>
</tr>
<tr>
<td><strong>Chapter 2—Literature Review</strong></td>
<td>8</td>
</tr>
<tr>
<td>Organizational and Innovative Cultures</td>
<td>9</td>
</tr>
<tr>
<td>Safe Space</td>
<td>11</td>
</tr>
<tr>
<td>Democratic Lateral Communication</td>
<td>12</td>
</tr>
<tr>
<td>Flexibility</td>
<td>14</td>
</tr>
<tr>
<td>Boundary Spanning</td>
<td>15</td>
</tr>
<tr>
<td>Collaboration</td>
<td>15</td>
</tr>
<tr>
<td>Leadership</td>
<td>17</td>
</tr>
<tr>
<td>Having a Cause or Passion for the Work</td>
<td>18</td>
</tr>
<tr>
<td>An Innovative Vision and Mission Statement</td>
<td>19</td>
</tr>
<tr>
<td>Innovation in Higher Education</td>
<td>21</td>
</tr>
<tr>
<td>Innovative Cultures in Small Colleges</td>
<td>26</td>
</tr>
<tr>
<td>Moving to a Culture of Innovation</td>
<td>29</td>
</tr>
<tr>
<td><strong>Chapter 3—Methodology</strong></td>
<td>33</td>
</tr>
<tr>
<td>Research Design</td>
<td>34</td>
</tr>
<tr>
<td>Sampling Strategy and Site Selection</td>
<td>35</td>
</tr>
<tr>
<td>Site Access</td>
<td>41</td>
</tr>
<tr>
<td>Data Collection</td>
<td>43</td>
</tr>
<tr>
<td>Data Organization and Analysis</td>
<td>45</td>
</tr>
</tbody>
</table>
Reliability and Validity 47
Ethical Considerations 48
Limitations 49

Chapter 4—Findings 51
College A 52
College B 54
Perspectives on Innovation 57
Innovative Strategies 59
Responding to Market Demand 61
Planning 62
Leveraging Existing Strengths 67
Having a Business Sense 68
Partnerships 75
Innovation Improving the Student Experience 78
New Delivery Methods 78
New Programs Responding to Market Needs 80
Student-Centered Improvements 82
Elements of Innovative Cultures 83
Leadership 85
Risk Taking 92
Flexibility 93
Collaboration 94
Open Communication 96
Transparency 97
Having an Innovative Mission and Vision 99

Chapter 5—Discussion and Analysis 102
The Intent to Innovate 107
List of Tables

Table 1. Total FTE Enrollment and Revenue (Tuition and Fees) Data for Potential Small College Research Participants
Chapter 1
Introduction

American higher education in the 21st century has been fraught with extreme challenges affecting not only students’ ability to pursue and complete some form of higher education but also their ability to meet the needs of today’s workforce and compete in a global economy (Zumeta et al., 2012, p. 6). Tasked with solving the issues of student accessibility, affordability, and completion, many colleges and universities realize that they must do things differently; the status quo, or “business as usual,” will not suffice. College leaders need not only to understand the current climate in higher education but also to look five to 10 years ahead to determine how to respond today to what the future will bring. In this drive to do things differently, higher education has a partner: The Obama administration has created incentives for postsecondary institutions to create innovative solutions to solving the accessibility, affordability, and completion issues facing college students (U.S. Department of Education, 2014).

Innovation in postsecondary education has become an important element of the landscape in order for institutions to remain competitive and, for some, as a means to survive (Selingo, 2013, p. 58). Small colleges and universities have experienced a more significant impact than most higher education institutions in attempting to remain competitive and promote innovation as they continue to deal with the aftermath of the 2001 and 2008 recessions. In this context, small colleges and universities are those with a student body of approximately 3,000 students or fewer. Relying mostly on tuition, room, and board and other fees to generate approximately two-thirds of their revenues, these tuition-dependent institutions have suffered from declining enrollments, small
endowments, and rising expenses (Chabotar, 2010; Schwarz, 2012). Overall college enrollment has declined by almost half a million from 2012 to 2013 (U.S. Government Census Bureau, 2014). From 2012 to 2013, four-year, private colleges have experienced a very slight increase in enrollment of 1 percent (U.S. Government Census Bureau, 2014); however, this slight increase does not make up for the more than 25 percent of private four-year colleges that experienced a 10 percent decline in enrollments from 2010 to 2012. Based on the decline, small liberal arts colleges, historically black colleges, and niche colleges have been especially concerned that the bottom is yet to come (Anderson, 2013; Belkin, 2013; Blumenstyk, 2014).

Additionally, the median endowment for private colleges is 10 times lower in value, at approximately $20 million, compared to the endowment value of research universities, at approximately $219 million (U.S. Government Accountability Office, 2010). Although annual expected returns for endowment funds were up an average of 12 percent in 2013 (quite high compared to an average of 7.1 percent during the past 10 years), the returns have not kept up with the average long-term growth target of 7.4 percent for college endowments (NACUBO, 2014). The financial impact has put many small colleges in a reactive position where day-to-day operations become the sole focus. Analysts such as Susan Fitzgerald, at Moody’s Investors Service in New York, refer to the financial issues impacting small colleges as a “death spiral,” believing that the downward trend will cause more closures than in the past (MacDonald, 2014).

Additionally, as many small colleges attempt to keep pace with the challenges of enrollment and finance, discussions about fostering a culture of innovation move to the bottom of the priority list. Although it is imperative that addressing enrollment
and finance issues take precedent, when small colleges fail to consider innovation as a significant priority, there is an increased risk that it will be pushed aside. Data from 2002 through 2012 reflects that, on average, five private, nonprofit institutions at the baccalaureate level closed per year with as many as nine institutions closing in 2009 (U.S. Department of Education, Digest of Education Statistics, 2013). If small colleges are faced with the inability to create new and innovative delivery and business models, there is a danger that many of these small colleges will cease to exist (Crow, 2010; Rivard, 2013).

Analyzing the business model of higher education reveals concern that the model is either broken or, at the very least, in a vulnerable state (Breneman, 2006; Jaschik & Lederman, 2013; Kelderman, 2013; Selingo, 2013; Zumeta, 2012). When asked about their institutions’ business model in a 2013 Inside Higher Ed Survey of College and University Business Officers (Jaschik & Lederman, 2013), only 27 percent of the chief financial officers (CFOs) strongly agreed that their business model is sustainable for a five-year period and only 4 percent strongly agreed that their model is sustainable for a 10-year period. The most compelling reasons for this response are rising tuition costs compared to declining median family income and the increasing tuition discount rate. Overall tuition and fees for higher education institutions have risen between 125 to 200 percent (based on the type of institution) from 1970 to 2010 while, at the same time, median family income rose by only 22 percent (Kirshstein, 2012, p. 2).

As a response to the issues associated with student affordability, many private, nonprofit colleges and universities have continued to increase their tuition discount rate. According to the annual tuition-discounting study conducted by the National Association
of College and University Business Officers (NACUBO), the average tuition discount rate for full-time freshmen enrolled at private colleges and universities in 2012 continued to increase for the sixth consecutive year, reaching an all-time high of 45 percent (Davis, 2013). For the institutions attempting to maintain or decrease existing tuition-discount rates, the results for many have been declining enrollments. In fall 2012 nearly half of colleges and universities reported a decline in enrollment that was mostly concentrated at small, tuition-dependent colleges (Bogaty, 2013; Davis, 2013). A decline in the high school graduate population (Prescott & Brandsberger, 2012) also has compounded the decline in enrollment for many institutions, particularly in the Midwest and Northeast, with sustained growth in this population not expected until 2020.

Slow net revenue growth, decreasing enrollments, endowments not keeping up with targeted annual rates of return, increasing tuition-discount rates, and increasing operational expenses are all strong indicators that the business model colleges and universities have relied on for many years is, if not broken, definitely in need of repair (Breneman, 2006; Rivard, 2013; Selingo, 2013). If new models are needed, there becomes a growing and urgent need to expand the innovative work that a small fraction of universities have begun in order to transform higher education. Innovation in higher education—specifically, how to promote and support an innovative culture—has become essential to the current and future success of higher education institutions (Baer & McCormick, 2012; Christensen & Eyring, 2011; Pepicello, 2012).

Small colleges in particular will need to determine how to make room for innovation so that new ideas may be created and implemented. This study focuses on two small colleges that intentionally have worked toward achieving innovation at their
institutions based on specific strategies and behaviors that have become, as a number of the participants at both institutions said, “part of their DNA.” The data from the participants (40) at both institutions have affirmed many of the elements of innovative cultures taken from my conceptual framework. In addition, the data have introduced new insights into the daily practices at both institutions that ensure a culture of innovation is intentional and institutionalized so that financial stability is realized and long-term survival is assured.

**Purpose of the Study**

The purpose of this study is to understand how two small colleges have adopted innovative strategies that placed them in a better position financially and strategically at a time when most institutions were on the decline. There are a number of definitions for innovation: In this context, innovation does not have to be a brand-new idea that never has been tried; it could be something already existing elsewhere that can have an impact on the organization (Anthony, 2012; Rogers, 2003; Thorpe & Goldstein, 2010). In this study innovation will be defined as a new idea or practice that has transformed the culture in a way that has had a positive impact on the fiscal strength and stability of the institutions and improved the student experience. The overarching research question for this study is: To what extent can small colleges develop a culture that supports innovation and positively influences the financial stability of the institutions? Specifically, the following research questions will guide this study:

1) What innovative strategies, if any, have two small colleges adopted to improve their fiscal strength?

2) To what extent has a culture of innovation been established?
To gain a better understanding of how innovative cultures are developed, a qualitative approach was taken of interviewing administrators, faculty, and board members, with a focus on identifying how the culture of innovation had been established and sustained. Key elements of innovative cultures taken from Rogers’s seminal work, *Diffusions of Innovation* (1963, 2003), and that of other researchers (Ahmed, 1998; Dombrowski et al., 2007; Hamel, 2002; Morris, 2011; Tellis et al., 2009), provided the conceptual framework for comparing the emerging themes from the interviews to the key elements of innovative cultures. Comparing the findings to the conceptual framework also aided in understanding the additional elements of innovative cultures that emerged beyond the conceptual framework. The end result of the study was to identify the strategies used to develop and sustain innovative cultures that have improved fiscal strength.

**Significance of the Study**

There is a perception that higher education institutions are historically slow to innovate (Hoffman & Spangehl, 2012; Selingo, 2013; Wildavsky et al., 2011)—that many look and act the same as they did more than 50 years ago. Explanations for the perceived slowness may include barriers to innovation, such as federal and state regulations, accreditation, faculty governance, faculty contracts, the business model of higher education, or fear of letting go of “the way things have been always been done.” Despite this perception, there are some examples of innovation in American higher education responding to the needs of the time. Practical training in science, agriculture, and engineering during the industrial revolution; the creation of junior colleges to address access and affordability issues; research institutions’ impact on post–World War II
economic growth; adult continuing education and online education are just a few examples of innovations that have taken place in higher education at specific periods (Christiansen & Eyring, 2011; Hoffman & Spanghel, 2012; Thelin, 2011).

Higher education is once again challenged to respond to the needs of the time as the United States falls behind other countries in overall degree attainment. According to the Organisation for Economic Development and Co-operation (OECD), in 2012 the United States had a larger-than-average proportion of the population with less education than their parents and a smaller-than-average proportion of the population with more education than their parents (OECD, 2014) compared to other OECD countries. Given that individuals with higher levels of education earn more and are more likely to be employed than those without a degree (Baum et al., 2013), higher education will need to look toward innovations that allow for student access, affordability, educational quality, and degree completion (Christensen & Eyring, 2011; U.S. Department of Education, 2014; Wildavsky et al., 2011). However, not all institutions are quick to respond to the changing times, especially small colleges that have few resources and little appetite for innovation. This study, which reports on two innovative small colleges, can lead to a better understanding of how colleges effectively can respond to today’s higher education challenges.
Chapter 2

Literature Review

Within the literature, theorists and practitioners have formed various definitions about innovation, from the basic to the more extreme. On one end of the spectrum is the more expert definition, in Rogers’s *Diffusions of Innovation* (1963, 2003), where innovation is defined as “an idea, practice or object that is perceived as new by an individual or other unit of adoption” (p. 12). One difference in the way Rogers defines innovation is that the particular idea does not have to be brand new, only so to the individual or group that decides to use that innovation. The actual “diffusion” of an innovation—where one takes a new idea or innovation and communicates it over time through certain channels among members of a social system (Rogers, 1963, 2003; Thorpe and Goldstein, 2010)—allows an organization to adopt an already existing innovation that can have an impact rather than creating its own.

In the middle of the spectrum, one could place Brewer and Tierney’s definition (2011), where innovation is “a new way of doing things, a successful introduction of a new thing or method” (p. 11), with “successful” in this sense meaning a positive impact on the organization. On the other end of the spectrum would be Christensen and Eyring’s definition of “disruptive innovation,” described in their 2011 book, *The Innovative University: Changing the DNA of Higher Education from the Inside Out*. Disruptive innovation is an innovation that disrupts the bigger-and-better cycle such that a product or service may be brought to market that is easier and more affordable, even though at times it may not be as good as the best traditional offerings. The early days of online learning are one example (p. xxiv).
In light of the lack of resources that many small colleges face, the idea of pioneering a new model that disrupts a cycle, as Christensen and Eyring suggest, may be cost- or resource- prohibitive as part of an innovation process. However, for some institutions, if there is a danger of closure, a more disruptive or riskier strategy may be what is needed. Risk can be mitigated with most innovation efforts by setting up the right environment for success, and building a strong culture of innovation will be crucial to these efforts. In order for small colleges to respond in new and innovative ways to the issues they are facing, they first must recognize the need and the role innovation will play in solving those issues; they must realize that business as usual is not sustainable (Kanter, 2001; Pepicello, 2012; Thorpe & Goldstein, 2010). Being able to identify and model the elements of successful innovative cultures will enable colleges and universities to promote and support similar activities at their institutions (Dombrowski et al., 2007; Rogers, 2003). The sheer need for survival can drive an institution to effect change; indeed, based on the issues facing small colleges, they are ripe for innovation. The first step is to develop a culture of innovation, but how does an organization—and a small college in particular—begin to do so?

Organizational and Innovative Cultures

In understanding how an organization develops a culture of innovation, it is important to first define “culture,” specifically in the context of an organization. In general terms, culture may be defined as the customs, rituals, and qualities that are passed down over time or over a group’s history (Kotter & Heskett, 1992; Schein, 2010). In a business, academic, or organizational setting, culture is ultimately made up of the values,
beliefs, underlying assumptions, attitudes, and behaviors shared by a group of people (Denison, 1990; Kotter & Heskett, 1992; Schein, 1985).

The study of culture, as it relates to organizational and corporate culture, emerged in the 1980s when organizational scholars began to look more closely at the concept of culture and how it could impact an organization’s effectiveness (Deal & Kennedy, 1982; Ouchi, 1981; Schein, 1985). Similar definitions are found in the literature describing organizational culture as a pattern of shared basic assumptions that a group learns as it works together to solve its external or internal problems (Cameron & Quinn, 2011; Ravasi & Schultz, 2006; Schein, 2010). These shared basic assumptions become the valid way of doing things, which then are passed onto new members of the group as a way to perceive and solve problems (Deal & Kennedy, 1982). Culture influences the behavior of individuals and groups within the organization, impacting how decisions are made, who makes them, how people are treated, and how the organization responds to its environment (Harrison & Stokes, 1992).

Being able to strategize better ways of doing business and creating new ideas for products and services drives the need to develop a culture of innovation. An organizational culture viewed as innovative is one where new ideas, or ideas that are perceived as new by the group, are adopted. An innovative culture supports the creation and implementation of new ideas as the norm; it never accepts the status quo but is rather a fluid culture open to change (Merrill, 2008; Morris, 2011; Rogers, 1962, 2003). If an organization creates new ideas or innovations on a regular basis and includes innovation as a key part of its strategy, then it is highly likely that a culture of innovation exists there (Morris, 2011).
Much has been researched and written regarding what is needed in order to develop an innovative culture. Research studies have been conducted using companies with established track records on innovation, such as 3M, Apple, HP, and Whole Foods (Dombrowski et al., 2007; Gallo, 2011; Hamel & Breen, 2007). These and similar studies examined organizations with innovative cultures in order to identify and better define the elements necessary to develop an innovative culture (Ahmed, 1998; Dombrowski et al., 2007; Tellis et al., 2009).

Numerous themes were apparent across the literature based on various research studies that focused on the makeup of innovative cultures and how these cultures developed. As a result of the research, a better understanding of the local context of these selected organizations helped to identify key elements of innovative practices. Although numerous elements necessary to develop a culture of innovation were discovered in the research, eight key ones were present across a number of studies. The eight elements include 1) a safe space, 2) democratic, lateral communication, 3) flexibility, 4) boundary spanning, 5) collaboration, 6) leadership, 7) having a cause or passion for the work, and 8) an innovative vision and mission statement (Ahmed, 1998; Dombrowski et al., 2007; Hamel, 2002; Morris, 2011; Rogers, 1963, 2003; Tellis et al., 2009). Although the eight do not make up an exhaustive list of the key elements needed when developing a culture of innovation, these are the characteristics that have surfaced most often in successful innovative organizations.

**Safe Space**

A safe space for innovative activities to occur ensures that innovation is allowed to occur in a hands-off manner, meaning the typical constraints of the business are not
present, thereby allowing individuals and groups involved in the innovation process to act freely (Dombrowski et al., 2007; Dyer et al., 2011). In the safe-space environment, team members are encouraged to take risks, openly express their opinions, and run experiments where failure is acceptable and not punished (Ahmed, 1998; Merrill, 2008). Examples of positive outcomes that came out of failed experiments include Post-It notes and WD-40 (water displacement number 40) where, after many tries—39 failures in the case of WD-40—both inventions finally worked and became extremely popular in the consumer and commercial markets (Dombrowski et al., 2007; Merrill, 2008).

The term “skunkworks,” defined by Rogers (1963, 2003) as “an especially enriched environment intended to help a small group of individuals design a new idea by escaping routine organizational procedures” (p. 149), is the earlier version of a “safe space.” The name originated during World War II from a Lockheed Martin research and development (R&D) project that was located close to a plastics factory where a strong smell was constantly present. The Lockheed Martin R&D workers nicknamed the project “skunkworks” (Lockheed Martin, 2014). The skunkworks is responsible for a number of new aircraft designs from Lockheed Martin; moreover, the term has been used for other R&D projects, such as the design of the Macintosh computer in the 1980s (Merrill, 2008; Rogers, 1963, 2003; Schrage, 1999). A skunkworks or safe space can provide the flexibility and creativity needed to innovate while at the same time providing the backup and stability that the larger, or more structured, parent organization brings.

**Democratic Lateral Communication**

Another element necessary to ensuring a culture of innovation is democratic lateral communication. Setting up a system that breaks down barriers in communication
and allows communication to flow easily encourages members of an organization to participate in decision making and problem solving, thus empowering them to be more innovative. The issues of hierarchy go away in a democratic lateral communication environment as individuals are encouraged to share ideas openly and comment on each other’s work no matter what level they occupy in the organization (Ahmed, 1998; Dombrowski et al., 2007).

A flattened hierarchy allows ideas and questions to permeate an entire organization. Everyone then has critical knowledge, which must be shared through open communication (Kanter, 2002; Morris, 2011). By decentralizing the communication process, a level of reporting freedom is created where CEOs are exposed to ideas that they would not normally hear due to the established hierarchy. This type of interaction and communication enables ideas to be equally judged from all levels, promoting a level of innovation that also supports an increased sense of pride for the team members (Ahmed, 1998; Hamel, 2000). One early example of democratic lateral communication comes from Gore-Tex (maker of the waterproof fabric used in outdoor and sports clothing). W. L. Gore, the founder, created a “lattice approach” in the organization in the early 1960s, where every individual in the company is connected to each other and there are no layers of management. In this culture information flows freely and team members can go to anyone in the organization to get what they need to be successful (Hamel & Breen, 2007; Hamel & Spence, 2010). Today Gore-Tex still has a flat organization where self-managed teams are the norm, continuing to promote a culture of innovation.
**Flexibility**

Ensuring flexibility or the ability to change, when developing an innovative culture, is critical to a culture’s being creative and innovative (Davila et al., 2013; Dombrowski et al., 2007). Flexibility in organizational structures, job functions, technological solutions, and geographic locations are just a few areas where innovative organizations look for fresh and new perspectives. Due to the pace of change in the marketplace, being flexible and adapting to change is critical to remaining innovative and competitive. Flexibility crosses over a number of other elements of innovative culture such as democratic lateral communication and collaboration. Without the flexibility of a flat organizational structure, allowing open access for all team members, the necessary communication may not be occurring in order to promote innovative ideas (Georgsdottir et al., 2003; Merrill, 2008).

