Strategic Response In Regional Comprehensive Universities: The Influence Of The Environment In Higher Education

Irina Eremenko

University of Pennsylvania

Follow this and additional works at: https://repository.upenn.edu/edissertations

Part of the Business Administration, Management, and Operations Commons, Higher Education Administration Commons, Higher Education and Teaching Commons, and the Management Sciences and Quantitative Methods Commons

Recommended Citation

https://repository.upenn.edu/edissertations/5580

This paper is posted at ScholarlyCommons. https://repository.upenn.edu/edissertations/5580
For more information, please contact repository@pobox.upenn.edu.
Strategic Response In Regional Comprehensive Universities: The Influence Of The Environment In Higher Education

Abstract
U.S. higher education (HE) faces a multitude of challenges brought on by shifts in demography, the economy, technology, and global competition. The disconnect between these realities and HEIs’ perception of and response to their organizational environment may have negative implications for national educational attainment and the knowledge economy. While environmental analysis contributes to successful strategic response, many postsecondary leaders struggle to clearly understand their respective organizational environments. This multiple-case study examined how regional comprehensive universities leaders’ understanding of the external environment influenced the strategic response of their institutions. Research findings revealed that environmental scanning and analysis tools influenced leaders’ sensemaking during the strategic planning and, in turn, modulated their institutions’ strategic response. Macro-contextual and prospective sensemaking conditioned a future-focused strategy, relevant to the external organizational environment. In contrast, micro-contextual and retrospective ways of thinking produced an internally-oriented strategic response. This study provides evidence that universities’ leaders routinely make sense of their internal organizational environment, but only occasionally engage in sensemaking of the external surroundings. While the study confirms that university presidents played a crucial role in the strategy creation process, it also reveals that their average tenure might not be long enough to produce a successful strategic response. Findings illustrates how internal organizational challenges might lead to a deviated use of the strategic planning process, as compared to the processes suggested by extant literature. This research enhances extant theory via evidence that a developed definition of “strategy” separate from “planning” is crucial for producing an externally relevant organizational strategy. These findings could help HE practitioners to better understand their organizational environments and to enact strategic decision-making which allows for effective strategic response by their entire institutions. Understanding the relationships between the type of sensemaking and organizational environment as well as using macro-contextual, prospective, and routine scanning and analysis tools could produce an externally relevant strategic response.

Degree Type
Dissertation

Degree Name
Doctor of Philosophy (PhD)

Graduate Group
Education

First Advisor
John M. Hartley

Keywords
educational leadership, external organizational environment, higher education management, higher education strategy, regional comprehensive university, sensemaking

Subject Categories
Business Administration, Management, and Operations | Educational Administration and Supervision | Higher Education Administration | Higher Education and Teaching | Management Sciences and Quantitative Methods

This dissertation is available at ScholarlyCommons: https://repository.upenn.edu/edissertations/5580
STRATEGIC RESPONSE IN REGIONAL COMPREHENSIVE UNIVERSITIES: THE INFLUENCE OF THE ENVIRONMENT IN HIGHER EDUCATION

Irina Eremenko

A DISSERTATION

in

Education

Presented to the Faculties of the University of Pennsylvania

in

Partial Fulfillment of the Requirements for the

Degree of Doctor of Philosophy

2022

Supervisor of Dissertation

______________________

J. Matthew Hartley, Professor and Board of Advisors Chair of Education

Graduate Group Chairperson

______________________

J. Matthew Hartley, Professor and Board of Advisors Chair of Education

Dissertation Committee:

J. Matthew Hartley, Professor and Board of Advisors Chair of Education

Laura W. Perna, GSE Centennial Presidential Professor of Education

Peter Eckel, Senior Fellow
STRATEGIC RESPONSE IN REGIONAL COMPREHENSIVE UNIVERSITIES: THE INFLUENCE OF THE ENVIRONMENT IN HIGHER EDUCATION

COPYRIGHT

2022

Irina Eremenko
ACKNOWLEDGEMENT

The opportunity and challenge of pursuing a doctoral degree is an exercise in endurance and self-discipline of thinking and writing in isolation. Ironically, it could not be done by anyone alone. First and foremost, I would like to thank my loving family and my husband in believing and supporting me in all humanly possible ways during this journey. Hours of long-distance calls, words of encouragement, and editing work were necessary for me to stay motivated through these years.

I wish to extend my sincere thanks to my dissertation adviser and committee chair, Dr. Matthew Hartley for his continuous endorsement, patience, and commitment to help me to complete my dissertation. I want to extend my appreciation for my dissertation committee members, Dr. Laura Perna for providing excellent methodological and practice-oriented content support for my dissertation and Dr. Peter Eckel for all the rich subject area knowledge he shared with me.

