Implementing Strategy in Higher Education

Kees Mouwen

Introduction
In many countries nowadays, the government is stepping back, preferring to rule from a greater distance. In many cases, the budgets for higher education are shrinking as a result. For example, in the Netherlands, the governmental expenses for the universities, as a percentage of gross national product, have decreased by about 30 per cent over the last 15 years. During the same period, student numbers have risen by about 20 per cent. As a consequence of these trends, things are really changing in the world of higher education. There is a strong tendency towards more contract research, postgraduate courses that students have to pay for and higher tuition fees. In the Netherlands 25 years ago about 5 per cent of the total budget of the universities came from the market; nowadays this is about 25 per cent. These developments have forced many academic institutions to think more and more in terms of markets for education and research, so that they are becoming more and more interested in their positioning in that market. Together with the market, some rules of the market game enter the universities. Among them, strategy is one of the most important and exciting. Consequently, the leadership of the universities must learn to think, act and manage more strategically. But that is easier said than done, when one has no real experience in this field and there are no clear models and concepts to follow. Perhaps one may learn from the experiences with strategic management in the profit sector and the business world. There is a lot of expertise and there are many gurus in that field nowadays. Moreover, the literature on strategic management for the profit sector is overwhelming.

From this profit sector we can learn that strategic management is not that easy. Gray’s (1986) research, for example, shows that nearly 90 per cent of all managers who start a strategic management process experience serious difficulties. Only 10 to 15 per cent complete the process successfully, which means without any difficulty. It is these discouraging figures that may warn us in advance that strategy is a challenge, indeed, a difficult job to do. And in large non-profit organisations, the situation is even worse. In Table 1 some reasons why strategic management in large non-profit organisations is in general even more difficult are present.

Table 1: Strategy problems in a large non-profit organisation

- Vague and conflicting goals.
- Hardly measurable outputs.
- Strong political and governmental influences.
- Many stakeholders.
- Many possible conflicts of interest.
- The culture of a subsidised monopolist.
- Lack of internal communication and democracy.

In the case of a professional organisation one may add:
- Professionals focus on the rules of the profession rather than on the strategy of the organisation.
- Professionals are more sensitive to peer judgements than to the organisational hierarchy.

Kees A.M. Mouwen, currently a Visiting Professor in Strategy and Innovation at Glasgow University Business School, is a Member of the Executive Board at Tilburg University, PO Box 90153, 5000 LE Tilburg, the Netherlands. Tel: +31 13 466 2250. Fax: +31 13 466 3394. Email: CAM.Mouwen@kub.nl.
From Table 1 and the foregoing, we may learn that strategic management in a large non-profit organisation such as a university is very difficult, especially if we consider the aspect of implementation. Indeed, the most difficult part of strategic management is implementation. About 60 per cent of all the problems in the strategy process arise in the implementation stage.

Why is implementation such a difficult part of the strategy process? In Table 2 some of Alexander's (1987) findings have been summarised. He investigated the main problems arising in the process of implementation of strategic decisions.

<table>
<thead>
<tr>
<th>Problems with the implementation of strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Implementation took more time than expected (76% of cases).</td>
</tr>
<tr>
<td>• Unexpected problems (74%).</td>
</tr>
<tr>
<td>• Coordination was not effective (66%).</td>
</tr>
<tr>
<td>• Competing activities and crises (64%).</td>
</tr>
<tr>
<td>• Incapable employees (63%).</td>
</tr>
<tr>
<td>• Insufficient training/instruction (62%).</td>
</tr>
<tr>
<td>• Uncontrolled external factors (60%).</td>
</tr>
</tbody>
</table>

From the above tables we may learn that, in the profit sector, strategic management is not a simple process. Our intention in presenting these figures is not to focus only on problems, but to present a realistic view of the possibilities of using strategic management in the academic environment.

As indicated previously, the importance of strategic management for the academic world will grow. This growing importance is in sharp contrast with the lack of appropriate theoretical concepts and models for strategic management in the university sector. Therefore, we have developed a new model for the implementation of strategic decisions at a university (Mouwen 1995a). This concept has been proven to work in the profit sector and has been adapted to the specific requirements and constraints of the branch of higher education. The strength of the model resides in the logic and simplicity with which it relates two important aspects of strategy, namely planning and organisational structure from the overall strategy of the organisation.

The Basic Concept

The model presented here is an adaptation and further elaboration of a concept of implementation described earlier for the profit sector by Hrebiniak and Joyce (1984). The starting point for this model is the recognition that large complex organisations such as universities need organisation, management and incentive structures that enable these institutions to reach their strategic goals in the most effective and efficient way. Furthermore, this model is based on two guiding principles, namely intended rationality and minimum intervention. On the basis of these principles, the next general implementation model can be derived, which is schematically represented in Figure 1. Here the two most important parts of the implementation process, that is, planning and structure, are presented in their mutual relatedness.

![Diagram of implementation process](image)

Figure 1: Model for the implementation of strategy

The diagram should be read as follows:

- The starting point for the implementation process in the organisation is its strategic vision, expressed in terms of a mission statement and a strategic plan, and subsequently