Being a flexible organization greatly supports its efforts to respond to potential difficulties such as the economic crises from the most recent recessions of 2001 and 2008. Being flexible and supporting innovation efforts, especially during hard economic times, can be even more critical to the short- and long-term success of an organization (Anthony & Feinzaig, 2008; Merrill, 2008) where new products and ideas help an organization through a financial crisis. Examples of innovation efforts during the most recent recessions include the introduction of the iPod in 2001 by Apple and later the iPhone and the iTunes App Store in 2008. Procter & Gamble’s introduction of Crest’s Whitestrips in 2001 created a quick revenue stream for the company, and the retailer Target’s flexibility in 2008, as it expanded into food sales during the recession, brought in more than $1.8 billion in sales by 2010 (Anthony & Feinzaig, 2008; Gulati et al.,...
Evidence demonstrates that organizations that remain flexible in their thinking and behavior during a time of recession and then continue their innovation efforts normally come out ahead of their competition (Anthony, 2012; Platt, 2009).

**Boundary Spanning**

Ensuring that collaboration and communication occur across all departments in an organization is another critical element supporting an innovative culture. Going across boundaries, or “boundary spanning” (Dombrowski et al., 2007; Hamel, 2000; Merrill, 2008), whether it be internal or external, supports this collaboration. In most instances, senior leaders or managers take on the role of boundary spanners, leading the efforts to ensure coordination between each department and business unit and guarantee that knowledge is being shared across units. Boundary spanning, as an element of an innovative culture, represents the area where advanced thinking and breakthroughs take place, where solutions occur.

Identifying boundary roles leads to a more efficient and effective innovation process as the boundary-spanning leaders help to create alignment, direction, and a commitment across groups with an eye toward the higher goals of the organization (Dombrowski et al., 2007; Ernst & Chrobot-Mason, 2011). The major benefit of boundary spanning is that it provides a more flexible approach to respond to market changes when all departments are working across the organization.

**Collaboration**

The elements of an innovative culture—such as democratic lateral communication, flexibility, and boundary spanning—would be difficult to implement effectively without collaboration. Collaboration, or the process of working together and
sharing to achieve common goals (Dombrowski et al., 2007; Rosen, 2009), is crucial to a successful culture of innovation. Collaboration must be encouraged and supported from the top, starting with the senior leaders down through the ranks of the organization (Dombrowski et al., 2007; Dyer et al., 2011).

Additionally, collaboration with external stakeholders can lead to new innovations and changes in overall strategy based on the feedback from a collaborative network (Ahmed, 1998; Davila et al., 2013; Hyland & Beckett, 2005). An important aspect of collaboration is ensuring that networks are created inside and outside the organization and that those networks are constantly tapped into for feedback and new innovations. Examples of external and internal collaboration at work include a salesperson gaining input from a customer, then feeding it back to the creator of new products at the organization, or a university career adviser taking input from employers on graduate performance, then sharing it with faculty and administrators.

The effort needed to bring a new idea or product from infancy to implementation is dependent upon the innovation team and the operations team (the team managing the day-to-day activities of an organization) effectively collaborating in rolling out the innovation. Trust is a critical component of effective collaboration in order for these groups to feel comfortable openly sharing ideas and insights. Dombrowski et al. (2007) describes how some organizations have created “innovation parks” where scientists, engineers, product developers, supply chains, and universities come together to exchange ideas in a safe setting where open innovation can occur (p. 198). Davila et al. (2013) describe a similar scenario using 3M (the company best known for inventing the Post-It note) as an example of an organization that manages effective partnerships internally and
externally to support its innovation efforts by using its extended network not only to solicit new ideas but also to build teams for new initiatives (p. 23). In many instances, for effective collaboration to occur, a cultural shift may be necessary to ensure that an environment of trust and sharing is present (Davila et al., 2013; Rosen, 2009) in order to encourage innovation.

**Leadership**

Leadership, like collaboration, is a critical component of an innovative culture. The leader is the champion and supporter of innovation, organizing the innovation efforts and gathering the resources necessary to implement successful innovation (Christensen & Raynor, 2003; Dyer et al., 2011; Morris, 2008; Rogers, 1963, 2003). The leader must provide the guidance and tools necessary to support the creative process and ensure that the people, processes, and systems are in place in order to develop and sustain a culture of innovation (Dyer et al., 2011; Rogers, 1963, 2003). The driver of innovation at an organization, the leader could be the president or chief executive officer (CEO), the chief information officer (CIO), or a level below senior leadership at a vice presidential or director level. The leadership of an innovative organization will set goals to define innovation, determine the expected outcomes, and ensure that the resources are available to support the innovations (Dombrowski et al., 2007; Morris, 2008).

The leadership of an innovative culture may be driven by one individual or a team of senior managers who are able to support the efforts of the innovation teams. Dyer et al. (2011) describe the DNA of an innovative culture as one that, more than likely, reflects the leader’s DNA, citing Edgar Schein’s observations that a “company founder has a significant influence on the methods chosen to solve the organization’s early challenges”
(p. 167). If successful, the leader or founder’s approach to solutions then will become embedded in the organization, creating a culture of innovation as a result.

The leader or champion of an innovative culture tends to be a higher risk taker, more creative and innovation minded, and many times more influential than others (Christensen & Raynor, 2003; Dombrowski et al., 2007; Rogers, 1963, 2003). The leader has to be willing to accept and support failures and be patient with the innovation process. Additionally, innovative leaders tend to hire similarly minded people who will support the innovation process, thus perpetuating a culture of innovation (Davila et al., 2013; Dyer et al., 2011; Merrill, 2008).

**Having a Cause or Passion for the Work**

Stated throughout the literature as a key element in developing innovative cultures is the need to have a cause or a passion for the work (Hamel & Breen, 2007; Handy, 2002; Morris, 2011), something that Hamel (2002) refers to as a “revolutionary fervor” (p. 260). Believing in a cause and feeling that the cause can make a difference is considered a key attribute for a successful team in an innovative culture. In Gallo’s study of Steve Jobs and his innovation secrets (2007), the first of his seven principles for business is “Do what you love” (p. 9), a principle Jobs ensured was passed onto his team. According to research on the DNA of innovative leaders and teams by Dyer et al. (2011), caring about your work and having a cause continued to surface as a key element that innovation leaders used to promote their culture. An example comes from Virgin’s founder Sir Richard Branson, who exhorts his employees to “care about something enough to do something about it” (p. 235).
Innovative teams look upon their work more as a cause, not a business, believing that their work is something truly noble that goes beyond growth and profits. For most innovators, it is a genuine desire to make a very special difference for their customers; in other words, it becomes a higher purpose to them (Dyer et al., 2011; Hamel, 2002; Hamel & Breen, 2007; Merrill 2008). The type of individuals who thrive in an innovative culture are those who do not have wealth or status as their first priority, but rather seek a way to make a difference by having a cause that they can commit to and a passion for the cause (Gallo, 2007; Handy, 2002).

By evaluating all employees on their innovation efforts, everyone has the potential for rewards and recognition, potentially adding to the religious fervor when they are recognized. Numerous studies have demonstrated that strong innovation-based cultures outperform cultures that do not make innovation a part of their everyday life (Denison & Mishra, 1995; Dyer et al., 2011; Kotter and Heskett, 1992; Rogers, 1962, 2003). According to Hamel (2002), the sense of renewal and revolution that comes from an innovative culture leads to an organization being able to “reinvent both themselves and their industries” (p. 211), hence showing a true resiliency and ability to succeed even during difficult economic times.

**An Innovative Vision and Mission Statement**

The need for a shared belief in the mission and vision of an organization among its people is a critical factor in the success of an organization (Dombrowski et al., 2007; Kotter & Cohen, 2002). The vision and mission must provide meaning and direction. As Collins & Porras (1994) state, “A visionary company creates a total environment that envelops employees, bombarding them with a set of signals so consistent and mutually
reinforcing that it’s virtually impossible to misunderstand the company’s ideology and ambitions” (pp. 201–202). A vision and mission statement provides the needed guidance, especially during times of growth and change, and is a way to focus the energy of the group in one direction.

Working toward a common goal where recognition and reward are in alignment with the vision and mission statement will have a positive impact on overall organizational performance. An example, as described by Collins & Porras (1994), is that of Ford Motor Company aligning its operations, strategies, and tactics to be consistent with its mission, values, and guiding principles (p. 202). Based on this alignment, Ford Motor Company experienced a great turnaround in the 1980s and has continued to experience long-term financial performance. A vision and mission provides a purpose and a long-term direction to the members of the organization; ensuring that innovation is an integral part of the vision and mission statements and is modeled by the culture contributes greatly to the overall effectiveness of the organization (Collins & Porras, 1994; Denison & Mishra, 1995; Kotter & Cohen, 2002).

These eight elements are not an exhaustive list of the norms and beliefs of an innovative culture but rather those most often found at organizations involved in the creation and implementation of new ideas. Innovative cultures must think differently and act differently if innovation is to occur; therefore, specific elements must be present and cultivated in an organization in order to promote innovation and change (Dyer et al., 2011; Merrill, 2008). The literature reveals additional elements of innovative cultures such as creating measures for tracking success (Merrill, 2008) and offering incentives for those who innovate (Dombrowski et al., 2007). Although the former may be helpful to
keep in mind when developing a culture of innovation, these elements have not been as pronounced in the literature as the eight elements described.

Rogers describes similar characteristics necessary to develop innovative cultures in his book, *Diffusions of Innovation* (1963, 2003); however, one particular element Rogers identifies that is not as prevalent across the literature is that of size (p. 409). The depth and breadth of Rogers’s work and the focus on innovative cultures in small colleges warrants a mention of how size may impact the development of these cultures.

In early studies of innovative cultures, larger-sized organizations were found to be more innovative than smaller ones (Rogers, 1963, 2003). The size of the budget and staff, as well as the city in which an organization resides all may have an impact on the degree to which innovation is occurring and innovative cultures are present (p. 409). If size dictates the level or amount of innovation that is likely to occur, then smaller organizations and institutions potentially could have a more difficult time adopting innovation into their culture. More recent trends, however, are beginning to show the opposite effect such that smaller start-up companies are assisting larger organizations with innovation efforts, a reversal of sorts if size is considered (Hamel, 2002; Klein, 2014). In these instances, larger organizations are finding their innovation efforts slowing down, becoming sluggish, and in need of outside support.

**Innovation in Higher Education**

The literature on innovation is vast, particularly as it relates to innovation in the business world within corporate models. During the past couple of decades, however, more has been researched and written on innovation in higher education, specifically relating to larger research institutions, community colleges, and mid-sized institutions
(Christensen & Eyring, 2011; Hoffman & Spangehl, 2012; Thorpe & Goldstein, 2010; Wildavsky et al., 2011). The literature on innovation as it relates to small colleges is not as extensive as the literature on innovation at research universities or larger institutions, perhaps demonstrating the lack of innovative activity going on at small colleges or the need for further study and research. Studies on strategic change management (Chaffee, 1984) and creating distinctiveness (Townsend, 1992), as it relates to successful change initiatives at small colleges, can be found in the literature; however, it is not as easily discerned if these practices are truly innovative or just unique to the institution.

Beyond the innovative work of research universities or the technological advances in certain areas of teaching and learning, innovation is not always a term easily attributed to the nonprofit world of higher education (Brewer & Tierney, 2012), specifically when referring to smaller colleges. There is a belief that innovation is hard to accomplish in higher education due to the tendency to solve problems in isolation, as many academics focus solely on their own disciplines (Boyer et al., 2013; Selingo, 2014). Additionally, the rigidity of the regulatory climate and having to navigate through political issues takes time away from senior administrators and their team members, thus limiting their ability to be creative and work toward innovation. The elements of an innovative culture—such as flexibility, collaboration, open and democratic communication, and the cross-functional interaction needed in boundary spanning—may be quite uncommon for higher education institutions, where much of the work is done in silos.

Kirschner (2012) describes innovation in higher education as something that is often talked about, written about, and discussed but which must move beyond
conversation to action in order for higher education to change its pace from where it is now—“stuck between sluggish and glacial” (p. B6). In many instances, the administration and faculty want to make progress and look for new ways of doing things yet still “preserve the status quo” (p. B6), which many times will be a deterrent to building an innovative culture. Considering approaches such as consolidating or closing current programs, redesigning existing models, incorporating online and competency-based coursework and degree programs, and outsourcing support services make clear the reality that administrators and faculty must be ready to make the tough decisions.

The landscape regarding innovation, however, is changing as the current state of higher education in the United States appears to be in decline compared to colleges in countries where student participation and degree completion is increasing (Christensen & Eyring, 2011). Based on 2012 indicators from the OCED (2014), the United States has landed 12th in the world when it comes to the percentage of 25- to 34-year-olds with postsecondary credentials, sitting at 44 percent (p. 35). South Korea came in first in the world with 66 percent of its 25- to 34-year-old population having some type of postsecondary credential. Japan came in second at 59 percent and Canada third at 58 percent, with Russia following in fourth place at 56 percent. The fear is that the U.S will continue to fall behind in the percentage of educated adults while countries of much larger populations, such as China, have doubled their education participation rates for the 25 to 34 population in the last decade (OECD, 2014). The efforts to innovate at U.S. higher education institutions, as a means of catching up, has become a major topic of discussion and research during the past decade as institutions, thought leaders, and

Traditional colleges, and small colleges in particular, need to embrace the idea of new ways of doing things and look toward ways to encourage innovation. In a “pulse” survey of New England college presidents (Halfond & Stokes, 2013), respondents agreed that new models would be necessary to sustain small colleges in the region. Only 6 percent of those surveyed disagree with the idea that it would be necessary to consider new educational models in order to compete successfully in the future (Halfond & Stokes, 2013). New financial models, online learning, and expanding the reach outside New England are a few examples of the ways small colleges will need to start looking at change and innovation within their institutions.

As previously described, to be considered disruptive, the innovation would result in a bigger-and-better cycle where a product or service may be brought to the market that is easier and more affordable. One earlier example of this type of disruptive innovation is that of the community college model, which answered the need for more affordable and accessible options for students after World War II (Christensen & Eyring, 2011; Glasper, 2013; Thelin, 2004, 2011). Tremendous growth occurred in the 1960s with more than 457 community colleges opening; today, more than half of the undergraduates in the U.S. attend community colleges (American Association of Community Colleges, 2014; Glasper, 2013).

Online education is a disruptive innovation that has taken hold of the higher education market, especially during the past 10 years. Customers—or, in this case, students—who would not normally consume a product or pursue their degree are now
able to have access where before they did not. Particularly during the past 10 years, the online student is one who may have delayed pursuing a postsecondary education, is employed full-time, financially independent, and needs to attend a degree program on a part-time basis (Layne et al., 2013). In a 2013 survey of newly enrolled, online, degree-seeking students, out of the 1,500 who were surveyed, 45 percent reported that if an online option was not available, they would not have enrolled for a degree program (Aslanian & Clinefelter, 2013). Preparing or cultivating an innovative approach and culture within the organization to be ready to embrace these models becomes a major step in the process.

Disruptive innovation may take a variety of forms beyond pure online classes such as massive open online courses (MOOCs), competency-based degree models (a student progresses by demonstrating a mastery of the knowledge and skills required for a particular course and goes at his or her own pace), and flipped classrooms (students learn on their own through readings and video lectures, then spend the time in the classroom making practical applications of that knowledge). In many cases, these low-tuition and more flexible models have become examples of potential disruptors in higher education (Schejbel, 2012), although it is too early to tell whether these particular models will be true disruptors, as online learning has become. The growth and adoption rate would need to increase exponentially, similar to online degree models. A disruptive innovation also may be disruptive to a particular institution depending on its situation. For many institutions, adopting online learning has been a slower process where even recognition of the delivery model has been challenged. For instance, some institutions have not allowed students to transfer credits for online coursework (Straumshein, 2014). For many
liberal arts colleges in particular, online learning would be considered a disruptive
innovation once they decide to implement the model and deliver it at an affordable cost
to students.

**Innovative Cultures in Small Colleges**

The current literature on innovation as it relates to higher education infers that
innovative practices and a culture that supports innovation is the answer to higher
education’s woes. In a recent survey on attitudes about innovation at four-year, not-for-
profit institutions, 53 percent of college presidents and 42 percent of faculty agreed that a
moderate amount of innovation is necessary to fix the issues (Selingo, 2013). Eight
specific elements were outlined earlier in the literature review, describing what is
necessary to support these innovative efforts that will impact change (Ahmed, 1998;
Dombrowski et al., 2007; Rogers, 2003; Tellis, 2009).

There is little research to be found in the literature regarding innovative efforts
or innovative cultures at small colleges in particular. Since the 1970s, the Funds for the
Improvement of Post-Secondary Education (FIPSE), a division of the U.S. Department
of Education, have promoted innovative efforts in the form of funding for some small
colleges. One source of assistance from FIPSE has been the First in the World Grant.
This funding “spurs the development of innovations that improve educational outcomes,
makes college more affordable for students and families, and develops an evidence base
of effective practices” (U.S. Department of Education, 2014). Beyond FIPSE, it could
very well be that the term “innovation” has been used mostly in reference to
technological advances in higher education or the innovative efforts at larger research
institutions. In the past, innovative cultures may have been active at small colleges, but
the term “innovation” may not have been used in the literature or associated with the types of ideas and activities having an impact on change at small colleges.

Studies on impactful change in small colleges are found in the literature and have similar characteristics as those elements present in innovative cultures. Chaffee’s 1984 study, *Successful Strategic Management in Small Private Colleges*—where two small liberal arts colleges were studied in order to determine why one set of colleges made a dramatic recovery from financial crises while the other set did not—highlights the importance of a shared purpose and mission (p. 231). The need for institutional self-definition (shared mission), where the entire college community understands its goals and aspirations and agrees to make decisions based on those goals, was an element found in the culture of the more successful institutions (p. 231) and was similar to the shared vision and mission in innovative cultures outside higher education.

Similarly in Cowan’s study of small college turnarounds (1993), in the successful schools studied, a clearly articulated and shared mission and purpose distinguished the successful institutions from the unsuccessful ones in working through a turnaround (p. 34). Additional studies focused on successful small college turnaround efforts are consistent in highlighting the importance of the mission, vision, and goals of the institution being shared across constituencies, thereby adding to a spirit of collaboration, teamwork, and revitalization (Hartley, 2003; Merante & Ireland, 1993; Peck, 1984).

Just as in an innovative culture, the role of the leader in small colleges is once again a critical element for effecting change. According to Chaffee’s study (1984), the successful small colleges were 42 percent more open to change than the less successful colleges. The leaders of the successful small institutions made clear the need for new
ideas and willingness to change, encouraging and effectively using different modes of communication to effect change and support the efforts for those working on change (Bonvillian & Murphy, 1996; Chaffee, 1984; Merante & Ireland, 1993; Peck, 1984).

The leaders in many of these cases have an entrepreneurial focus and approach to decision making, being willing to take risk as they look toward new methods for solving issues. Peck (1984) describes this type of leader as one who acts swiftly and with certainty when responding to institutional needs. Especially if the culture is violated or rules are broken, they do not hesitate to use the force of their office to confront these problems (p. 278).

Similarly, Hammond (1984) refers to the administrative organization and the leader as one who responds to the needs of the market as a professional manager and understands rational decision making and the need at times to say “no” (p. 386). The characteristics of successful small college leaders who influence revitalization or turnaround efforts closely resemble those of leaders in innovative cultures described earlier in this literature review. Additionally, the more successful small colleges are much more open to change and perform better by being more flexible with their resources and in their actions.

The term “innovation” may not have been used as liberally in the 1980s and 1990s when referencing higher education cultures as it is today (Kirschner, 2012), but the characteristics that these studies describe may have evolved easily into today’s elements of innovative cultures. How, then, will truly innovative cultures be formed and sustained at small colleges in order to create new ideas that support the financial viability of the institution? In a survey conducted by Halfond and Stokes (2013) polling small New
England institutions on the topic of successfully competing in the current market, many small college presidents believed that their faculty and staff were up for the challenge. These leaders felt that the tide has changed; no longer do they see their professors as inflexible but instead as more willing to be creative in building a culture of innovation and searching for paths to sustainability. For many small colleges, staying true to their mission and continuing to offer the small college experience for those students who desire it, the challenge will be to balance the cost of delivering on the traditional college experience as they also look toward innovative ways to deliver higher education.

**Moving to a Culture of Innovation**

Various sources may impact a culture, including the belief systems and values of the founders of the organization (Schein, 2010), external factors (Cameron & Quinn, 2011; Schein, 2010), and a response to a crisis or scandal (Hartley, 2003; Kotter & Heskett, 1992; Schein, 2010). In a number of instances, a crisis occurs for such a move to happen, as Hammond (1984) states in his research of three small colleges: “Only under an acknowledged threat did each institution evaluate and redirect its goals, reallocating inducements to support a new direction” (p. 370). Similarly, Hartley (2003) describes the “crisis of purpose” that was present in the 1980s at the three liberal arts colleges in his study (p. 82). Their troubles stemmed from declining enrollment, mounting debt, and a realization that the status quo was no longer acceptable (p. 85). Troubled times can be the catalyst for organizations to shift their culture as a means to address crisis. In Chaffee’s study (1984), 14 institutions were recovering from financial decline, with half of the colleges showing more resiliency than the others based on the institutions’ approach to turnaround management (p. 234).
Innovative cultures end up developing in response to a crisis, in response to external factors in the market (where people are expecting innovation to occur with improved products and services), and in response to a leader’s vision for a new product or service (Cameron & Quinn, 2011; Merrill, 2008). In an innovative move reacting to declining enrollment, financial issues, and lack of name recognition, Southern New Hampshire University’s (SNHU) president and board of trustees decided to borrow funds in order to expand its online offerings and move from online courses to fully online degree programs in 2008. The leadership took a risk by borrowing capital dollars to support these efforts championing the innovation for SNHU (Kamenetz, 2012; Personal Communication, P. LeBlanc, July 5, 2012). These efforts led to an enrollment surge during the past five years, and outreach for students expanded nationally as SNHU responded to affordability and accessibility issues. Coming in at number 12 on the list of Fast Company’s 50 Most Innovative Companies of 2012, SNHU was the only higher education institution to make the list (Kamenetz, 2012). Now with more than 40,000 online students, SNHU’s pioneering effort has turned what was once a small college into an innovative university (Kingkade, 2014; Southern New Hampshire University, 2014).

Comparing the elements of innovative cultures (Ahmed, 1998; Dombrowski et al., 2007; Tellis, 2009) to SNHU’s culture, it is evident that the same elements are present at SNHU that can be found at many innovative organizations. SNHU made a decision to move fast and take risks as an innovative institution implementing online degree programs; such a course would not be the norm for traditional and small colleges. Christensen and Horn (2013) see traditional colleges as “currently on their hybrid voyage across the ocean” (p. 1) as it relates to the disruptive innovation of online education. The
question remains whether traditional colleges, and small colleges in particular, will be comfortable taking risks and adopting disruptive innovations as part of their culture.

Christensen and Horn (2013), in one example of how ignoring innovation can have a dire impact, liken schools’ slowness in fully adopting online degree programs to the sailors in the 1800s who ignored the power of steam as a solution for crossing oceans. As fully steam-operated ships became faster and able to move across the ocean, building hybrid ships that used steam and sails eventually led to the demise of transoceanic sailing companies. In this example of disruptive innovation, online education, if not fully embraced as a new model for offering degree programs, may lead to the demise of traditional and small colleges in particular (p. 1).

There are other real examples of colleges embracing change and creating their own cultures of innovation in large and small ways. Just as Christensen and Eyring studied innovative higher education institutions, Selingo—in his 2013 book, *College (Un)bound: The Future of Higher Education and What It Means for Its Students*—introduced numerous examples of higher education institutions that he considered forward-thinking universities or “colleges of the future” (p. 184) that parents and students should keep an eye on. Selingo took a closer look at how institutions have been using innovative ideas to fix what may be perceived as broken in higher education, addressing the affordability, accessibility, and quality outcomes issues.

The previous examples begin to demonstrate that innovative cultures can be created and cultivated at smaller colleges to impact change. Despite the current increased size of some of these institutions, when the innovative efforts were under way, they were still in the small- college category. Leaders had to make room for innovation in order to
address the issues the institution was facing at the time. The diffusion of these innovative efforts would be the next logical step in assisting other small colleges to create and support innovative cultures. The diffusion model, as presented by Rogers (2003), is defined as a “process by which innovation is communicated through certain channels over time among the members of a social system” (p. 11). Online education is one example of an innovation that has been diffused through the social system of higher education; however, with only a portion of small colleges taking advantage of this innovation, there is much opportunity for additional diffusion to occur.
Chapter 3

Methodology

The primary purpose of this study is to explore how two small colleges adopted innovative strategies that maintained or improved their fiscal strength during a time when most small colleges were experiencing financial decline. How these innovative cultures were developed and sustained at these small colleges, and their relation to the strategies employed, is also explored in this study. A qualitative research method was used that allowed for flexibility with the research design as the study unfolded (Maxwell, 2013). Studying the participants at their college campuses as part of the research design also allowed for collecting data in the participants’ natural setting, which helped to make sense of the meanings they brought to adopting innovative practices (Creswell, 2013).

An exploratory case-study approach was taken by studying these two small colleges in their real-life context (Yin, 2009).

Determining the definition of innovative strategies and cultures was important before approaching institutions for site selection in order to determine if the institutions could demonstrate fiscal health based on innovative practices. The definition of innovation that I used in the site-selection process was a synthesis of definitions taken from my review of the literature. The definition came from Rogers’s (1962, 2003) seminal work, *Diffusions of Innovation*, where innovation is defined as “an idea, practice or object that is perceived as new by an individual or other unit of adoption” (p. 12). The full definition that was used for this study in the site-selection process was “a new idea or
practice that has transformed the culture in a way that has positively impacted the fiscal strength and stability of the institution and improved the student experience.”

I was purposeful in choosing institutions that had demonstrated cultures of innovation and did so using my definition of innovation. Additionally, I looked at elements of innovative cultures from a broader spectrum of literature on innovation and focused on those elements that were recurring such as: 1) a safe space, 2) democratic, lateral communication, 3) flexibility, 4) boundary spanning, 5) collaboration, 6) leadership, 7) having a cause or passion for the work, and 8) an innovative vision and mission statement (Ahmed, 1998; Dombrowski et al., 2007; Hamel, 2002; Morris, 2011; Rogers, 1963, 2003; Tellis et al., 2009). It was important to ensure that the success of the institutions chosen had not been due to a one-time occurrence of innovation or a unique action that was taken that did not fit the definition of innovative practices or cultures.

As I explored how the specific phenomenon of innovative strategies and cultures improved the fiscal strength of these colleges, I compared various sources of evidence in order to better understand the patterns of behavior and decision making. I continued to assess how the design was working throughout the study in case any adjustments or changes to the research design had to be made as themes emerged (Maxwell, 2013). The overall intent of this research is to better inform small colleges about how they might create and sustain innovative strategies and cultures to improve their fiscal health.

**Research Design**

Using a case-study design as the qualitative approach for this research, I explored two small colleges through in-depth data collection with the purpose of conducting collective or multiple case studies (Stake, 1995) where an issue or concern was explored.
The case-study approach was determined to be appropriate for this study, as there were clear cases to study through identifying small colleges that demonstrated fiscal health during challenging economic times (the recession of 2008–2009) and were able to sustain that fiscal health over a longer duration. The intent of this research was to study current cases that provided real-life data from two small colleges (Creswell, 2013).

According to Yin (2009), case studies have been used as a common research method in education out of the desire to understand complex social phenomena (p. 4). The research is not as widespread on innovative practices and cultures positively impacting enrollment and revenue at small colleges; therefore, using a case-study method for my research has contributed to the body of knowledge on innovative practices and cultures at small colleges. Given that many small colleges are financially struggling, some even to the point of questioning whether they will survive long term (Rivard, 2013); this study describes potential solutions for struggling colleges based on the innovative practices of their peers.

Using a case-study approach helped me to better understand the social phenomena of how innovative cultures have boosted fiscal strength at these institutions. The case-study approach also helped me retain a more holistic perspective as I studied the administrative and faculty processes and practices as they relate to the creation and implementation of innovative ideas and strategies (Yin, 2014). I conducted purposeful sampling in order to identify the most appropriate cases (Creswell, 2013) based on evidence of innovative practices or cultures. The narrowing of sites will be described further in the next section.

**Sampling Strategy and Site Selection**
This study focuses on two small colleges, with “small” in this context being defined as colleges that had an enrollment of approximately 3,000 students as of fall 2013. The Carnegie Classification of Institutions of Higher Education (2014) puts four-year, degree-granting institutions in the “small four-year” category if the institutions are at a full-time equivalent (FTE) of 1,000 to 2,999 degree-seeking students. I reviewed data for the site selection at different intervals for the past nine years in order to study prerecession, recessionary, and postrecession data from 2005 through 2013. The logic behind this time frame was to identify the enrollment and revenue performance of small colleges before and after the 2008 recession in the United States, given that many small colleges’ enrollments and revenues were impacted negatively during this time frame (Rivard, 2013). The baseline year used was 2005 as the starting point to measure the key indicators of growth.

The first step in identifying specific sites for this study was to engage higher education leaders knowledgeable on the topic of small colleges and innovation. This first step was critical in order to ensure that the participants had experience in the phenomenon being studied—using innovative strategies to impact fiscal strength (Creswell, 2013). I conducted a combination of phone and in-person discussions with these leaders to better identify small colleges in the 3,000 or fewer student range that are thought of as innovative in areas such as new delivery models, business models, student engagement models, and type of program offerings. Leaders who contributed potential college sites for this study included the president of the Council of Independent Colleges (CIC), the chair of the Council for Adult and Experiential Learning (CAEL), who is also the president of SNHU (my employer), the president of the Commission
on Institutions of Higher Education for the New England Association of Schools and Colleges, and a number of small college presidents.

I identified additional sites through the Lumina Foundation’s work on the Project for the Future of Independent Higher Education (Lumina Foundation, 2014). This committee consists of 24 independent college and university presidents who are working to explore fresh approaches to higher education, new business models, and potentially disruptive changes to education. This project has a special emphasis on innovation along with the traditional qualities and missions of independent liberal arts colleges. The 24 colleges supplied another list of potential participants for this study.

Another list of prospects included the award winners of the First in the World Grant (FITW) sponsored by the U.S. Department of Education. The purpose of the FITW is to “provide grants to institutions of higher education to spur the development of innovations that improve educational outcomes and make college more affordable for students and families, and to develop an evidence base of effective practices” (U.S. Department of Education, 2014). Twenty-four grantees were awarded FITW grants including four small- to medium-sized liberal arts colleges. Additionally, my search through the recent literature also aided my awareness of potential sites. The literature included higher education news publications, research studies, recent books and articles from authors such as Clay Christensen (professor, author, and the world’s foremost authority on disruptive innovation), Jeff Selingo (contributing and former top editor to the Chronicle of Higher Education and author), and other researchers focused on innovation and the future of higher education.
The list of potential sites, based on my research and discussions with key higher education leaders, consisted of approximately 20 institutions. The next step was to conduct a purposeful sampling of data related to these 20 institutions using the Integrated Postsecondary Education Data System (IPEDS) in order to identify two key data points that demonstrated fiscal strength. The FTE enrollment and revenue from tuition and fees (see Table 1) were the two data points that I chose for the sampling. After collecting and reviewing enrollment and revenue growth for the 20 small colleges, it was clear that seven of the 20 small colleges had experienced improved enrollment and revenue growth from 2005 to 2013. Five out of the seven small colleges (Colleges 1, 2, 3, 4, and 6) showed consistent enrollment and revenue growth through the 2008 recession with increases from 2008 to 2009.
Table 1—Total FTE Enrollment and Revenue (Tuition and Fees) Data for Potential Small College Research Participants

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>College 1*</td>
<td>1,772</td>
<td>2,131</td>
<td>2218</td>
<td>2,343</td>
<td>2,429</td>
<td>$14.2m</td>
<td>$21.6m</td>
<td>$23.4m</td>
<td>$28m</td>
<td>$30.2m</td>
</tr>
<tr>
<td>College 2*</td>
<td>2,365</td>
<td>2,428</td>
<td>2,509</td>
<td>2,555</td>
<td>2,586</td>
<td>$23.5m</td>
<td>$30.5m</td>
<td>$33.7m</td>
<td>$40.2m</td>
<td>$40.9m</td>
</tr>
<tr>
<td>College 3*</td>
<td>1,148</td>
<td>1,249</td>
<td>1,369</td>
<td>1,989</td>
<td>2,038</td>
<td>$13.4m</td>
<td>$15.8m</td>
<td>$18m</td>
<td>$25.8m</td>
<td>$29.3m</td>
</tr>
<tr>
<td>College 4</td>
<td>1,815</td>
<td>2,368</td>
<td>2,375</td>
<td>2,877</td>
<td>2,635</td>
<td>$27.1m</td>
<td>$39.1m</td>
<td>$47m</td>
<td>$55.6m</td>
<td>$57.8m</td>
</tr>
<tr>
<td>College 5</td>
<td>1,034</td>
<td>1,025</td>
<td>1,298</td>
<td>1,576</td>
<td>1,610</td>
<td>$9.6m</td>
<td>$11.3m</td>
<td>$21.3m</td>
<td>$21.3m</td>
<td>$22.8m</td>
</tr>
<tr>
<td>College 6*</td>
<td>2,180</td>
<td>2,496</td>
<td>2,519</td>
<td>3,005</td>
<td>3,199</td>
<td>$30m</td>
<td>$36.2m</td>
<td>$39.7m</td>
<td>$50.7m</td>
<td>$51m</td>
</tr>
<tr>
<td>College 7</td>
<td>1,598</td>
<td>1,765</td>
<td>1,731</td>
<td>1,687</td>
<td>1,748</td>
<td>$28.5m</td>
<td>$36.2m</td>
<td>$37.4m</td>
<td>$35.6m</td>
<td>$37.2m</td>
</tr>
</tbody>
</table>

Source: IPEDS, 2014

*Colleges showing consistent enrollment and revenue growth from 2005 to 2013

Two small colleges (Colleges 5 and 7) showed a decrease in enrollment in 2008–2009 from previous years. Although revenue increased for College 5 from 2005 to 2008, this increase could be due to a tuition and fees increase, given that the decrease in enrollment from 2005 to 2008 was only a small decrease of nine students. Four small colleges (College 1, 2, 3, and 6) showed consistent enrollment growth from 2005 to 2013. College 4 showed a significant decrease in enrollment from 2012 to 2013 yet recorded an increase in revenue of more than $2 million during that time. This seeming anomaly could be due to an input error in enrollment figures or perhaps tuition and revenue sources were coming from other programs that were not counted in the FTE enrollment.
data. Realizing that this issue could be the fault of the IPEDS data, I left this small college on the list as a potential participant.

Staying with the small colleges that have shown consistent enrollment and revenue growth during prerecession (2005), recessionary (2008–2009) and postrecession times (2012–2013), and counting College 4’s enrollment decrease as an anomaly, there were five small colleges (1, 2, 3, 4, and 6) that I chose to explore further in my site selection. Follow-up research following site selection for these five small colleges included 1) researching any current literature or articles that informed how they were taking innovative strategies and approaches at their institutions, 2) conversations with key individuals who had in-depth knowledge of these institutions such as their accrediting bodies, where much of the information requested was also public in nature, and 3) reviewing in detail the website and catalogs for these institutions to understand further the approaches that they had been taking.

As a result of this further exploration, I discovered that College 4 could be considered a conflict of interest due to related individuals involved in my dissertation work and at the college; therefore, College 4 was removed the list. For Colleges 1, 2, 3, and 6, the college presidents for each institution were contacted via email requesting time for a brief phone conversation regarding my research. Colleges 1, 3, and 6 were quick to respond, and a phone appointment was scheduled and conducted with the president of each college. The president for College 2 was not able to accommodate my request for a phone conversation within the amount of time needed. However, we agreed to be back in touch if, for some reason, one of the other college sites did not work out. During the course of the phone conversations with the presidents from colleges 1, 3, and 6, I asked
a number of questions to determine what types of innovative strategies they were using and what types of innovative activities were occurring. Each phone conversation lasted approximately 30 minutes in length; following is a sampling of questions that I asked of the presidents:

- In what way does your institution create an environment where innovation can occur?
- In what way does the leadership of the institution support the creative process?
- How is the institution making a positive difference for students?
- In what ways is innovation apparent at your institution? How is innovation supported?
- To what extent does the institution’s vision and mission provide guidance for innovation efforts?

Once the preliminary data were collected from interviews, college publications, college websites, newspapers, journal articles, and IPEDS, the data then was triangulated. The triangulation assisted in rank ordering the colleges based on their fiscal strength and the elements of innovative culture and innovative strategies/practices gleaned from the phone conversations. As a result of the preliminary data analysis, Colleges 1 and 6 were chosen as sites for this study based on their innovative approaches and activities along with their demonstrated fiscal strength.

**Site Access**

The presidents of Colleges 1, 3, and 6 were very supportive, agreeing on the preliminary phone call to allow me to conduct additional research at their institution if I so desired. Being able to have such accommodating and supportive participants was due
in large part to the way I was able to gain access. Initially I tapped into my own network of colleagues and, in turn, their colleagues. As a former commissioner for the New England Association of Schools and Colleges (NEASC) Commission on Institutions of Higher Education (CIHE), the accrediting body for New England schools, I had the opportunity to interact quite extensively with college presidents, chancellors, and various college leaders in the New England region. Additionally, the CIHE staff members were very willing to assist me with my research and offered a number of suggestions of innovative small colleges in New England.

My president, Paul LeBlanc, at SNHU has been heavily involved in higher education think tanks and working groups that are focused on innovation in higher education. SNHU has been touted as one of the more innovative higher education institutions during the past three years (Howard, 2012; Kamenetz, 2012; Obama, 2013; U.S. Department of Education, 2014) based on new delivery and business models that have been implemented at the university, causing exponential growth and greater access for students. President LeBlanc was named one of 15 innovative educators by Forbes in 2012 (Howard, 2012), and his network includes organizations and think tanks such as the Gates, New America, and Lumina Foundations; Public Agenda; and the Clinton Global Initiative. Additionally, disruptive innovative theorist Clay Christensen served on the SNHU Board of Trustees for a number of years until joining the board of directors of a new division of SNHU, Motivis Learning. (Motivis Learning is a start-up company that will provide next-generation technology for higher education institutions focused on student outcomes.) Although SNHU has been considered a pioneer in the world of innovation in higher education (Kamenetz, 2012), for the purpose of this research I
decided against studying my own institution based on the power imbalance that it might bring in my position as chief administrative officer of SNHU and how that imbalance potentially could get in the way of my ability to collect good data (Creswell, 2013). In addition, my own biases in my role and experiences at SNHU may have made it difficult for me to maintain an objective opinion regarding innovative practices being a part of the culture.

Gaining access to specific individuals at the colleges went fairly smoothly, with the presidents of both colleges identifying a point person to assist me with scheduling my visit and individual interviews. Through trust building, offering anonymity, and using consent forms for individuals, the participants were very willing to assist with my research. The presidents’ staffs were extremely accommodating in approaching individual participants and scheduling interviews for when I would be visiting each campus. I was able to review the list of potential participants and request additional participants from various departments and constituencies of the colleges ahead of my visit. For example, at College 1, the board of trustees was not represented at first on the list of participants, so the chief of staff ensured that there was board representation in my study by the time my visit occurred.

**Data Collection**

Preliminary data collection for this study actually began in the early research stage of the site selection, as previously described. The IPEDS data helped to better determine each college’s fiscal situation by reviewing the enrollment and revenue progress during the past nine years. The site selection research also helped to identify specific innovative activities and strategies being utilized at each institution to better
determine which institutions were heavily engaged in innovative practices. The next step of data collection, and the most major part of the study, was the individual interviews conducted at each site. Additional data collected for this research study included planning documents from the colleges, historical documents, and onsite observations during my time visiting each campus.

The purpose of the interviews was to gain a better understanding, through the use of open-ended questions, about how these colleges were able to use innovative strategies that maintained or improved their fiscal strength. Additionally, I was there to learn more from the participants about the process and culture of innovation at their college that led to implementing strategies that ultimately put them in a better situation financially. The participants were selected based on their involvement and impact on the innovative strategies. A combination of my own recommendations to the presidents for the types of positions that I felt would be helpful in this study and the presidents’ recommendations made for a robust list of participants at each college campus. Interviews included the college presidents, members of the senior leadership team, members of the boards of trustees, alumni, academic deans, faculty, student affairs professionals, and members of the administrative departments such as financial aid, student accounts, and finance.

My interview questions became a follow-up from the initial questions asked of the college presidents in the site-selection process and focused on their meaning of innovation, how they believed innovation was apparent at their institution, and the strategies and practices they used that support a culture of innovation. Interview questions included: What does innovation mean to you? In what ways is innovation apparent at your institution? Why do you think innovation is happening at your
institution? In what way does your institution create an environment where innovation can occur? How are the innovations occurring at your institution making a positive difference for students?

I spent three days at each college in order to have enough time to interview the necessary participants, conducting 16 interviews at College 1 and 24 interviews at College 6 for a total of 40 interviews. Of the 24 interviews conducted at College 6, four were conducted over the phone due to three board members who were either traveling or lived out of state and one academic leader who had a scheduling conflict.

The interviews were audio-recorded and transcribed, and the participants were informed that confidentiality would be maintained, that they would remain anonymous in the study, and that all presentations and publications would ensure their confidentiality. Each interview lasted anywhere between 60 to 75 minutes depending on the individual. Additional document collection—in the form of the colleges’ catalogs, research forums, historical writings, and other documents relating to innovative work at the colleges—made it possible to review innovation from a culture and practice perspective. The availability of additional documents was helpful in this case study in triangulating the data and addressing a broader range of issues where converging lines of inquiry were present (Yin, 2009). Triangulation became a combination of comparing interview results from the various participants, using documents secured during the study, analyzing IPEDS data, and other publicly available information regarding the colleges. By my using triangulation, the conclusions of the study are more convincing for being supported by a number of sources of evidence (Yin, 2009).

Data Organization and Analysis
To organize the data from the interviews, each interview was audio-recorded and the audio-taped files were sent to a transcription service for transcribing. Regarding the coding of data, the eight elements of innovative cultures (Ahmed, 1998; Dombrowski et al., 2007; Hamel, 2002; Morris, 2011; Rogers, 1963, 2003; Tellis et al., 2009) were used as a conceptual framework in sorting data for the first phase of the study when determining the site selection. In addition, the IPEDS data played an important part in determining the seven sites and narrowing the study down to the eventual two colleges. Innovative strategies emerged throughout the study and served as additional codes based on the interview results and document analysis. Identifying multiple ways to code the data accommodated these new themes that emerged and helped inform and answer my research questions.

For the second phase of the study, where time was spent with the two institutions in exploring how innovative cultures were developed, the eight key elements of innovative cultures once again served as a conceptual framework. The eight key elements (a safe space, democratic lateral communication, flexibility, boundary spanning, collaboration, leadership, having a cause or passion for the work, and an innovative vision and mission statement) were established in order to compare the emerging themes from the interview results to the key elements of innovative cultures in order to make sense of the data.

The coding used for this data collection and analysis was in-vivo and values coding. In-vivo coding served me well as a beginning qualitative researcher. The use of short phrases from my participants helped to serve as code in the data records (Miles et al., 2014) and also ensured that my participants’ voices were heard such that I could
identify consistencies in the setting or culture. I also used values coding in this case-study research to identify personal actions of the participants and bring together the actions, belief system, values, and attitudes of the person. This coding system was particularly helpful as I studied innovative cultures at these small colleges, where perspective from the participants on how they think and feel about the environment as well as their role in innovative strategy and the overall culture provided rich data for the conclusions of this study.

**Reliability and Validity**

I took a variety of steps to ensure the validity of my study, beginning with the triangulation by data type with multiple sources of data including interviews, IPEDS data, and document collection (Miles et al., 2014). By collecting the data and double-checking the findings, I used triangulation to help me determine multiple instances of the data from different sources, which helped to solidify the emerging themes and conclusions. In certain instances, I used member-checking as a way to validate the data by asking clarifying questions on parts of the interview transcripts and documents collected from my participants. This gave the participants a chance to comment on the accuracy of the data and my interpretation of their responses (Miles et al., 2014). To support the validity of this study further, I ensured that the participants had anonymity in order to encourage more candid responses during the data-collection process.

In checking my own biases in this study, I decided not to involve my own institution in this research. Despite SNHU’s being a tempting model—it meets all the criteria as a former small college for this study (innovative practices, an innovative culture, fiscal health, and an institution considered a small college back in 2008)—due
to my position at the campus, it would have been challenging to conduct a balanced study. I also had to be cognizant of my biases as to what I believe an innovative culture should look like given that I “live” in that type of culture daily at SNHU and see the positives and negatives that can occur in an innovative environment.

As I read through the transcripts and conducted my analysis of the data, I discovered that on occasion it was difficult for me not to comment during the interviews on a particular area that resonated with me based on my personal experience. I was able to curtail any commentary and kept my responses short when my interview participants asked about particular practices or strategies at SNHU. Another of my biases in this study is my commitment to finding ways for small colleges to secure their future by promoting innovation that will sustain and improve their fiscal health. Realizing that a number of small colleges may be in danger of closing, I am hopeful that this study will reveal new ideas and best practices for small colleges. I need to be aware that my bias in believing this study will provide solutions to small college issues may not make it so.

**Ethical Considerations**

In conducting my case-study research, it was important to consider all the ethical implications, especially when working with human participants. In planning to ensure that the highest ethical standards were followed, I received permission from the IRB before the study began, received permission from the presidents of each small college to interview the participants from their campuses, allowed participants to remain anonymous, and received full, informed, written consent from all the participants before the study began. I continued to be mindful throughout the study of any other factors that could have impacted ethical standards such as confidentiality, privacy, and resources. In
the competitive higher education environment, I had to be especially sensitive to any information I received about future plans for the colleges and any new program initiatives as I remained mindful of the competition. I also ensured that a feeling of trust was present with my participants and that I conducted an accurate and thoughtful study (Miles et al., 2014).

**Limitations**

In this qualitative study, the research was based on the actual results of innovative practices and cultural components that have led to a fiscally stronger position for the colleges. The research was also based on the participants’ reality and their own perspective of innovative strategies used at their institutions and ways in which a culture of innovation is promoted. Therefore, the findings differed somewhat from participant to participant based on their perspectives. I relied on the two college presidents to ensure that they were offering me a group of participants who were viable candidates for this study based on their experiences with innovative practices.

I was able to interview a variety of administrative leaders, deans, and faculty who had anywhere between three months and 30 years of experience at the colleges. Although there may have been additional participants who inform and impact the innovative culture at each college, based on the time allotted for this study I was not able to meet with every individual who may have been mentioned in the study. I do feel confident that a wide enough range of individuals representing the culture of innovation at each college was represented. The only group that was not involved in the study was students. Although my interview protocol and questions were geared more toward the administration, faculty, and board members, students could be a group for further study. Conducting a
case study of two small colleges, versus three or four, did limit the results of the study to those perspectives. With more time, additional case studies could be conducted to add to the research and provide an even more comprehensive study.

The site-selection process was critical to ensuring that the colleges chosen were showing true signs of sustainable innovation impacting the fiscal health of the college rather than just unique and progressive practices that have no direct impact. During the site-selection process, I relied on the opinion of innovative leaders and organizations in higher education, or related to higher education, to help identify potential sites. Another limitation of the study may be the particular criteria used to define innovation by these individuals and organizations. Based on this potential limitation, I did offer my own definition of innovation when approaching these individuals for site-selection possibilities.
Chapter 4

Findings

The findings of this study are divided into three categories. The first two categories respond to the guiding research questions—that of innovative strategies used at each institution to impact fiscal strength and elements that have been established to support a culture of innovation. The third category describes the way in which innovation has improved the student experience based on the feedback from the participants. This third category is reflective of the definition of innovation used in this study—“A new idea or practice that has transformed the culture in a way that has positively impacted the fiscal strength and stability of the institution and improved the student experience”—which originally guided the site-selection process. A description of each institution follows with context provided as to why it initially was chosen for the study. As agreed to by all parties, the institutions and participants will remain anonymous; therefore, in the descriptions of the institutions that follow and throughout the next few chapters, I will give some historical and current institutional data, but only enough to give context and not reveal the identity of the institutions or the participants.

The importance of anonymity and confidentiality for the institutions and the participants came up several times during the interview process. This point of clarification occurred on a number of occasions during the actual interviews; even though confidentiality was covered in the consent form and each participant was allotted time to read the consent form. The question regarding confidentiality and anonymity especially would come up right before the participant was about to divulge a confidential piece of information. The fact that reassurance was needed for a level of comfort before particular
information was divulged spoke again to the importance of conducting an anonymous study. Participants at both institutions were careful to emphasize the competitive climate in higher education specifically as it related to new program ideas at each institution, which spoke again to the need for anonymity. For the purpose of this study, the two institutions will be referred to as College A and College B.

College A

College A is a private, nonprofit, liberal arts institution that has been in existence since the 1800s with a founding purpose and mission of serving women, and it has stayed true to its mission since its founding. College A offers undergraduate and graduate degree programs at its main campus and four additional campus locations in addition to offering programs and courses online. For specific majors, College A also offers accelerated degree programs, allowing students potentially to finish their degrees sooner by accepting prior learning and work experience (including military training) and allows students to take a combination of online and in-class courses. College A offers schedules that are more efficient for the adult learner such that he or she can create the schedule and format that works best.

College A appears as College 1 in the methodology chapter of this study (p. 37), showing consistent enrollment and net revenue growth from tuition and student fees according to the IPEDS data. The IPEDS data from 2005 to 2013 shows enrollment growth from 1,772 to 2,439 and net tuition and fees revenue growth from $14.2M to $30.2M. Currently, College A has reached a historical high of more than 3,000 students with revenues at approximately $50 million and plans to top the 5,000 mark in enrollment during the next decade. College A has an endowment of approximately $38 million,
which is higher than the national average for most small colleges. According to an IPEDS analysis conducted by the National Association of Independent Colleges and Universities (2013), the median endowment across all nonprofit, independent institutions in FY2011–2012 was only $22.3M. College A relies mostly on tuition and student fees for the majority of its income.

College A emerged as an innovative institution during the site-selection process based on the following innovative approaches: 1) new student-delivery models, 2) unique business and budgeting model for higher education, and 3) the types of new programs it has developed and implemented that respond to the market. The College A vision and mission is focused on ensuring that students are prepared to live in a way that assures personal and professional fulfillment, with an education that is innovative and transformative. A commitment to a culture of innovation not only lives in the vision and mission statement of the institution but was very obvious in the time spent with the study participants, who described the way in which they are encouraged—and encourage others—to look at new and different solutions. One professor at College A described the need to “walk the talk” related to practicing innovation in a daily capacity so that the administration, staff, faculty, and especially students could learn from their actions.

A women’s liberal arts college from the time of its founding, College A has continued to be true to its original purpose by keeping its undergraduate college an all-women’s college. During the 1970s the college began to recognize the need to look beyond the women’s college and begin searching for innovative options to grow and sustain the college. Through the years College A has expanded its offerings into evening and weekend programs to accommodate the adult learner, including men, while
continuing to support the all-women’s undergraduate college. Additionally, select degree programs are offered online at College A, thus responding to the need for new delivery models offering a more convenient way for many students to pursue their degree. The online delivery model also reaches a larger demographic, going beyond the College A region. College A also has added professional programs to the curriculum in areas such as business, health care, and other programs that respond to market needs.

One other innovative practice that stood out for College A in the site-selection process was that of their budget and planning model, which will be discussed in more detail in this section. The expansion of professional programs, delivery models, and a more innovative planning and budgeting model are all examples of innovations that emerged for College A during the site-selection process that eventually led to its selection.

**College B**

College B is a private, nonprofit, comprehensive, coed college founded in the 1940s as a branch of a larger system; however, through the years College B became a fully independent institution. College B was founded shortly after World War II in response to a great need to accommodate service women and men in pursuing their degrees through the Servicemen’s Readjustment Act, or “GI Bill of Rights.” This was a time when many new colleges were forming and existing colleges were expanding (Polmar & Allen, 2012). College B had very humble beginnings, using a variety of existing and abandoned buildings as classrooms and used furniture for the classrooms before moving to its current location. A number of interview participants were also College B alumni. One graduate referred to College B in its early years as a “scrappy
institution” serving the needs of not only GIs but also the working class in the area. College B has come far from its humble beginnings and today is considered a high-quality higher education institution and pioneer in many of its program offerings, with state-of-the-art facilities on its more than 120-acre campus.

College B offers undergraduate and graduate degree programs at its main campus in addition to offering programs and courses online. For specific degree programs, College B has been expanding nationally as well. College B appears as College 6 in the methodology chapter of this study (p. 37), showing consistent enrollment and net tuition revenue growth, according to the IPEDS data, from 2005 to 2013. The IPEDS data show enrollment growth from 2,180 to 3,199 and net tuition and student fee revenue growth from $30M to $50M. Currently, College B has reached an enrollment of more than 4,000 students through its combined graduate and undergraduate programs. As expected, net tuition and student fee revenue continues to grow at $66 million for the current year consistent with the growth trends during the past decade. The endowment total is at approximately $24.3M. Similar to College A, tuition and student fees are the main contributor to revenue for College B.

College B emerged as an innovative institution during the site-selection process based on its innovative approaches to student-delivery models; the types of new and creative programs being offered at the college; and, as one senior leader put it, “a constant trolling for new aspects of the higher education business model.” The College B mission is focused on an enlightened sense of learning and leadership, integrating liberal arts studies along with professional programs to prepare students for rewarding careers. The College B vision recently has been reworked; keeping in mind the college’s
pioneering history and its continued responsiveness to the changing demands of higher education. Innovation is the critical factor in College B’s new vision statement. Realizing that in order not only to “survive but thrive,” as one senior leader stated, College B must continue to innovate in all areas of the institution.

College B may be considered a young institution (existing for less than 70 years) when compared to many small, nonprofit, private colleges. In the preliminary conversation with the president, it became clear that there was a pioneering spirit prevalent at the college—a belief that the culture of innovation had been born in the early days of College B, at a time when there were very few resources. The early administrators and faculty had to be creative and innovative in order to survive and respond to the needs of their students. It became clear during preliminary conversations with individuals at College B that this pioneering spirit continues today through innovative practices and initiatives.

Some examples of the innovative activity happening at College B that helped to influence the site-selection decision include 1) being first among its peers in creating and implementing new programs that respond to the job market; 2) partnerships with third parties that strengthen College B’s programs and service to students and provide enrollment growth opportunities that are not only efficient but allow College B to have a national presence; 3) consideration of international partnerships as a way to expand further and potentially offset the traditional aged student enrollment decline; and 4) the variety of delivery models offered, such as online learning, the combination of online and classroom learning, and accelerated degree programs. College B emphasized its
commitment to honor tradition by ensuring that its mission endures yet simultaneously taking advantage of opportunities to transform the college.

**Perspectives on Innovation**

At the start of this study, the definition of innovation was established as “a new idea or practice that has transformed the culture in a way that has positively impacted the fiscal strength and stability of the institutions and improved the student experience.” This definition of innovation was the guiding force for the sites selected; however, to gain a better understanding of the participants’ perspective on innovation, the question “What does innovation mean to you?” was asked as part of the interview protocol. There were varying answers to this question that helped to inform the strategies and elements of innovative cultures that follow.

The most common responses from participants included being flexible and open to new and bold ideas, effectively planning for change by looking ahead (at changing demographics, new programs, etc.) to see what the future holds and, in turn, responding to the market demands and the community. When asking one academic leader from College B what innovation meant to him, he responded, “It’s about meeting needs, and sometimes it’s about meeting needs other people haven’t perceived are there yet,” emphasizing the need to look ahead when considering creative ideas.

Other common responses included not being afraid to take chances or fail, using existing ideas and adapting those ideas in different ways, looking for creative ways to improve the student experience, becoming more efficient, staying ahead in their field and, in turn, ahead of the competition. Looking at new ways to diversify revenue streams was also a common response from the participants at both colleges, particularly the
participants involved in the finance and development departments. Both colleges emphasized staying true to their mission while being innovative, stressing the importance of knowing their own institution’s strengths and weaknesses and not losing sight of their purpose when coming up with innovative solutions.

In many instances the findings were similar for both institutions relating to the development of innovative strategies and cultures. The participants shared their innovative strategies as they responded to questions regarding the ways innovation was apparent at their institution and why they believed these strategies emerged. They also considered their own role in the innovation process and that of key individuals who help drive innovation, all of which helped to inform the innovative strategies that have been used to impact their fiscal strength.

The elements of innovative cultures present at these two institutions in many ways reflect parts of the conceptual framework of the eight elements of innovative cultures described in the literature review and methodology chapters of this study. Those elements include 1) a safe space, 2) democratic, lateral communication, 3) flexibility, 4) boundary spanning, 5) collaboration, 6) leadership, 7) having a cause or passion for the work, and 8) an innovative vision and mission statement (Ahmed, 1998; Dombrowski et al., 2007; Hamel, 2002; Morris, 2011; Rogers, 1963, 2003; Tellis et al., 2009). The elements of innovative cultures that were most prevalent at the two institutions and will be described further in this chapter are 1) leadership, 2) risk taking, 3) flexibility, 4) collaboration, 5) open communication, 6) transparency, and 7) an innovative vision and mission. New themes also emerged outside the conceptual framework that were similar between institutions and will be presented in the combined manner previously described. In the
case of similarities occurring between the institutions, the findings are combined with particular examples and quotes.

**Innovative Strategies**

One of the guiding research questions in this study, “What innovative strategies, if any, have two small colleges adopted to positively impact their fiscal strength?,” was intended to understand the strategies that have been used by both colleges to put them in a better position financially. Each college told a story of the need for survival being a driving force behind innovative strategies. When asked why innovation was happening, a board member from one college commented:

> I think it’s at a “we either innovate or die.” That’s a very, very serious answer. I think in the last 10 years had we not done what we have accomplished, in terms of the online programs we brought to the school, I think we’d be dead right now. Innovate or die, right? Evolve or die.

Participants at each college spoke of pivotal moments in their history where decisions had to be made in order to survive. In the case of College A, the decision to create a professional college that became an evening/weekend coeducational college in the 1970s was considered quite innovative at the time for an all-women’s college. As difficult and unpopular as the decision may have been at that time, the majority of participants believe that College A would not be here today if not for this innovative move. One participant with a long tenure at College A shared the following:

> So I’ve seen so many changes. . . . I think wanting to keep this institution alive and getting down in the dirt and saying what do we need to do that is also community-based? What can we do in our community that is helpful to our community but will also keep us alive? And I think we made those decisions in the 1970s to start offering programs to adult students, both male and female.

College B’s pivotal moment is believed to be at its inception in the 1940s when the idea to open up a college to serve GIs was considered innovative. Innovative
strategies or practices are believed to have started in the early days of College B’s history and continued through the years until the late 1980s and 1990s when the college seemed to stagnate. Risk taking and innovation ebbed in the 1990s perhaps because the leadership hunkered down during a time of economic distress in the community as major business and entities that fueled the economy closed. College B’s next pivotal moment with implementing innovative strategies came after the arrival of a new president in the late 1990s; this same president continues to serve the college today.

A member of the leadership team from College B commented on the urgent need for innovative strategies during the 1990s and the response of the president and college community at the time.

I think [the] president did a very good job coming in with a message of diversifying the portfolio. And I think people have been through tough economic times and that they realize that. We couldn’t keep doing the same old, same old. I also think that the fact that the area went into kind of an economic depression, we started losing over 1,000 evening students, that we had to come up with something to balance that. And again, I just think innovation has been kind of the history of this. We were kind of a maverick school when we started.

A number of participants at both colleges commented on the need to survive as a catalyst for creating innovative strategies. To “survive and thrive” was how one president put it when describing the journey to financial stability and sustainability. Participants at both colleges described a variety of innovative strategies with an overwhelming amount of similarity. The following innovative strategies are most prevalent at the two institutions: 1) responding to market demand, 2) planning, 3) leveraging existing strengths, 4) having a business sense, and 5) establishing partnerships. These innovative strategies are not only the most frequently mentioned strategies but those that seemed
to have made the most difference in contributing to a positive financial situation for the colleges.

Responding to Market Demand

There was an overwhelming response and a variety of ways in which the participants described their strategies for responding to market demand. Examples included implementing adult-learning models such as online classes, hybrid models (where online is combined with classroom teaching), flexible scheduling, and accelerated degree programs. The creation and implementation of new degree programs, where there is employer demand and a shortage of qualified candidates, has been a strategy for both institutions. The strategy works even better when there is employer demand in these programs and a strong student interest. One board member shared the following when asked about innovative strategies:

Our product is educating people, right? So, understanding the wants and needs of your customer. I think the institution adopted . . . a consumer mentality early on, which is what they had to do. So, being able to understand what programs would be desirous, whether that be online, or just the introduction of new majors or a new program within the college, or adjusting our offerings for that.

One administrator described this innovative strategy of looking to the market for ideas on program creation and delivery models for students (the “consumer”) as a way to continue to respond to the needs of students and employers.

I think we have obviously been innovative in this area in [College A city]. I think that College A is one of the first schools who really launched into online. I think our health sciences programs are known for innovation. Our occupational therapy program is one of the top in the nation. I think our MBA program is innovative and it’s always changing. I think it goes with what the industry needs are. We were talking about this at a meeting earlier this week where there was some talk about going back to a [degree program] that was very generic. And we talked about why we morphed away from that and it was because of industry dictates at the time. I think the fact that we keep changing, you know every single year or even more often we look at this program servicing the needs of students as they
embark on their careers or advance in their careers. I think we’re innovative in that way, you know, what is sort of market-driven.

When describing the way in which a particular department responds to the market, one college dean described the approach in the following manner:

We—basically, what it means for us is just being open listeners. And I can tell you several examples of what we’ve done and what we’re doing now. But they all really come back to listening to what the market is telling you and acting on it.

Both colleges employ various market-research methods such as listening to and working closely with their faculty members to gather new program ideas along with researching the trends in delivery models to see which models would respond best to student needs. Working with employers to gain a better understanding of the skills they are seeking in job candidates, particularly in high-demand areas, was another method used to learn more about and respond to market demands. Programs such as physical therapy, occupational therapy, nursing, project management, risk management, and cybersecurity are a few examples of the more professional programs that both colleges began to offer through the years as they responded to market demand. Despite both colleges’ efforts to utilize various market-research methods, both institutions believe this is an area in which they could improve. One college in particular felt that a separate position or department would be helpful to the institution in order to focus market-research efforts so that new innovations respond to the results of the research.

Planning

Planning, both short- and long-term, is a key strategy that supports innovation at both institutions. Planning has become institutionalized and is relied on for innovative ideas to come to fruition. Strategic planning, budget planning, and the creation of business plans have become critical components in the innovation process and are
interwoven so that financial and human resources may be available to better support innovations.

**Strategic Planning**

The strategic-planning process is formalized at both institutions with comprehensive, long-term plans ranging between nine to 15 years. The strategic-planning process is dynamic, and the plan is truly a living and breathing document. Most participants referred to the strategic plan of the institution as a means to keep them on track with implementing innovative ideas and helping to support their innovative efforts. One senior leader described how innovation is worked into the actual goals of the strategic plan in a very intentional way.

The strategic plan, if you look at our plan, it’s one of the goals in that plan is innovation. One of the goals of our 2010 plan—so the plan was approved in 2000 actually and has one of the major initiatives to innovate, and this current plan also has as a major goal, to innovate. . . . It talks about how we will innovate in structures, organization processes, procedures, and programs. So, again, that’s intentionality. It doesn’t specify what the innovations will be, because I don’t think during the span of an 18-month period when a plan is first developed—now plans are living things—it’s really not possible to know what the innovations will be in the year 2010, what the innovations will be in the year 2014. But the plan creates intentionality to innovate.

There was evidence to demonstrate that the strategic-planning process is an all-college effort with internal and external constituents participating. The process drives the operations of the institutions, and to ensure that the initiatives are implemented, operational plans are created to help identify the goals leading back to the strategic initiatives. These goals include time lines and ways to measure the progress with regard to implementation. One professor described the progress the college had made regarding strategic planning and how specific goals had helped to impact innovation.
And so what I think has been very beneficial and allowed us to have more innovation is that we have checked in along the way with folks through our reporting systems which have, you know, become more refined and more accurate. We’ve done a lot of training with people so that they can be more adept, recognizing what a strategy is and what strategic plans are as opposed to things we do every day on an ongoing basis.

Time has been taken at both institutions to educate the members of the college community to better understand the meaning of strategy and how the strategic plan is different than planning and executing the day-to-day operations. Assessment is a major part of the strategic-planning process, where action follows the evaluation of results in order to impact change. Assessment activities take place at the leadership level, within departments, and individually through self-assessment. Individuals are held accountable for specific areas of the strategic plan and are ultimately responsible to take the results of those assessments and create actions for improvement. One student affairs leader described the way in which their individual goals and objectives are tracked back to the overall goals and objectives of the strategic plan, holding them accountable for ultimately fulfilling the goals of the strategic plan.

You see it [innovation] in your goals and objectives, and if it is not linked back to my VP and the mission, the person in the assessment office, she takes us to task. She works with us one on one to assure we have good strategic, practical goals and objectives. And then, the accountability piece in the assessment office . . . you have to go in and report, you know, how did you meet this goal and why or why not?

Another participant described how the strategic plan is used to prioritize innovation.

Well, there’s a big push on strategic planning and that is first. It’s front and center. And I think that that goes hand in hand with innovation. We have to have a plan; we have to have priorities. . . . I think you have to have a general plan and strategy that everybody is aware of.

Although strategic planning is an all-college effort, specific individuals have responsibility for ensuring that the strategic-planning process is happening at the colleges
and have refined their reporting systems in order to track their progress more accurately. Strategic planning is looked upon as a way to support and allow innovation to occur in a well-planned and meaningful way.

**Budget Planning**

Connected to strategic and operational planning is budget planning as these institutions realize that resources are needed to implement innovative ideas. At one college, part of the budget-planning process includes presenting new ideas through their budget-planning activities that tie back to the strategic plan and their own individual objectives. All are encouraged to include innovative ideas in the budgeting process and present pro formas showing how these ideas may be financially viable. Although their ideas may not always be funded in that next fiscal year, there is an understanding that they may be funded in subsequent years. The decisions are based on the resources available and the priorities at the time the innovative idea is presented along with the return on investment that the innovation may bring. One senior leader described the process as being flexible to allow for changes midstream if necessary.

The ability to put innovations on the shelf is important, and to recognize that an innovation may be a good idea, but be at the wrong time, or it may be a good idea, but there may have to be too much investment of resources at that point in time to pursue that. We’ve done a lot of that. We were into innovations then have pulled back on them, or new opportunities have arisen.

Relying on a budget-planning process that ties back to the strategic and operational plans of the institution has supported the successful implementation of innovative ideas and programs. The budget-planning process also has allowed for the flexibility to change course when needed due to having completed pro formas showing the projected return on investment for each innovation. All the key information
then becomes available during the budget-planning process to compare ideas and innovative initiatives.

Business Plan

When coming up with innovative ideas—whether it be new programs, delivery models, partnerships, or something else—there is a requirement at both colleges to be able to demonstrate that the idea is viable and will lead to improving the institution and overall student experience. Once the viability is determined, the second step in the process is to detail the resources needed and, finally, to demonstrate the return on investment. The business-planning process ensures that market research has been conducted for these innovations and that the long-term impact has been taken into consideration as well as the short term.

Innovative ideas and business plans come from all areas of the institution—professors, enrollment management staff members, deans of colleges, and others. There are no restrictions on who may submit an idea and business plan. The idea of creating a business plan was a foreign one for many of the existing members of the institutions; however, training has been made available for existing and new members of these colleges who may never have completed a business plan in the past. The business plan became a requirement when their leadership team wanted a more realistic way to assess the financial and long-term viability of new ideas. There may have been some skepticism at first; however, it is evident that today there is a level of respect and appreciation for the process. One dean commented on the learning experience and how it has helped her to answer key questions before implementing innovations.

Okay we’ve gotta ask for this; we’ve gotta build this in. And so in working with the CFO we’ve built very elaborate business plans. So, it’s not only how
much is it gonna cost, but how much money are you going to bring in? . . . I’ve never done one [business plan] before I came here, so it’s been a good learning experience for me.

The business-planning process and implementation has assisted these colleges in building a stronger infrastructure and made them better prepared for future issues that may arise when implementing innovative ideas.

**Leveraging Existing Strengths**

When searching for innovative ideas, one of the first places these colleges look is within. Realizing that resources are not always plentiful to engage outside consultants for new ideas, the colleges look to administrators, deans, and current professors in order to capitalize on their strengths and determine how they can be leveraged to implement innovations. The colleges evaluate the current resources available to determine how these resources, such as the online delivery model already in place, can be combined with the classroom-delivery model for a hybrid experience offering more flexibility while still giving students the face-to-face attention. In certain instances the colleges have taken existing programs and repackaged them into accelerated programs so that students can finish sooner.

“Professors of practice” have been hired by these colleges into positions, described by the American Association of University Professors (AAUP) as being “reserved for practitioners who are appointed because of skills and expertise acquired in nonacademic careers” (2015). The professors of practice provide real-world experience that contributes to new program ideas that can be identified for implementation. One professor of practice described his own role and that of his fellow professors with industry experience.
In the group that I work with, it’s totally innovative. I’m the professor of practice, the non-PhD guy, but Dr. was one of the most innovative guys in the [previous organization] . . . and the gentleman who sits next to me, he’s a PhD also and comes from [similar organization]. . . . Innovation, creativity is like in your blood. If you’re an R&D person you’re always talking—trying new courses, creating new courses, doing new things, experimenting with new tools. We’re always trying to learn from each other, bring the best practices and the best tools.

Board members are also used as resources when it comes to leveraging existing strengths. A number of board members are business owners and entrepreneurs who share their wisdom about new programs and products as well as working with customers. Their advice is truly sought after by the leadership of these institutions so they can learn from the board members’ experiences in building their own businesses and then see how that translates into growth for their institutions. One board member described the obligation he feels to ensure that when he hears about a good idea in the business world that may resonate with the college, he brings that idea back to the institution.

So I think my role and the role of every board member is to do a couple things. One is if we see ideas that are out there in our day-to-day lives out in the business world, we have an obligation to, if it looks interesting, at least alert the president and members of the administration and say, “Hey, here’s something I see.” You know not necessarily have to have them look into it but say, “I noticed something interesting here.” So bring those things to them so they have that constant flow of ideas or things to consider as they’re thinking of new ideas.

**Having a Business Sense**

A number of terms used and practices described during the participant interviews at both institutions are more often heard and seen in the corporate or business world. Terms such as “customer” (instead of “student”), “accountability,” “business plan,” “entrepreneurial,” “pro forma,” “consumer,” “market data,” “branding,” and “economic drivers” are examples of the more business-focused approach that these colleges are taking. College B has put an emphasis on hiring administrators, deans, faculty, and staff
from the world of business and not academia. A concerted effort was made to look for particular skill sets and accomplishments that these individuals possess that would help drive efficiencies, find diverse revenue streams, as well as enhance marketing efforts and branding appeal at the institutions. The goal was to find business people who could bring innovative ideas to the table that would impact growth and long-term financial stability.

Talk of business plans, feasibility studies, and pro formas are the normal conversation at these institutions. There is sensitivity to the marketplace and the economy as the colleges look at economic indicators and figure out what those indicators and trends might be saying about the demographics for the institutions and future programs. One dean described how they have stabilized their activity around innovation to ensure that they are taking a hard look at the innovative ideas being put forward to see if the fit is right for the institution.

So I think that sometimes—it’s surprising how sensitive we are to economic drivers and I don’t think that most universities think about that. And so, part of our feasibility study always surrounds the economic drivers. And so, I think sometimes people come up with ideas that are kind of non-starters or like, “Why would we do that here? . . .” We’ve got a long track record that says that that’s [economic drivers] the right direction.

For these institutions, operating more with a business mentality includes the following approaches or practices: 1) viewing the student as the customer, 2) always looking ahead, 3) using data, and 4) being accountable.

*Viewing the Student as the Customer*

A senior leader who intentionally was hired by one of the colleges from outside the world of higher education was an especially attractive candidate due to his background in the business world. He has brought his business perspective to the college particularly when it comes to an awareness of servicing the customer. He describes his
perspective on why customers are not only a more appropriate term for students but also why they should be paid closer attention during their time as students at the college.

I call them customers and a lot of people roll their eyes, but they are our customers. They choose to spend their money here. They choose not to spend it elsewhere . . . they can take their Pell or their loans and they can go somewhere else.

There is a culture of service at both institutions, one participant commented, whereby “we treat education like other service industries,” which means that students are the customers and the faculty are focused on teaching students first rather than working on research projects or other initiatives. There is constant activity and thought around the student as a customer that is apparent in the way both institutions respond in innovative ways to serving students. Whether it is new delivery models that respond to adult learners’ schedules, new programs (that respond not only to the marketplace but also student demand), or leveraging technology to build a better learning community, students come first. One alumnus, who is an entrepreneur with a thriving business today, talked about the way the college “adopted a consumer mentality early on,” feeling that this was one of the hallmarks of innovation for that particular institution.

*Always Looking Ahead*

Having foresight and keeping on top of emerging trends was a recurring theme across the institutions. There was consensus that the presidents of both institutions are the type of leaders who always are studying higher education issues and also looking outside of higher education for solutions. They rely on faculty, academic leadership, alumni, employers, and board members to offer innovative ideas and potential areas for expansion. In addition, the use of outside resources such as market surveys, demographic studies, and consulting firms has aided in their research efforts. One college president
described his philosophy on innovation as “looking out over the horizon and identifying new emerging trends, whether they be pedagogical trends, new emerging professions or skill areas, identifying those and addressing them prior to the larger market addressing them.” A number of participants described their presidents as leaders who get out and spend time at conferences, think tanks, and symposiums, many times participating as panelists or guest speakers. This type of activity serves as a way for the presidents to see what is going on in higher education, and also in the private sector, so that they may gain a better understanding of the emerging trends.

In addition to the presidents’ role in looking ahead, the senior leaders, academic leaders, and faculty also are charged with finding out the next big idea before the competition finds it. One dean commented on this type of strategy as “finding niches in the marketplace.” The dean continued, saying, “We kind of look out there and we see, what aren’t the big guys doing, and that’s what we’re gonna do.” A number of deans at both institutions described their habits of doing “tons of reading and research” as part of their regular routine, which has helped them to come up with innovative ideas to stay ahead of their competition. In some instances graduate students may assist if a dean or faculty member has an idea that they would like to take further. In this way, graduate students are able to turn their ideas into research projects, and graduate students become another resource for innovation.

Numerous degree programs at the colleges have been created based on looking ahead at the job outlook through advisory boards, employers, and market-research consultants tracking the jobs that are or will be in demand. One professor described the way in which he approaches innovation and keeping up with changes in his field as
“sprinting to just stay even.” He goes on to describe the way he and his teammates perceived the competition and responded.

We always felt in the lab we always had to be one, two, three, five, ten steps ahead of the adversary. And we always felt this way—if we were thinking of something in the lab system, we can bet our adversary was probably thinking of the same thing. Innovation here means staying up on your field and creating new courses, creating special topics courses, changing programs as you need to stay abreast of the field, ’cause this field moves quickly.

Another vital source that the colleges use to help them look forward is the students. One board member described how students helped the president to persuade the board to move to online courses, using them as a credible source in predicting the future.

And he [the president] had done his homework, which you would expect, and you know brought in not only his opinion but also the source material from the experts who had been doing, you know, research in the field and folks that have predicted what the future’s gonna look like. And again, these are credible sources, he made the right case for predicting the future. And when you hear it coming from the mouths of the students in the types of experiences that they are having, they are . . . saying I want more digital, I want more things online.

Additional work in the area of “always looking ahead” has included consistent review of demographic trends such as high school graduation rates, size of the high school populations, and a geographic review of new students coming to the colleges. This type of demographic data, which revealed the drop in high school graduates the past few years, was used at both colleges to determine the timing of implementing their online programs, other new programs, and modifications to scheduling to better accommodate the adult learner.

Using Data

Using data to inform decision making has become a critical component not only in the day-to-day operations for these institutions but also for the more strategic decisions such as what new programs to offer, delivery models to use, and populations to target for
enrollment purposes. Business plans and proposals for new ideas are all supported by data in order to ensure that the innovative idea is fiscally sound and adds value to the institution. The presidents of both institutions use data when presenting new ideas to their college community and board members. As previously stated, demographic data has been used to “look ahead.” For instance, when it became clear that the high school graduate population would be decreasing and the adult learner population increasing, both institutions made strides in adding new graduate programs in more desirous delivery methods (online, evening/weekend, accelerated programs) that made it more convenient for the adult learner to go back to pursue a degree.

The data used to inform decision making at these institutions has been in the form of quantitative and qualitative data. Examples of quantitative data include demographic information, tuition comparisons, spending per student per program, revenue and expenses per program or cost per program, profitability, and overall return on investment. The qualitative data comes in many forms such as feedback from advisory boards that inform curriculum modifications and new programs, employer feedback on necessary job skills for graduates, student survey results, concept papers (where ideas are presented on new programs and delivery models), in addition to research from think tanks and foundations such as the Lumina and Gates Foundations.

One of the colleges put in place a financial model where close attention is paid to data such as revenue and costs per department in order to better track the profitability in each area. The college looks at data at a granular level such as the spending per student in order to determine what to do with programs that are losing money. This data informs how funds may be reallocated in order to support programs that are important for the
college brand, despite their not being profitable. One president emphasized the need to be open minded when responding to the data and willing to change direction if needed, knowing that data may take the decision making in a different direction.

And I think that’s one thing about some of the smaller schools that have failed, they have made decisions to pursue certain strategic paths, and even though they were beginning to fail and they were gaining information that was showing the enrollment was not going up, or that the revenue was declining, that instead of stopping the decline when they recognized it, they weren’t willing to change direction.

Data also has been used to hold people accountable for their operational goals and objectives and for overall performance. Data is used to help set realistic targets for individuals and departments that eventually link back to the strategic-planning goals.

At one institution in particular, a system is in place to track the progress on goals and objectives for innovative ideas that are ultimately linked back to the mission of the college. Expectations are created and, as one administrator stated, “You see it in black and white and then the expectation is there.” This same administrator also shared her perspective on the process of using data and being held accountable for the results in reporting meetings.

You know we have to go in and report, like when I wrote this retention plan. We have to go in and report, you know, did you meet this goal? Why or why not? Do you need more funds? And this information is seen by the president, the vice president so that they see our work every day and what we do, but then they see it in the data if we use the system properly. So another way I think innovation is supported is through data.

Data drives decision making at the colleges. Whether evaluating individual performance or an innovative idea, data is needed to prove that the decisions made are sound ones with enough evidence to back them up. Based on the type of data needed, various sources may be supplying data at these institutions. Examples of data sources include the office of
institutional research, the finance department, program-specific departments, outside sources such as NACUBO, the National Survey of Student Engagement (NSSE), and various market-research organizations. Partners of the institutions also may be supplying data specifically if involved in the recruiting and enrolling of students.

**Partnerships**

Partnerships have become a critical factor in being able to implement innovative ideas that positively impact the financial strength of the institutions. Without partnerships, there are many innovations that the colleges would not have been able to afford and student experiences that would not have been possible, based on the resources needed. Both institutions have taken advantage of opportunities as they have been presented and also have sought out specific third parties to assist with initiatives such as online delivery models, accelerated programs, additional locations in other geographic areas, and exposing students to real-world experience in their field.

Both institutions have been using a third-party provider to support innovative initiatives such as the delivery of their online courses and degree programs and accelerated programs where a revenue-sharing model exists with their partners. Partners of these institutions assist with a comprehensive array of services such as developing online programs, executing admission processes, implementing marketing strategies, and offering student and alumni services support. One board member described the way in which the decision to go to an outside partner was met with great skepticism from certain board members, who worried about the quality of the education and being able to deliver what students really need. The board ultimately realized that online education was the
future and knew that they would not be able to expand their online presence unless they worked with a partner that had expertise in this area.

Other types of partnerships have been program-specific such as in the health sciences, where the ability to accelerate their degree programs by combining online courses and clinical work results in the student earning a BSN. These types of partnerships have provided innovative ways for the institutions to leverage their current programs and expand their reach. One senior leader believes that the partnering that has occurred at the institution has been the most innovative work that the college has embarked on during the past decade.

I think innovation is most apparent in the external partnership programs and I believe the fact that we’ve partnered externally is really the major reason why innovation has taken some roots. We have, as you may know, we have a partnership with [partner name]. It’s been around for 14 or 15 years and that’s through a traditional online marketing company. We more recently entered into a partnership with a company called [partner name], which is—it is an interesting company focused only on healthcare. It provides an innovative way for the college to leverage its healthcare programs. And those I think really those are the principal components of innovation at our college.

One academic leader credited an online partner with helping the college achieve its largest enrollment ever—something that the college would not have been able to achieve on its own.

Other partnerships have included international partnerships with other institutions to support study-abroad programs. One administrator described the agreement with other institutions as a way that the college has been innovative in the use of partnerships and allowed students many options that would never have been available if not for the partners. There is also an entrepreneurship partnership that one of the colleges has created with an outside entrepreneur center, which will be described later in this chapter. This
entrepreneurship partnership is an example of how the institution remained open-minded to an innovative arrangement that their students never had experienced before; so far, the results have been quite positive.

Additionally, consortiums with other institutions are another way of partnering that has offered expanded degree programs and access to labs and other clinical experiences that the institutions otherwise would not have been able to make happen, unless a major investment occurred in these areas. One dean described the partnership that allowed access to a research lab when the college did not have the resources to build one.

I had been looking at ways in which we needed to sort of forge new paths, for whatever it was, for master’s or doctoral education, for online education, for interprofessional education, partnerships, external partnerships. We had a research lab that we didn’t have space for on the campus, so I forged a partnership with [outside organization] to house our research lab over there for several years until we were able to.

In addition to the healthcare programs, the liberal arts programs have forged a number of successful partnerships in the performing arts. One early, innovative partnership was when College A partnered with another local college to fill the need to have male students in their theater productions. Eventually an alliance was formed that also included partnerships with professional actors, allowing the students the opportunity to balance their liberal arts education with a working knowledge of the theater.

One other partnership, also housed in the liberal arts department at College A, includes a partnership with a renowned national dance company. This partnership has allowed the students to perform in a professional setting while working with the professional dancers as part of their educational experience. There is a strong belief that
partnerships for both colleges, regardless of what form they take, would not exist if not for the innovative cultures that have been created and supported through the years.

**Innovation Improving the Student Experience**

I looked at innovative strategies utilized by the colleges not only in the context of how they were improving and sustaining the fiscal strength of the two institutions but also in how they were improving the student experience. Making a positive difference for their students has been critical to the innovations that the colleges have been implementing. The way that innovation has most improved the student experience has been in the form of new delivery models, new programs that respond to the market needs and the student-centered improvements visible at the physical and online campuses.

**New Delivery Models**

Leveraging technology to respond better to how students learn today has been a key focus for these colleges, demonstrated by the growth of their online programs. For both colleges, the average range of students taking at least one class online in fall 2014 was approximately 40 percent of their student population and growing. The technology has allowed both colleges to reach more students and also has enhanced student learning through the use of audio and video interaction with their campus-based population. The latter are able to take the same class, at the same time, despite being in a number of different physical locations. One of the colleges actually has all students, online and campus-based, using the learning management system as a way to support their learning. In this way, even campus-based students can have chats with faculty or their fellow
students during the off hours from class. One dean described the process as one that makes the students feel more connected, whether online or on-ground.

In our online environment, technology has gotten so much better than from when I started seven or eight years ago. And so it’s almost blurring the lines between on-ground and online now, because there’s so much audio and video interaction in an online class, and so that definitely benefits them. I do a lot of narrated Power Points, and then all of my feedback is audio. I film myself talking to them, so they see me every week—what’s she wearing? And they really love that, because it makes them feel connected, as opposed to a straight online class. And then we’re using that technology in the on-ground classes just to make it more efficient.

The flipped classroom has been used at these institutions with specific majors where students are able to interact more in class due to reviewing materials and recorded lectures outside of class. Their class time is then used for discussion, course exercises, and projects related to the lectures. Both institutions also are working on hybrid models where they are blending online and on-ground classes for their students. The learning management systems also have helped to build active learning communities, especially for the online adult population. In addition, the advances in technology have helped the libraries for both institutions offer more services to their remote and on-ground students, whether at additional locations or online. One dean of the library described the advances made in using various tools and formats.

We’ve created a lot of great tools to support them. We try to do all different kinds of formats and media to teach the students how to use the resources. So . . . if the university was not innovative and was just an online campus, we probably wouldn’t have pushed so far to give the students all kinds of other additional Online resources. And, really, they want online resources, even if they are physically here. That’s their environment. But that’s an outgrowth of the innovation of the institution as a whole.

Faculty members also are trained in these new technologies so that they can recognize the difference in the way students learn today and be able to respond using a variety of technological tools.
Being able to assist the adult learner to balance family, work, and school through the use of various delivery models, online in particular, was a repeated theme throughout this study and one of the key ways both institutions felt they were improving the student experience.

**New Programs Responding to Market Needs**

The addition of new programs has been a critical component of enrollment growth, impacting the financial stability of both institutions in a positive way. There is an urgency present at these colleges to ensure that a certain number of new programs start each year, not only for the obvious reason of growing enrollment but also to be assured that each college is keeping up with the industry needs and, in turn, the competition.

Close contact with employers through advisory councils, alumni networks, and internships has gone a long way in determining industry needs and job demand. In some instances, the deans and faculty are paying visits to the human resource departments at their local employers in order to gain information on the type of programs and skills that would respond better to the needs of their workforce.

So we’ve got a meeting on Friday with the [Company X] to talk to their people. We had a meeting last week with [Company Y] and he said, “You know you guys need to talk to our HR departments about their workforce planning and find out what are the top three or four skills they’re worried about their workforce having in the next five years.”

There is a belief that a market-responsive approach will prepare the students for skills that their peers at similar institutions may not have, especially if their educational experience is focused mostly on the liberal arts with little exposure to professional programs.
Another way the colleges are taking a market-responsive approach is by hiring faculty from industry versus academia. The number of professors of practice is growing at each institution, with professors hailing from fields such as health care, business, military research, information technology, risk management, and marketing and sales. One of the colleges even has developed a career fair focused on the students’ majors, thus giving students an opportunity to discuss their chosen major in more detail with professors of practice as it relates to the curriculum and market demand for jobs. If students are undecided about their major or would like to switch majors, they are better educated with regard to various fields after their career-fair experience.

Another example of responding to market needs is an entrepreneurial experience at College A in which the institution partners with a local entrepreneur who provides the funding and access to other entrepreneurs. The institution provides the curriculum, and the students are able to work closely with a variety of entrepreneurs who provide mentoring to the students. One of the deans described the partnership and the entrepreneurship program as an apprenticeship model, to some degree, in which students learn from entrepreneurs who expose them to networking and real-life business problems, as well as teach them the skills to set up their own businesses.

It’s a really unique program. It’s funny . . . I didn’t even know we had any entrepreneurial students, so I pulled up the majors and we had nine. They had all been to the [Entrepreneur] Center, the [head entrepreneur] knew every single student. We’ve got one student that’s very far along, and we just gave a presentation a couple of weeks ago at our accrediting body meeting in [state] on this, and we have a tape of her in there, and she was just talking about how valuable it was, but what really struck me, listening to her, was that this replicates for us the great alumni network that the Harvards and the Stanfords have that we don’t have. It allows our students into this great network of entrepreneurs and funders and consultants.
In addition to working closely with the students, these same entrepreneurs also give feedback to the deans and professors regarding the curriculum. This feedback has resulted in course deletions and modifications that better respond to the business world and the particular areas that the entrepreneurs feel students need to be well versed in so that they can become successful business owners.

**Student-Centered Improvements**

Increased revenue from innovations has helped support and fund initiatives not only for students participating in the new delivery models, such as online-only degree programs, but also for students who are having the more traditional coming-of-age experience. When I visited both campuses, new construction was apparent or being discussed as part of their future planning and in their overall master planning for these institutions. New dormitories, new labs, performing and visual arts centers, athletic complexes, technological and aesthetic enhancements to the library and classrooms, along with a large investment in deferred maintenance, are a few physical manifestations of the innovative work going on at both institutions.

Additional student-centered improvements have been in the form of “student success” coaches at College B. Originally an initiative for online students, the student success coaches now have become a resource for the campus-based students as well where additional coaches were hired to serve this traditional population. College B is also in the process of implementing a new customer relationship management (CRM) tool in order to streamline communication better so that faculty and staff alike will be
able to keep track of contacts with students in hopes of providing better service and improved retention.

The innovative practices and strategies of these colleges have been modeled in some instances by the student population there. Students are encouraged to bring ideas forward in student government, and many times the ideas have come to fruition. Just as business plans and pro formas are presented to the leadership team from faculty and staff, students also have presented proposals based on their innovative ideas. A research symposium that began approximately four years ago at College A also has allowed students the opportunity to participate in innovative work as it relates to their research and majors, many times making it possible for them to collaborate with students and faculty in unrelated majors. One dean described the cross-fertilization that occurs at the symposium and how it has grown from a research poster presentation for the health sciences to the university-wide event that it is today.

So all the students, graduate and undergraduate and even faculty, you know, can present. So they have a review. Last year it was just amazing. It got so big—in fact, we are still in the planning process of where to put it and how to handle it. It was like going to a major conference. It might be something like a music student doing research on whether doing yoga first helps your voice. It was just absolutely the most creative thing.

In bringing forward their own innovative ideas, students have mechanisms in place at both institutions for presenting ideas and garnering the support necessary to bring an idea to fruition.

**Elements of Innovative Cultures**

In responding to the research question, “To what extent has a culture of innovation been established to support innovative practices improving fiscal strength?,” the participants at both colleges offered numerous examples. When I spoke with
participants who have been with their respective colleges anywhere from five to 30 years or more, they attested that innovation, as long as they can remember, always has been a part of their culture. College A references the move to continuing coeducational programs in the 1970s as one of its first innovative examples, while College B refers to the original purpose for creating College B—that of helping GIs earn their degrees—as the first sign of innovation for it. A professor at College B describes why he believes innovation is occurring at the institution.

I think it’s part of the DNA. We tend to think that way. We also recognize that we are a tuition-driven institution. I mean this is recognition on the part of the faculty, just as much as the administration, on a tuition-driven, vulnerable institution in the current terrain and we need to be innovative if we’re going to continue to secure and hopefully expand our market share.

With the colleges being tuition-driven institutions, a number of participants brought up the need to survive through innovative solutions that diversify revenue streams. The work of generating creative solutions is embedded in both cultures and apparent across departments. Faculty, staff, senior leaders, alumni, and board members described the way in which innovation is present in their day-to-day work. There did not seem to be a defining moment or a historic event that triggered innovation at either institution; rather, there was more of an understanding that being reliant on tuition with small endowments makes the institution extremely vulnerable to enrollment fluctuations and demographic shifts.

The phrase “part of our DNA” was repeated throughout the study, further emphasizing the need to create conditions under which others can be innovative. The innovative culture that is apparent at both institutions has specific elements that emerged from the study that include: 1) leadership, 2) risk taking, 3) flexibility, 4) collaboration,
5) open communication, 6) transparency, and 7) an innovative vision and mission. Leadership is one of the more critical elements of developing, promoting, and supporting a culture of innovation. Based on the feedback of the participants, when asked “In what ways does your institution create an environment where innovation can occur?” a number of these characteristics surfaced as playing an important role in supporting a culture of innovation.

**Leadership**

There was consensus among the participants regarding the impact that their leaders have had on a culture of innovation. Innovative leaders are present across the college community, starting with the board of trustees at both institutions and cascading down through the president, the president’s leadership team, the academic leadership team, as well as faculty and staff.

*Presidential Leadership*

The presidents of both institutions were said to be the key drivers of innovation, followed by their leadership teams, both administrative and academic, and the faculty. The presidents have been described as visionaries, consensus builders, entrepreneurs, and risk takers. One dean from College A described the way in which their president approaches his role as an innovative leader.

And, you know, we kind of wax and wane and every now and then I get my knuckles slapped because somebody’s not particularly comfortable with the risk I am taking. But you don’t get that with [College A president]. He really views his role as the optimist in chief, and that—with that visionary approach—he just keeps looking out there. “So, how would that work here?” and he’ll bring back
stuff, and he’ll talk about it—we’re still trying to figure out how to use 3-D printers in my department.

One board member from College B described how their president uses innovative strategies to react to current situations, whether it is an economic or educational situation, and how he predicts the impact future educational and economic trends will have on their college.

So the reason why I think we’re good at that is because we have . . . [College B president], we’ve got a good leader. He’s very, very entrepreneurial as well as being, you know, an excellent educator. And he is always looking for those opportunities that if we can react to, we can create revenue. We can create programs. We can create enrollment.

These presidents are leaders who are willing to listen, open minded, and “always looking ahead.” Whether it be looking at future trends, the marketplace, or higher education issues, they spend the time necessary to be out there learning and working on solutions. Both presidents have served and currently serve on a number of work groups and committees looking at fresh approaches to higher education, specifically liberal arts colleges. These presidents have been tapped as leaders among their peers when it comes to innovative approaches for liberal arts colleges that have been essential to their success while still staying true to their core mission.

The presidents have been known to bring back innovative (sometimes described as “wild”) ideas each time they come back from a conference, participation on a panel, or a meeting of a committee on which they serve. Anytime their president travels, one participant described how they are always waiting for that phone call or email from their president presenting that next big idea. A deep respect and appreciation, on the part of the college community and the board members, was apparent regarding the innovative ideas that these presidents supply to their institutions on a regular basis. One participant, who
has a strong combination of academic and business leadership experience, offered a
description of the model the participant considers most effective for a college president
when supporting innovation.

I've seen enough of these to realize that the model that seems to work for me is
the one I've seen most presidents exhibit, which is they hover above the
operations, and they work through a very strong provost or chief academic officer.
And they maintain their focus really on sort of strategic tenets and vision, big
direction, board relations, government relations, donors, I mean, so they . . .
appear to be more externally driven. So they position themselves as externally
focused while maintaining, through the provost, an iron grip on the few things
that they really need to have happen, and letting everything else go.

A number of participants described the importance of their presidents’ continued
presence in the external world and their ability to stay focused on the vision, mission,
and strategic direction of the institution to support their innovative culture.

*Administrative and Academic Leadership*

The role that the administrative and academic leadership team play is critical, as
they are looked upon as the next level of decision makers who support innovation, allow
a safe space to innovate, and ensure that resources are available to invest in innovative
ideas. These leaders play a dual role—at times they are coming up with the innovative
ideas and, at other times, supporting the ideas and projects of others. Members of the
presidents’ leadership teams and the academic leadership teams at both institutions are a
mixture of academics and industry professionals, allowing both perspectives to influence
the creation and implementation of innovative ideas.

An “intentionality,” as one president described it, exists among the leadership of
the institutions that encourages and promotes innovative approaches to issues and the
need to look ahead in order to respond to trends in the market. These leadership teams
understand what being a tuition-driven institution means and the need to be ahead of the
competition in order to survive. Various committees have been created through the years to create and implement innovations at both institutions. The leaders and committees at one college were responsible for the approval and implementation of approximately seven new degree programs in one year. One of the participants described the difference this group made in the successful rollout of these degree programs.

The provost convened a group, which we just called the [group name] ’cause it just was kind of people pulled from all over the place. So the director of admissions was there. I was there. The deans were there. ITS was there. The then-VP for planning and analysis, who had strategic planning responsibilities, was there. And really, what we did was we met—I think it was every two weeks, or it was every week. I can’t remember which, but we met and we would just do a temperature check on each of these programs—where are we on this stuff? Have we got everything? Where is it in curriculum development? Have we built the tuition rules for it yet?

A launch team also was created at College B with similar departments and roles. This team actively keeps a spreadsheet that outlines the steps that every program has to go through, from concept to when the first students enroll, taking account of everything that has to happen for each step to take place. Included along the way for the launch team are trigger points, where they see if they are ready to move to the next step or actually go live with the new program.

In addition to the innovative thinking that goes on in these leadership teams, study participants at both colleges clearly stated the need for the president to have a strong group of leaders who can operationalize the innovative strategies. Considering all areas that could have an impact on the rollout of an innovation was recognized as a critical component of successfully implementing innovative ideas and projects. It was apparent that the operationalizing of innovation lives with the leadership teams at both institutions. The leaders do their best to ensure that, before any innovation is approved and/or
implemented, key components are reviewed and analyzed so that the innovation is a viable option for the institution.

Key components—such as financial viability, compliance with regulatory agencies (accreditors, the Department of Education for Title IV compliance), availability of needed resources (human and financial capital), and infrastructure—are just some examples of the reviews that occur before an innovation can be implemented. At both institutions the chief financial officers (CFOs) play pivotal roles in ensuring that innovative strategies can be funded and operationalized. One academic leader described the importance of this relationship between the president and CFO.

I think it’s the combination really of the president and the COO, CFO that is absolutely critical. And then after that it’s kind of—then it’s where are you gonna get the ideas from because they are usually [the president]’s got ideas, they don’t necessarily get operationalized themselves, so somebody’s gotta take responsibility. He seeks it. He needs somebody that he can work with. You know, [departmental dean], a couple other people to operationalize that.

Other leaders across the institutions also were brought up as being leaders who ensure that successful implementation of innovations occurs. The relationship between the administrative leadership team and the academic leadership team also was mentioned numerous times as one that has to be collaborative and mutually supportive in order for an innovative culture to be effective.

Although these teams have been successful in their efforts, there is at times a feeling that too much is happening at once without the right amount of collaboration between the leadership teams and the faculty. Some faculty described it as a feeling of being pushed, believing that the administration may not always understand what it is asking for when going to the faculty for help. One example given was the creation of online degree programs and the push to add more programs each year to the offerings.
One professor described the external pressure that they understood the administration to be under in developing new programs. This person hoped that, with time, the faculty will be more involved at the outset when these innovative ideas are being discussed.

**Board of Trustees**

The leadership role of the board of trustees was described as being one of supporting innovative endeavors and understanding the need for these institutions to be innovative. Both institutions have seen their boards evolve based on the type of board members needed to recognize what will best support the institutions’ strategy. A number of entrepreneurs sit on both boards; in some instances, entrepreneurs have been added in the past eight to 10 years as the higher education landscape has changed and a more business-like approach has been taken. The board is responsible for hiring the president of the institution. It was clear, when interviewing board members at both institutions, that they realized that the type of president needed to successfully impact their fiscal situation is an innovative leader. One board member validated the decision that was made in choosing their current president, who has been critical to their success based on his innovative leadership style.

We knew we didn’t want a traditional sort of academic college president because . . . they [the board] knew the finances were meager, so they wanted to find somebody that was innovative. It worked out exceedingly well, I mean, unbelievably well. You know we couldn’t have done better in my opinion.

I think you need both pieces, I mean I think you need an entrepreneurial, aggressive leader of the institution; that’s number one. And then you need a board that’s engaged enough to understand what’s going on with the institution and help put the push behind it and provide the resources that are needed to make it work. So without both of them, then I’m not sure it works.

As previously mentioned, when board members hear of innovative ideas in their daily interactions, they feel an obligation to bring those ideas forward to their presidents.
Another role that the board members take very seriously is the careful review of
innovative ideas brought forward by their institutions. One board member described their
role as one of “ensuring the president of the institution is not taking too much risk or
taking on too many projects at once.” Another board member talked about the balance
that is needed between the board and the president, keeping in mind the board’s role in
supporting innovation while mitigating risk.

When new opportunities arise, to really make sure we [the board] ask the hard
questions based on our experience, whether they be financial questions, marketing
questions, operational questions, legal and partnership types of questions as well,
to make sure that as these new ideas and opportunities are being vetted that
they’ve been looked at in all of the right ways. And again, it’s not that our staff
isn’t talented, because they really are. It’s just to make sure that you know
sometimes when you get close to something you may overlook something, either
positive or negative. And so to really kind of push them on it . . . they’ve got lots
of great ideas but can only do a couple of things [new innovations] really well, so
we have to keep them focused.

The presidents at both institutions spoke highly of the supportive role that the board has
played to ensure the success of their institutions. The presidents also acknowledged their
boards’ understanding of the resources necessary to be able to support a culture of
innovation and implement innovative ideas.

Tenure of the Leadership

Part of the site-selection process for this study was spending time reviewing
quantitative and qualitative data for institutions considered to be innovative. These
institutions were recommended by a number of higher education leaders based on their fit
with my definition of innovation. As the data were reviewed, the tenure of each president
became an interesting data point, as it was clear that the presidents of these small colleges
had been in their positions for a number of years. Nine institutions were initially
recommended as sites to review. When taking a closer look at the average tenure of the
presidents at these nine sites, it turned out to be 11 years, with the range going from a
high of 21 years to a low of five years. Five out of the nine presidents, or more than half,
have been serving as president of their institution for 10 years.

The length of time in a position is shorter for the administrative leaders, with the
average tenure being approximately five years and the longest being 10 years; the
shortest tenure was one year. The average tenure for the academic leaders who
participated in the study is similar to that of the presidents at approximately 10 years,
with the longest tenure being more than 30 years and the shortest tenure being less than
one year. Although board member tenure was not reviewed in detail, the participants who
were on the board from each institution had an average tenure of approximately 14 years,
potentially the longest tenure for a leadership position at these colleges. One of the
administrative leaders commented on the makeup of the board and how the tenure of
board members has helped with a consistent message regarding innovation.

It is a rather stable board that changes over time but you have, for good and for
bad, consistent leadership, board chairs that have served for a long time that have
allowed for continuity of discussion and thought, and so those same forces that in
the 1970s recognized if we want to be around for another 100 years we’ve got to
diversify. That has become a part of the genetic DNA of the institution.

Risk Taking

The practice of risk taking is prevalent at these innovative colleges. Being able
to try out new ideas and pilot new programs or innovations is widely accepted and
considered to be necessary to the culture of innovation at these institutions. Ideas are
vetted through various departments and at various levels for their viability, value to the
institution, fiscal impact, and student impact before being implemented. Despite all the
vetting, there are definitely times when experiments or pilots may not prove successful
for the institution, yet there is a safe space where failure is allowed without blame. One academic leader described the difference between the experiences at a former institution, explaining that the former closed because it would not reinvent itself, in contradistinction to the current, more innovative institution.

You need a leadership that is willing to risk because not every idea is going to be genius. Or even if the idea is genius, the implementation may not be. So there are a lot of things that can go wrong, and one of the things that is true at [college] is that I think we’re not afraid of failure. That you say okay, I got this idea and let’s see if it works. Well, if it doesn’t work, it doesn’t really mean that it’s a failure. It means that now you have a data point and you use that to inform your next idea. And so I do think that’s a little different here. Often I think in academics there’s this real fear if you try something . . . well . . . don’t try it because it might not work. Here we’re much more willing to try it and then say all right, okay. Well, we’ll take another direction and learn and move on.

At both institutions, there is flexibility and freedom to innovate. One dean described the faculty’s experiences when coming up with new program proposals as being able to “just run with it” when they have a good idea. The hiring of entrepreneurial individuals to work at these colleges also has helped to support the culture of innovation and the “OK to fail” mentality that is supported by the leadership and easier to accept when it is the consensus of like-minded, innovative people.

Additionally, one of the presidents described the philosophy of a former board chair, a successful entrepreneur who brought his business philosophy to the college during his service.

As one of our board chairs said when he built his own business, . . . “You know, in my world, if we try ten things and four fail, and then six are successful, and four don’t lose us money and don’t take us under, we’ve been successful if the six have moved us forward,” which is pretty much the philosophy that we take here. We’ll try ten things and hope that seven will succeed.

The boards at both institutions are open to risk taking, particularly a well-considered risk where innovation is rewarded and ideas are not squelched. When people want to try
new things at these institutions, the answer is more likely to be “yes, let’s give it a try” than “no.”

Flexibility

One of the innovative strategies described earlier in this chapter was that of responding to the market. Both institutions have mechanisms in place to research trends and market demands with the ability to switch gears quickly if need be. If an innovation is considered a higher priority based on the positive impact for students or the return on investment to the institution, everyone has to be flexible enough to shift away from an existing project and make the new idea a higher priority. The president of College B describes his philosophy about flexibility as one that ensures they are nimble when it is needed so that innovation can occur.

So as you’re moving forward on something and a new opportunity arises, you say, “Okay, are we going to spend our energies going in this direction with this much ROI or are we going to shift over to here and increase the return on investment?” So we’ve dropped a number of things. . . . But other opportunities like the [program] presented itself to us. It has enormous potential. So we decided, “Let’s Pull back on a number of areas and devote our capital to this effort.”

At one college, flexibility is built into the strategic plan with nonspecific initiatives included so that projects can be moved in or out of the plan as time goes on. Faculty members also have worked to become more flexible and efficient; at one of the colleges, they have created a structure where ideas can move through the governance and academic-review processes from point of concept to approval in approximately 90 days’ time. This commitment to move innovative ideas through in a timelier fashion supports the college’s efforts to respond better to the market and stay ahead of the competition.

Collaboration
Collaboration is encouraged and occurring at both institutions, where innovative ideas are discussed, vetted, and implemented within the college and also outside it with external stakeholders such as employers, alumni, and industry experts. Advisory boards of employers and alumni are active at both institutions, ensuring that faculty and academic leaders receive feedback regarding the skills and competencies that graduates have to possess in order to be successful in the job market. In addition, new program ideas come out of the collaborations that occur with employers and industry experts. A number of innovative strategies described earlier in this chapter would not be possible if not for collaboration. For the partnership strategy to be successful, effective collaboration has to occur. In order to respond to the market, constant collaboration needs to occur with the external community, particularly the industries that the colleges serve.

I learned of a number of collaborative efforts among deans and faculty members, whereby different departments sought input to vet what they hoped were innovative ideas. One dean described the process by which the liberal arts department will spend time with the health sciences department, reviewing new strategies, in order to gain a new and different perspective on their ideas. Similarly, the research symposium that is held at College A is a great example of a collaboration that has continued to grow and prosper, involving students in the process in addition to external educators and organizations.

A student affairs leader at one of the colleges describes the way in which an innovative idea, based on a successful collaboration between athletics and student affairs, has impacted retention efforts in a positive way.

Our retention plan is a collaborative model in that we partner with several offices in order to provide support for students. We have a program called [program name]. If I receive an athlete’s name on my early-alert system, I immediately . . . ignite this [program name], which means of course I meet with the student. We
process whatever the issue is but I am in contact with the director of athletics. I am in contact with the student’s coach, and I’m in contact with the student to say, “Listen, I received the early alert. Your coach has been contacted. You’re here with me... I need you to know this is a partnership. So it’s a partnership between student services and athletics on the road to academic success for students. It’s another innovative thing that we have done.

The student affairs leader also shared that the overall retention plan is a large collaborative effort among departments and that having the flexibility to create an innovative plan made all the difference in the success they are now experiencing.

**Open Communication**

Communication is constantly occurring across departments and levels of the institution. Both presidents have an open-door policy whereby faculty, staff, students, and leadership know that they can run new ideas by them and receive feedback on the potential to run with the idea. The communication flows, with the presidents listening to the ideas that people have and encouraging their leadership teams to do the same. One of the presidents has incorporated a practice into his meetings to encourage the cultivation of ideas, taking time at the end of each meeting to hear from his leadership team on innovative ideas and projects that they are developing. One member of his leadership team described this practice as a friendly competition that encourages innovative thinking and open communication.

But as we finish the agenda, the meetings all close the same way. [President’s name] says, “All right” and we go around the table. “What is it that you’re doing that’s different this week? What are you working on? What’s your story this week?” And no one wants to come without one. It’s a little bit of peer pressure.
The same commentator described a similar practice when the president convenes the academic leadership team along with his team.

On the other Mondays we have president’s cabinet meeting, which is the vice presidents, all of the deans, a bunch of department chairs. It’s a group of about 35 people. And it’s less direct, but he still ends the meetings with that prompt. Rather than making each individual person respond, it’s more like, “Who has something to share with us today about something that’s on your horizon?” There’s an institutional expectation. That’s the only way I can describe it—that people are going to be active. And sometimes it’s problem solving. Sometimes it’s dreaming. Sometimes it’s something else. But that’s just part of almost every conversation.

A number of participants in the study mentioned the supportive culture that exists, whereby people can speak openly and are comfortable sharing their ideas. A strong belief exists among the participants of these institutions that open communication and connecting with each other is vital to innovation. One person described the way in which communication across departments is happening by using an example of a software program that was presented to one department but had applications for other departments. The open communication allowed them to involve the provost and other leaders of the institution to present these ideas.

And just having them all in the room and getting them together and sensing the communication with each other and me and the vendor, there’s something that we could adopt which would be innovative for us and would be a great tool. Again, it’s not a [specific department] tool, ’cause I’m not just [specific department]. I’m into how to promote the institution, how to help recruitment, how to help alumni, and this tool has the capacity. The provost was very excited about it and wanted to know more. So this could potentially be an innovative move and it happened fairly simply.

She mentioned that, absent an environment of open communication, she may not have done as she did and added that she certainly would not have done so at her previous institutions. Additional opportunities exist for democratic, lateral communication to take
place in the form of town hall meetings and cross-divisional meetings that occur on a regular basis at the institutions.

Transparency

A level of transparency that does not always exist at small colleges is readily apparent at both these institutions. Transparency begins at the top with the presidents, who take the time to share information with their communities. The types of information include financial, ideas about innovative projects, conferences they are attending, international trips they are taking, and committees they are involved in—all of which helps to inform the types of innovations that they would like to embark on at their institutions. The presidents do their best never to surprise their institutions or have them hear from a third party or external source regarding what is going on there.

One administrative leader commented that his president has “modeled innovation in that he never allowed something that he’s working on to be announced as something new and different as a surprise to the institution.” In many instances, the presidents will take their leadership, faculty, and staff on trips with them—when appropriate—in order to have them become more involved in the innovations they are working on and to add to their expertise. Transparency does not stop at the presidents’ level but rather trickles down to the other leaders of the institution, becoming an intentional part of the culture at both colleges. The CFO of one institution is described by one of the academic leaders as someone who promotes innovation through transparency.

I was actually saying to him yesterday that this is the only place I have ever worked where the CFO is universally liked and respected and trusted, and this was true of his predecessor too. And I don’t know what to relate that to other than I think there is a level of transparency at [the college] that doesn’t exist at many small schools where finances can be a fraught topic. But from the first opening
reception day that I went to, I was struck by how much information is available. And I think that makes people feel that they know what’s going on. . . . It’s clear this is how much money we have. This is what we do and so I think that’s mainly through a real transparent process.

One board member commented on the strategy to become more transparent, indicating that it allowed members of their community to address the issues of higher education and the impact on their college with faculty and staff and garner their help in coming up with solutions.

I think the administration, the board, and I’ve seen it even over my six years there, I think we’ve really tried to become more transparent, and basically take the issues of higher education, where it is today, small public colleges and everything else, and take the whole discussion to the faculty and share financially here’s what’s happening, and demographically. And try to win the support within all the constituencies within the college that hey, guys, this is what we have to do to survive and thrive as an institution.

Sharing information in such a transparent manner has helped to build trust and better support the culture of innovation at each institution. A number of participants said that the energy created through communicating about innovative projects that their leaders are working on generates great enthusiasm and excitement for the community. These presidents become models for their leadership teams, urging them to become more transparent in sharing information and ideas with their own teams.

**Having an Innovative Vision and Mission Statement**

Being mission driven is important to the institutions; as with most institutions, however, the shift during the past decade is that they are using their vision and mission as a true guiding force in all their innovative decision making and in the way that they “live” that vision and mission. As one of the presidents stated during a 2010 unveiling of a new strategic plan and vision for the future, “Today . . . it’s not justifying what we do to the mission, it is using the mission to orient our perspective and activities. We have actually
begun to use the mission as a group of professionals in academe to guide the ship.” Both institutions have made innovation a focus in their vision and mission statements and have made it clear that they will be recognized leaders in higher education innovation in the coming years.

These vision and mission statements have been crafted in the past few years to respond better to their innovative approaches and strategies. One of the colleges completed a recent vision exercise, with the result being a one-sentence statement with innovation as the only aspiration, further solidifying the significance that innovation plays in the institution’s culture. The college’s new vision clearly indicates that innovation is the only direction in order to be successful and continue to fulfill the mission.

In addition to innovation being at the forefront of the vision and mission of the two institutions, both also emphasize the importance of the liberal arts combined with professional programs in their mission statements. They exhibit a type of reverence in protecting their liberal arts programs while at the same time recognizing the importance that professional programs have and how they contribute to the graduates’ success, attract new students, and respond to market needs. The combination of the two—liberal arts and professional programs—is looked upon as the necessary formula for success and sustainability. The professional programs prepare students for jobs that exist today. The types of skills and competencies that students gain from the liberal arts help to prepare them for jobs that may not even exist today, giving them the skills to make those intellectual and life decisions regarding career changes. Both institutions have stayed true to a liberal arts focus while ensuring that their graduates have employable
skills for today through the professional programs. One professor commented on the need to create a well-rounded student, where the combination between liberal arts and professional programs is critical.

And I think we are a good mix of that, we’re strong in the humanities and in the sciences . . . plus we have applied fields like cyber security and health sciences. You can’t just have applied individuals because without the liberal arts and the applied science education, it’s—you’re not creating well-rounded people that can really sort of think outside the box. When you are training people for careers—the careers of the future may not even be invented. So you can’t train people for—“you’re going to be this your entire life.” You have to train people that can be changeable and roll with the punches and the change in the industry or change in their positions.

At one of the colleges, the dean of the college of arts and sciences described the mix of arts and medicine in their health sciences programs, citing nurses in the arts programs who are also musicians. Combining wellness with the arts is being looked at as an innovative track for both the college of arts and sciences and the health sciences programs, with the idea of turning out a more well-rounded student in both programs.

When asked about how innovation has been making a positive difference for students, one board member, who is also a graduate, commented on the “unique blend of professional and liberal studies that are critical to their success.” Combining the two has ensured that their graduates will be ongoing learners and effective communicators.

At College A, the mixture of the liberal arts and professional programs has helped to sustain their women’s college, ensuring that students have the opportunity to choose programs that still have the liberal arts component but also build the skills they need to be readily employed. Students do not have to select out of their institution if they want, for example, a degree in occupational therapy; instead, they have the flexibility to be enrolled at a liberal arts institution and still receive a degree in occupational therapy.
A professor of practice at one institution talked about being an advocate for the liberal arts. The professor went on to emphasize the importance of the “broadly generally educated person,” which they enable there by bridging professional programs with the liberal arts. As one senior leader commented, “Enrollments are going up because we’ve selected markets where the social need is increasing.” Mixing a liberal arts core with professional programs not only has helped these institutions stay true to their mission but also has offered an innovative way of doing so.

Chapter 5

Discussion and Analysis

This study explores how two small colleges have adopted innovative strategies that have maintained or improved their fiscal strength. My purpose has been to understand better the types of strategies used and the way a culture of innovation has been developed and supported at these institutions. This study also looks further into how these innovative strategies have improved the student experience in order to gain a better understanding of the impact that innovation is having there. Realizing that the mission of higher education institutions is focused on students, it was important not to lose sight of the implications that a culture of innovation would have on these colleges’ missions. As a result of this study, I was prepared to hear that the mission of these institutions would
change (knowing that innovation can prompt change) on a regular basis. What I found was the opposite—that innovation actually helped to fulfill their core missions in a more effective way.

The missions of these institutions are their guiding force and, as one participant stated, “the reality check” that may be needed when determining what innovative solutions or strategies would contribute to the schools’ success. Similar to what Chaffee’s (1984) study of 14 liberal arts colleges found, these colleges were responsive to market demands yet consistently checked back to compare the mission of their institution with the innovative strategies they were considering to ensure they were not veering away from that shared mission (p. 213). As a result, they were more likely to be successful at implementing those strategies and realizing positive results. Combining the adaptive (responding to market demands) and interpretive (skillful use of all communications and symbols to portray the collective reality of the participants) model of strategic management in their decision making when looking at new opportunities has helped both institutions to become more resilient and successful in the course of time (Chaffee, 1984).

The vision for these institutions may have changed slightly through the years to incorporate innovation as an aspiration, acknowledging the critical role that it currently plays in the success of these institutions. One of the colleges recently modified and simplified its vision, making innovation its only aspiration. That action further emphasizes how innovation has become a way of life for these institutions, being—as a number of participants commented—“part of our DNA.” In the work of Dombrowski et al. (2007) on innovative cultures, the importance that a shared mission and vision play...
is magnified when modeled by the senior leadership team and “lived” by the organization.

At the outset of this study, I was searching for the big event or crisis that would have been a turning point—a pivotal moment that defined these institutions as innovative. What I discovered instead was that a watershed moment, for both institutions, happened some time ago: for College A, more than 40 years ago, and for College B, more than 60 years ago. Staff from College A believed that the move to coeducational evening and weekend programs in the 1970s was their pivotal moment. Meanwhile, staff from College B believed that educating returning GIs after World War II marked the start of an innovative culture at their institution.

College B came into being to serve an entirely new student demographic. For College B in particular, the theory of organizational culture that Edgar Schein (2010) describes is one that takes shape during the early stages of an organization, especially as its members are working together to accomplish a goal or task. If the method results in success, chances are that this same method will be used again when faced with similar tasks or issues. When College B first opened in 1946, the innovative way that it worked to respond to the needs of GIs served the college well and has been repeated in various forms throughout its history, including the way the college has responded to serving the adult learner.

Although the culture of innovation may have been developed at an earlier time for these institutions, the challenges that they have experienced through the years—a decreasing high school graduate population, competition for students, and affordability issues—have kept the innovative culture alive, especially under the current leadership.
The need not only to survive but thrive was stated numerous times by participants as they reflected on the reasons they were so driven to innovate. For both institutions, there were times since the 1970s and 1940s when there were financial difficulties that could be attributed to leadership at the time. Such has not been the case for either institution based on the successful track record of their current leadership.

During my time with the participants on their campuses, I wondered what it might have been like to visit each campus when the culture of innovation was first being established and developed. What would I have learned in 1946 or 1970 about the way the culture was developed? Who would have been the catalyst back then? Given the difficulty of being able to dig deeper into the development of something that happened so long ago, instead my focus shifted to how the current culture is supported and how innovation is promoted throughout these institutions.

The way that innovation has taken shape at these institutions reflects Rogers’s (1963, 2003) definition of innovation as “an idea, practice or object that is perceived as new by an individual or other unit of adoption.” The diffusion of innovative (Rogers, 1963, 2003) strategies or practices is present at both institutions as the leadership, faculty, and staff continuously research new ideas that have been implemented successfully in other organizations and work to model those strategies at their own institutions. The addition of evening and weekend continuing-education programs, online courses, accelerated-degree programs, and new professional-degree programs that respond to market needs are all examples of innovative strategies that may not be new to larger higher education institutions or research universities but are quite innovative for small liberal arts colleges.
The findings from this study were similar across the two colleges. The innovative strategies of both institutions have supported their fiscal success and definitely opened up more opportunities for students to pursue their degree programs through diverse delivery models. A number of participants—particularly the senior leaders and deans—were able to articulate the impact that these innovative strategies have had on the institutions’ finances. There was talk of how many millions from new, market-driven programs were now supporting other initiatives for these colleges and how those new revenue streams have made a positive impact on the financial strength of the institutions.

It is no secret that the diverse revenue streams arising from these innovative strategies (online degree programs, evening/weekend programs, new professional graduate degrees) are, in many instances, used to support traditional undergraduate students. The all-women’s college that operates at a deficit yet still has funding for student scholarships, faculty-research grants, and capital projects (e.g., a refurbished visual and performing arts center) is funded in large part by these other delivery models and programs. At College B, revenue streams created through implementing these innovative strategies fund the new dormitories and deferred maintenance projects, as well as help absorb deficits.

A key finding that has been critical to the successful implementation of these strategies is the way in which the leadership at these institutions is intentional and responsive when it comes to innovation. By intentional, I mean the way that these institutions look at how they can incorporate innovation into every aspect of their day-to-day operations, short- and long-range planning, and their culture. They are doing so exactly as a business responds to changes in the marketplace and explores potential
partnerships in order to remain competitive. The intentionality and responsiveness have led to these institutions being able to implement innovative strategies that have impacted their fiscal strength positively and will continue to do so.

The intention to innovate especially has been incorporated into the planning processes of these institution as well as their operations. The business-focused outlook with which these institutions review issues and come up with solutions is also considered innovative in nature, specifically for small liberal arts colleges. Treating students as consumers who are buying a product or service is a much more business–like approach, recognizing students’ needs regarding convenience in scheduling, length of time to degree, and affordability. The openness to new ideas that these institutions show is apparent in the way that they have responded to the marketplace and also in the way that they have forged partnerships internally and externally. By making the practice of innovation intentional and responding to opportunities with an open mind, these institutions have found that they are able to do things that have improved their fiscal strength and the overall student experience that otherwise would not have been possible. Behind these strategies lies the intention to be innovative along with an openness and responsiveness to new ideas.

The Intent to Innovate

The intent to innovate has, in many ways, been operationalized throughout the institutions as part of their planning processes and is very apparent on both campuses. This intentionality starts at the top with the presidents driving this effort along with the support of board members. The intentionality then moves downward through their leadership teams to the senior leadership, academic leadership, and ultimately faculty and
staff. Ensuring that innovation is intentional is evident in a number of the innovative strategies that have been implemented at these institutions. By virtue of these strategies and practices, along with the innovative culture that is promoted, the intent to be innovative is lived out daily at these institutions.

Planning with the Intent to Innovate

In promoting and supporting a culture of innovation, the presidents and their leadership teams have made an intentional effort to incorporate innovative practices into all facets of planning. One president described the need for “formal and informal planning processes” around a strategy to innovate as something that they do well. However, the feeling is that a more formalized market research effort would be helpful in looking out over the horizon for new program ideas. Nonetheless, there is a still an effective combination of formal and informal planning that goes on in these innovative cultures today.

The strategic plans for these institutions have goals attached to innovation in order to ensure that the focus of their strategy is innovation. One president stressed the need not just to plan strategically but to think strategically in this process. All of the work then becomes intentional, beginning with the shared innovative mission and vision informing the strategic goals and objectives in the plan. These goals then are prioritized based on the timing of implementing these innovations. The manner in which the presidents and senior leaders have spent time socializing and presenting the strategic plan, and the innovative strategies attached to the plan, further solidifies the importance that innovation plays in their future plans and overall success.
This practice of making innovation a strategic goal leading to a more successful organization and a culture that is effective at innovating was a top priority for senior executives who took part in a survey conducted by McKinsey & Company (Barsh et al., 2008). A disciplined focus was identified as one of the building blocks to an innovative culture in this survey—more specifically, a disciplined focus to integrate innovation formally into the strategic management agenda of the organization. Similar to these corporate executives, the presidents and senior leaders of both institutions have made their intentions clear regarding the disciplined focus that they have exercised to ensure that innovation is based on their current strategic plan and embedded in their processes. One way to embed innovation into their processes has been evident in the performance-review process.

The way in which goals are tracked and people are held accountable has been very intentional by tracing the goals back to the plan’s innovative strategies and initiatives. One student services leader, for instance, provided details about the way annual goals and objectives are created and the manner in which staff are tracked and held accountable for their goals. Learning more about this detailed process made it clear that this effort is not only an all-college effort but also one that is individualized. In the McKinsey & Company study (Barsh et al., 2008), 94 percent of the senior executives stated, “People and corporate culture are the most important drivers of innovation.” By individualizing the strategic planning goals that focus on innovation and setting performance metrics and goals, the leaders of these institutions have ensured a way to track the progress and further support an expectation and culture of innovation.
The financial resources necessary to implement new and creative ideas highlights the need for a measured approach to deciding which innovative strategies to implement. Both institutions require a combination of business plans, financial pro formas, concept papers, and an overall justification of how the new idea will benefit the college. Beyond the financial indicators showing positive projections based on implementing innovations, the innovation has to be linked back to strategic planning goals. This link is another mechanism to ensure that innovations are in line with the strategic goals and the mission and vision of these institutions.

**Being Open and Responsive to Market Demands**

One professor commented, when discussing the uniqueness of her institution, that there is a “broadness of mind and willingness to explore something other than what we have always done.” This comment stayed with me as I heard more examples and stories from other participants regarding the need to be responsive to market demands when discussing innovative strategies. The comments on this topic were almost overwhelming. There was no question that many of the senior leaders, deans, and faculty spend a good bit of time looking for new innovations, researching what is happening in the marketplace, and reaching out to industry. In an extensive eight-year study of innovative entrepreneurs that Dyer et al. (2011) conducted, it was found that discovery skills associated with how innovative entrepreneurs come up with ideas for new products includes “associating” (p. 41). Associating is the “ability to make surprising connections across areas of knowledge, industries, even geographies . . . innovators actively pursue diverse new information and ideas through questioning, observing, networking and experimenting—the key catalysts for creative associations” (p. 41). Considering the
way that the participants have responded to market demand in creating new programs and partnerships, their actions closely resemble the innovative entrepreneurs from the Dyer study.

The participants spoke of the networking that takes place with their presidents as they spend time in the external world to learn more about trends and issues in higher education. Similarly, their presidents learn about new innovations and models from their peers and, in some instances, have brought these innovations (budgeting model at College A) from their previous industries, which were not related to higher education. Additionally, the deans and faculty spend time with their advisory boards made up of industry professionals to learn more about the skills and competencies that graduates need to be employable. Senior leaders, deans, and faculty alike, review market data to see how connections can be made to leverage their institutions’ existing strengths to create new programs. Thus, “associating” is occurring on a consistent basis with the leaders and faculty of these institutions based on their openness to new ideas and their willingness to respond to the market and make the needed connections.

Partnerships have been forged with other institutions, third-party vendors, international institutions, and employers based on the participants’ ability to remain open to new ideas and respond to those that seem most viable. Given the flexibility provided and risk tolerance that is allowed, experiments are happening at these institutions at any given time to try out new things. Numerous examples exist of employers and entrepreneurs approaching the institutions offering to partner and experiment with new projects that, in turn, have become successful relationships positively impacting the student experience. Without the openness, receptiveness, and responsiveness of the
professors and leaders at these institutions, many of these innovative projects (such as the entrepreneur center and the risk-management insurance-degree program) would never have happened.

An Intentional Business Focus

A business focus was very apparent at both institutions, both in terms of the processes and language used. The participants were mindful of the need to regard the colleges as businesses. This perspective came out of the understanding that in order for the college to be financially stable and sustainable, business practices, business terms, the use of business modeling and pro formas for new innovations, along with the idea that the student is a consumer, were all fairly acceptable in the scheme of things. The only negative feedback related to the idea of the student as the consumer or customer came from a senior leader, himself from the world of business, who noted the “rolling of the eyes” that he sometimes would see from faculty when referencing students as customers. The majority of participants used terms such as economic indicators and industry demand in their conversations with me, making it seem as if the use of these business terms was the status quo for these institutions. Data is required of individuals bringing innovative ideas forward, and market research has to be performed as part of their justification; hence, the business focus becomes intentional through the use of business practices that, in turn, can support innovative strategies.

The use of business practices also has been able to create effective partnerships with industry as the individuals working on these partnerships, to a large degree, can “talk the talk” in the business world. The ability to do so may be the result of the need for a business mentality when working at these institutions. Some of the participants have
worked only in the world of higher education yet have picked up business terms and practices; others had a business background before joining higher education. It was clear that a number of leaders had been hired in the past few years from industry in order to bring a professional, real-world perspective to the teams. This intentional focus on operating like a business is becoming more prevalent in higher education. Boards of trustees are expecting their presidents to behave more like CEOs of corporations, and their leadership teams then become an extension of that CEO mentality (Sampson, 2012). The financial and enrollment challenges in higher education have spurred these efforts to become more intentional about acting like a business. Both of the institutions studied have been behaving in this manner for a good number of years (10 to 15 years or more). More established colleges only now are beginning to catch up to them, while others seem to be ignoring the shift to this business mentality.

Although there has been a trend of hiring senior and academic leaders from the business world at these institutions (especially at College B), there are also a number of individuals who have had a major impact on the innovative efforts who have worked in higher education for their entire career. Many of these individuals have been the drivers of innovation at their institutions. They have led the efforts to add new programs and have been receptive to new business and delivery models, such as shared revenue arrangements with third parties that deliver services to the institutions, shared services with other institutions, and the sharing of physical space for specialized programs where lab or clinical space is necessary. These long-tenured individuals always may have had innovative tendencies or perhaps have been influenced by the colleges’ innovative leaders.
Elements of Innovative Cultures

Based on the findings, it is obvious that innovative strategies have been impacting the fiscal strength of both institutions in a positive way. After learning more about the history of the institutions and finding out that a culture of innovation most likely was developed and established before most of the current participants were working at these institutions, the focus then turned to how the culture of innovation currently was being supported. Earlier in this study, *culture* was defined as the customs, rituals, and qualities that are passed down over time or over a group’s history (Kotter & Heskett, 1992; Schein, 2010). Being able to study closely the culture that makes up innovation at these institutions would then mean being able to identify the components of a culture of innovation that can drive new ideas, new strategies, and better ways of doing business.

As supported by the literature and a number of responses from the participants in this study, a culture of innovation may be defined as “never accepting the status quo and always being open to change” (Merrill, 2008; Morris, 2011; Rogers, 1962, 2003). Given that both institutions create new ideas on a regular basis and include innovation as a key part of their strategies, it is clear that a culture of innovation exists.

I earlier identified eight elements of innovative cultures as a potential framework for supporting the creation and implementation of ideas. These eight elements were taken from a variety of research studies with results that had similar themes. Those themes included 1) a safe space, 2) democratic, lateral communication, 3) flexibility, 4) boundary spanning, 5) collaboration, 6) leadership, 7) having a cause or passion for the work, and 8) an innovative vision and mission statement (Ahmed, 1998; Dombrowski et al., 2007; Hamel, 2002; Morris, 2011; Rogers, 1963, 2003; Tellis et al., 2009). The findings of this
study almost mirrored these elements, some in more ways than others. The overall findings regarding the elements that support a culture of innovation at these two institutions were 1) leadership, 2) risk taking, 3) flexibility, 4) collaboration, 5) open communication, 6) transparency, and 7) an innovative vision and mission. All of the elements that emerged in this study were important to the culture of innovation; however, in reviewing the findings, three elements stood out as critical to the innovative process because, without them, it would be almost impossible to support an innovative culture and its strategies. Those elements are leadership, followed by an innovative mission and vision statement, to which must be added a new element not evident in the framework—transparency.

Leadership

As I think back to the participant interviews and the answers to questions such as “Your institution has a reputation for being innovative; in what ways is innovation apparent at your institution?” “Why do you think innovation is happening at your institution?” and “Who are the key drivers of innovation at the institution?,” the answers to those questions for a majority of the participants was their president. The presidents support all the other elements of innovative cultures (collaboration, flexibility, risk taking, etc.) with help from their leadership teams and trustees. Having a leader who is innovative and entrepreneurial has made all the difference for these institutions. One board member in particular was quoted earlier as saying that the board was looking
for an innovative leader and, in the end, it all worked out exceedingly well. In his view, they “couldn’t have done better.”

It was obvious that both presidents are champions of innovation and that they lead the innovative efforts for their institutions and look for ways to gather resources in order to support those efforts (Christensen & Raynor, 2003; Dyer et al., 2011; Morris, 2008; Rogers, 1963, 2003). A number of examples surfaced during this study of the ways in which these presidents “always look ahead” at market trends to determine the direction the institution should be going regarding new programs and delivery models. Both presidents understand the difference that health sciences has made for their institutions and encourage their academic leaders and faculty to continue their efforts to expand those programs and degree levels. Similarly, both presidents understand the power of an innovative mission and vision and have been intentional about the strategic-planning process supporting their innovative efforts.

The importance of creating goals and metrics around innovative strategies has become an intentional and ingrained practice at these institutions. The presidents lead this culture of accountability with support from their senior leaders and academic leaders. By everyone’s estimate, an innovative culture is in the DNA of these institutions; according to Dyer et al. (2011), those cultures more than likely reflects the leader’s DNA. And, indeed, I observed that there was much similarity between the way the participants approached their work on innovation and how the presidents did. It was easy to observe that deliberate modeling of behaviors and best practices has been occurring.

A number of participants noted that the challenge they had at times with their presidents was their having too many ideas that they wanted to implement. The phrase
“they never met an idea or opportunity that they didn’t like” was mentioned more than once regarding the presidents at both institutions, but it was said in a way that appreciated their presidents’ entrepreneurial approach and intellect. The real issue that surfaced during these conversations was a struggle for some participants to keep up with all the innovations/new projects that were going on at once.

The presidents of both institutions are believers in hiring innovative people who respond to new ideas and have an open mind willing to look at all possibilities. This practice of hiring innovators has been known to perpetuate a culture of innovation (Davila et al., 2013; Dyer et al., 2011; Merrill, 2008) that is very apparent at both institutions. The strong leadership and academic teams at both institutions exhibit the same innovative approaches as their presidents and have worked to institutionalize innovation through processes and efficient use of systems. Once again, the intentionality of innovation surfaces through these leaders.

Although there was no mention of the past presidents or campus leaders who were in office when innovation first occurred at these institutions (in the 1940s and 1970s), one would expect those presidents to have similar attributes as the current presidents at College A and College B. Innovative leaders tend to be risk takers and are capable of influencing big decisions, as has been the case with the current leaders and most likely was with past leaders who served during the most innovative periods for these institutions.

One other aspect of this study that is worth mentioning is the tenure not only of the presidents of the two institutions but also that of the other seven presidents involved in the site-selection process. Nine institutions were initially slated for site selection in the
early parts of this study; with seven ending up in the final pool (two were eliminated immediately due to an easily recognized conflict of interest). Out of the nine institutions being considered at first, seven of the nine had presidents who have been in their position for more than 10 years. Of the seven institutions in the final site selection, six out of the seven have presidents who have served for more than 10 years.

Although this is not a study of leadership in particular, there is something to be said for presidents who have enough time in their positions to make a difference. When talking with both presidents, it was clear that if they had been evaluated during the first two or three years of their tenure, they may not have been dubbed as an innovative president just yet. The same can be said for the other presidents in the site-selection process. One president in particular, whose institution ended up being a conflict of interest for this study, tells a story of his first few years in his position and having to make the tough decision to lay off faculty and staff members based on the financial issues they were experiencing. Today his institution is doing extremely well—to the point that it is difficult to imagine the hard times that were happening in the mid-2000s.

This type of data could make the case for allowing the time needed in order for a president to be able to make a positive difference. Such a transformation could take five-plus years before those results are apparent. How much time is needed not only to launch innovations but also to develop and see them through to success? The average tenure of college presidents at four-year, nonprofit, private colleges has declined from 8.5 years in 2006 to 7.1 years in 2011 (ACE, 2012). This is troubling considering the need for stability at many colleges and particularly considering the time needed for innovative leaders to vet a new idea, implement it, and evaluate the results. The innovative leaders in
this study have had the benefit of time to be able to see their innovations come to fruition based on their average tenure of 11 years. Although it would not be wise to keep a president in office who is not showing any signs of progress or innovation for an extended period of time, there is a need to ensure that he or she has enough time in the position to be able to make a difference.

Innovative Mission and Vision

Without a clear direction, the actions of an organization or institution lack meaning. The mission and vision statements provide that meaning for people within those organizations. As previously stated, Collins and Porras (1994) describe a visionary company as one that “creates a total environment that envelops employees, bombarding them with a set of signals that are consistent and mutually reinforcing, so that it’s virtually impossible to misunderstand the company’s ideology and ambitions” (201–202). The leaders and their leadership teams have done tremendous work to ensure that their mission and vision continuously focus on innovation, and they take the necessary time to spread the word within their college community.

The work done at these institutions to tie individual performance goals back to the goals and objectives of the strategic plan has helped to institutionalize innovation in an intentional way. Aligning strategies, goals, and tactics consistent with the mission and vision can be a powerful way to move toward and sustain a culture of innovation (Collins and Porras, 1994). Even though innovation is at the forefront for these institutions, their commitment to and belief in their core liberal arts mission stands firm for both institutions. Despite the changes, growth, new projects and programs, and new delivery
models, both institutions are very clear as to the importance of having a blend of liberal arts and professional programs.

No matter what new project or innovation is being reviewed or implemented, the presidents ensure that their liberal arts core is protected. With all the innovative projects and professional programs that were being discussed during the participant interviews, I was surprised when the idea of balancing the liberal arts with the professional programs was brought up. There was such enthusiasm for the addition of professional programs at these institutions that it was hard at first to determine how much of a role the liberal arts played. However, I soon found out that the college leaders and faculty were clear and united in their shared mission around the liberal arts. There has been disapproval in the past, and some of that lingers today, about the “dehumanizing influences of market forces” on a college education (Bonvillian & Murphy, 1996, p. 143). The institutions in this study have come to understand and appreciate how the liberal arts teach critical thinking, problem solving, and communication skills that will position graduates better for career changes and new industries and still enable them to pursue their professional programs.

Transparency

In the eight elements of innovative cultures, transparency is not one of them. However, when I began to learn the level of transparency that exists at both institutions and the practices of each president to ensure transparency, I realized that this was an important element of the innovative cultures at both institutions. It would not suffice to make transparency a subset of a theme or finding in this study based on the difference it can make in a culture of innovation or in any culture for that matter. Being transparent in
a way that updates and engages the college community is always a good strategy. When people better understand the financials, innovative projects to be considered or implemented, issues and new initiatives, presidents then can create trust, loyalty, and buy-in from members of their community.

Ways in which these institutions are transparent comes in the form of sharing information at town-hall, departmental, and individual meetings, and it also includes the willingness to answer questions regarding financials, capital, new projects, and the like. In reading transcripts and watching videos of town-hall meetings, I noted that the presidents are quite candid in their remarks. They encourage their leadership teams and others to practice transparency in their day- to-day activities. For staff at these colleges, learning more about what is coming next always builds momentum and excitement. In addition, transparency can improve performance: When people have access to relevant and timely information, there is a better chance of being able to innovate, function more efficiently, and better respond to market needs (O’Toole & Bennis, 2009). When a college community understands the resources and opportunities that are available and the challenges that the institution faces, it allows innovative ideas to surface based on the reality of their situation, making their ideas more prone to become viable solutions.

Improving the Student Experience

The definition of innovation in this study speaks to the impact that innovation has on the student experience. When asked “how is innovation making a positive difference for students?,” participants gave varying examples: new online delivery models that make scheduling more convenient; revenue generated from the new programs in the professional fields that helps to support the addition of coaches for the traditional
on-ground students (a service that has been ongoing in the online degree programs); and accelerated degree programs that help students to finish sooner.

One area that may not seem as innovative to some institutions but did come up a few times is that of athletics. For a liberal arts college, athletics isn’t usually a big part of the mission; however, when looking at how to attract more students to their campuses, these presidents decided to tap into a slightly different demographic—that of the student athlete. Both institutions are experiencing successful athletic programs thus far and even have shared that the academic preparedness and achievement of these students is higher than for some other students.

Being market-driven, business-minded organizations, these institutions realize that not improving the student experience means that the customer is not always going to be satisfied. Responding to student needs has been a driving force for both institutions, and each institution has been successful at doing so by offering more convenient and affordable delivery models. Most of all, the senior leaders, academic leaders, faculty, and staff indicated that seeing how innovations have been able to improve their students’ experience makes them want to continue to do more.
Chapter 6

Conclusions and Recommendations

The purpose of this study was to understand how two small colleges have adopted innovative strategies that have placed them in a better position financially and strategically at a time when most similar institutions were on the decline. This study also sought to understand how a culture of innovation was supported at these colleges in order to create innovative strategies that ultimately impacted fiscal strength and improved the student experience. The research completed during the site-selection process helped to solidify the two sites that were chosen based on IPEDS data combined with testimonials from higher education leaders; it became obvious that the two institutions had been implementing innovative strategies that had definitely put them in a better position financially based on their enrollment growth. Especially impressive was the fact that both institutions had been able to grow their enrollment and revenue consistently during the past 10 years without seeing any decrease during the great recession of 2008–2009. My goal was to find out more about how they were able to do so and how they were able to promote and sustain a culture of innovation.

Both presidents were quick to respond to my proposal and graciously allowed me to spend approximately three days with them. The senior leaders, academic leaders, faculty, and staff at both institutions were generous with their time and forthcoming. The participants seemed pleased to have the opportunity to tell their story about innovation and how they have been able to sustain their innovative culture. Ultimately, the examples of innovative strategies implemented at these institutions could turn into sustainable solutions for other small colleges that may be struggling with student enrollment and
Creating and sustaining a culture of innovation is an intentional endeavor that relies on the right mindset and the right people in order for it to be successful. Knowing that many small colleges are struggling to survive, based on enrollment and revenue issues, the status quo for many of these institutions will not suffice. Therefore, the following recommendations will serve as a way for small colleges to begin thinking about how innovative strategies can be created and how the culture of innovation can be supported.

**Recommendations**

**Leadership**

There are many elements making up a culture of innovation and, in turn, many types of innovative strategies that an institution can implement to impact its fiscal situation. In order to do so, though, there has to be support and an innovative mindset from the top down. The board of trustees has to be willing to support a culture of innovation, which may mean taking a hard look at the presidential leadership and the senior leadership team of the institution to see if the right people are in place. The presidents at both institutions described the need to cultivate board membership that went beyond a caretaker board that dwelled on previous accomplishments and was satisfied with the status quo. Instead, the board membership at these two institutions is made up of innovative leaders who understood the importance of choosing the right president for their institution when they brought on their current president. In addition, the support
for innovative initiatives both financially and politically, on the part of the board members, has been a critical component in leading innovative efforts at these institutions.

Innovative leaders can take many forms, and the champions of innovation do not necessarily have to be the president. However, if the leader of the institution is not innovative, someone close to the president will need to take up that mantle, such as an executive or senior vice president, the provost, or the like. Additionally, if the innovative leader is not the president, he or she must keep an open mind, be open to risk taking, and offer resources to help fund the innovations. Both the presidents in this study were great examples of innovative leaders who were open to taking risks, always looking ahead, and extremely inquisitive individuals who could make the connections from idea to implementation. The innovative leaders in this study were also good at building partnerships and inspiring others to be innovative. Being able to create and support a culture of innovation will be a difficult task if the right leader is not in place. Dyer et al. (2011) described the act of “associating” as the “ability to make surprising connections across areas of knowledge, industries, even geographies. Any champion of innovation will have to be willing to make those connections and pursue diverse new information and ideas through questioning, observing, networking and experimenting” (p. 41).

Innovators breed innovators—meaning that once an institution decides to develop a culture of innovation, hiring a few innovative leaders in various departments should mean that the department will continue on that trajectory.

Part of this research involved interactions with board members and learning more about their backgrounds and perceived roles for their institutions. A number of board members are entrepreneurs who have their own businesses, which turns out to be
extremely helpful when the president is trying to move innovative initiatives forward. These entrepreneurial board members understand what goes into making a sound business investment, while at the same time they understand taking a risk when necessary and trying new things in order to impact fiscal strength.

**Innovative Mission and Vision**

Being innovative has to be done with intention, which begins with an innovative mission and vision statement for the college. The buy-in of the college community will be important in order to ensure that an innovative vision and mission are embraced and that the mission and vision will be referenced before making any key decisions for the institution. Incorporating innovation into the vision and mission statement of the institution should not be difficult to do; the difficulty will come when trying to “live” the mission and vision if others within the college community do not share this innovative mission and vision. Board members are critical to the success of this process, as are senior leaders who help operationalize the mission and vision.

The board members also have to be willing to invest time and resources in exploring whether innovative strategies put forward by the leadership of the institution are viable and make a positive impact. Another part that the board leadership will play is to bring new and innovative ideas forward based on their own experiences in business. Taking a hard look at the board of trustees for an institution will be another necessary action when thinking about how to build an innovative culture and have the right individuals on the team. If the board has not been active and engaged in the institution, or is happy with the status quo, then it may be time to look at adding new board members who are more business focused and entrepreneurial.
**Willingness to Respond to the Market and Student Needs**

Innovators spend a significant amount of time doing research and “always looking ahead” to see what is out there in the higher education landscape. They must know what is happening with their peers and must connect with industry professionals and think-tank leaders in order to keep abreast of the newest innovations and potentially adapt them at their institution. For any institution looking at innovative strategies, responding to the market becomes a big part of the strategy. Although some believe that liberal arts colleges should not be looking at market demand, innovative efforts will never get off the ground if this critical aspect is ignored. Ideas for new professional degree program offerings, new delivery models, and potential partnerships can be discovered as a result of spending time with industry professionals and employers.

Responding to student needs is a big part of the innovation equation. As much as members of the college community may not agree with the idea of treating students as customers, the competition is already responding to students needs in a way that makes it more convenient for them to attend college. Additional locations for programs that may be geographically closer for students, accelerated degree programs, and online learning are just a few examples of the ways in which many institutions are responding to students in innovative ways.

**Recommendations for Further Research**

This study was rich in data, with 40 interviews conducted across two institutions in addition to supporting documents and third-party input from higher education experts on innovation. The participants were open and candid, with great stories to tell and an
enthusiasm and passion for their work. A number of other interesting topics emerged as possible ideas for further research on innovative strategies and cultures.

Although I asked participants what difference a culture of innovation is making for students, no students were interviewed. It would be helpful to gain their perspective. Do they view innovation in the same way as a faculty member, dean, or president would? Do they grant that innovation is making a positive difference for them? What types of activities would they deem innovative? What role could they play in an innovative culture?

Another area for further research would be to dig deeper into the characteristics of an innovative, small-college, liberal arts president. Knowing how vital it is to find the right fit in this entrepreneurial leader, further research could reveal a better understanding of the skills, behaviors, and other attributes that make up these successful leaders. Outcomes from this study may help to inform where to find these leaders, which may very well point to industries outside higher education. Today, more and more senior leadership members and deans are coming from the business world.

One last idea for further research would entail studying liberal arts colleges that are considered innovative yet their move to innovate was more recent—say, during the past five years. The two institutions in this study had pivotal moments 40 to 60 years ago when innovative strategies began to take place. Being able to study institutions whose cultural shift took place more recently would allow more insight into how these cultures were developed and sustained.
Concluding Thoughts

I am grateful to the participants and leadership at the two innovative small colleges. They helped me get a glimpse into their inner workings and gain a better understanding of what innovative strategies they have been using to become fiscally stronger while making a positive difference for students. Additionally, learning more about the elements that make up their innovative cultures helped me to view my own experiences at Southern New Hampshire University through their lens. I was heartened to see the difference that has been made at these two colleges regarding their financial sustainability and service to their students, knowing that the findings of this study could well become a roadmap for other small colleges as they dig their way out of enrollment and financial deficits.

In today’s higher education climate, it is clear that status quo or business as usual will result in institutions either merging or closing unless drastic change or innovation occurs. Seeing two small colleges that just a decade ago had 2,000 or fewer students climb to a student population today as high as 3,000 (College A) and 4,000 or more (College B) is a testament to how innovative strategies can indeed positively impact the fiscal strength of small colleges and improve the student experience.
REFERENCES


134


137


316


139