In addition, I would like to express a special thank you for the rest of the University of Pennsylvania GSE Higher Education division members, without whom my dissertation would not have been possible: Alan Ruby, Joni Finney, Diane Eynon, Ross Aikins, Noel Lipki, and many others at GSE whom it is difficult to list in this short format. A very special thank you I would like to extend to my peers at Penn who guided, supported, and shared the difficulties of this work with me: Jeremy Wright-Kim, Ji Yeon Bae, Sarah Gudenkauf, and Elizabeth Dunens.

Lastly, none of my dissertation work would be possible without my colleagues around the world, with whom I have stepped on the path of becoming a higher education enthusiast and expert. A special thank you is here for my colleagues at Northern Arctic Federal University, Skolkovo School of Management, and many others with whom we discussed the pressing issues of strategy in higher education.
U.S. higher education (HE) faces a multitude of challenges brought on by shifts in demography, the economy, technology, and global competition. The disconnect between these realities and HEIs' perception of and response to their organizational environment may have negative implications for national educational attainment and the knowledge economy. While environmental analysis contributes to successful strategic response, many postsecondary leaders struggle to clearly understand their respective organizational environments. This multiple-case study examined how regional comprehensive universities leaders' understanding of the external environment influenced the strategic response of their institutions. Research findings revealed that environmental scanning and analysis tools influenced leaders' sensemaking during the strategic planning and, in turn, modulated their institutions' strategic response. Macro-contextual and prospective sensemaking conditioned a future-focused strategy, relevant to the external organizational environment. In contrast, micro-contextual and retrospective ways of thinking produced an internally-oriented strategic response. This study provides evidence that universities’ leaders routinely make sense of their internal organizational environment, but only occasionally engage in sensemaking of the external surroundings. While the study confirms that university presidents played a crucial role in the strategy creation process, it also reveals that their average tenure might not be long enough to produce a successful strategic response. Findings illustrates how internal
organizational challenges might lead to a deviated use of the strategic planning process, as compared to the processes suggested by extant literature. This research enhances extant theory via evidence that a developed definition of “strategy” separate from “planning” is crucial for producing an externally relevant organizational strategy. These findings could help HE practitioners to better understand their organizational environments and to enact strategic decision-making which allows for effective strategic response by their entire institutions. Understanding the relationships between the type of sensemaking and organizational environment as well as using macro-contextual, prospective, and routine scanning and analysis tools could produce an externally relevant strategic response.
# TABLE OF CONTENTS

ACKNOWLEDGEMENT ........................................................................................................... III

ABSTRACT ............................................................................................................................ IV

TABLE OF CONTENTS .......................................................................................................... VI

LIST OF TABLES ..................................................................................................................... IX

LIST OF FIGURES ................................................................................................................ X

Chapter 1. Introduction ......................................................................................................... 1

Chapter 2. Literature Review .............................................................................................. 11
    The Importance of Knowing About and Reacting to the Organization’s External Environment .......................................................................................................................... 11
    What Constitutes the Higher Educational Institution Environment ........................................... 13
        External Factors as an Element of the Environment .............................................................. 14
    Other Organizations and Institutions as Elements of the Environment ............................. 20
        Institutional Theory: External Organizational Environment as an Organizational Field .................................................................................................................. 20
        Institutional Theory: External Environment as Shaped by the Organizational Field Pressures ................................................................................................. 24
    Strategic Planning Process as a Means of Engagement with the External Environment .......... 28
        History of Strategic Planning in Higher Education ............................................................ 31
        Strategic Planning as a Process and a Tool for Understanding the External Environment .................. 33
        Environmental Scanning as an Essential Part of Strategic Planning Process ................. 36
        Strategic Planning Process as One of the President’s Responsibilities ............................ 39
        Presidents Focus on Everyday Fiscal Issues ................................................................. 40
        Presidential Tenure is Too Short to Effectively Engage the Environment ...................... 41
        Presidents Lack Diversity of Professional Perspectives ............................................... 42
    How Presidents Make Sense of Their Environments ...................................................... 45
        Theories of Social Constructivism as Lenses to Understand How Presidents Make Sense of Their Environments .............................................................................. 45
        Sensemaking Theory in Organizational and Higher Education Studies ...................... 46
        Tensions and Knowledge Gaps in Theoretical Literature on Sensemaking .................... 48
        Conclusion and Potential for future research ............................................................. 50

Chapter 3. Research Methodology ...................................................................................... 55
    Methodology ..................................................................................................................... 55
    Method .............................................................................................................................. 56
    Research Design .............................................................................................................. 57
        Sampling Strategy. Participant Selection and Selection Criteria .................................. 61
    Mechanisms and Research Design ................................................................................ 69
        Data collection .............................................................................................................. 69
        Data analysis and theoretical framework ..................................................................... 73
Positionality/Researcher’s role ..............................................................77
Validity, reliability, and trustworthiness of the findings .........................78
Limitations of the study ........................................................................80

Chapter 4. Findings, Regional Comprehensive University #1 .....................81
Decision-Making Processes Implemented to Strategically Respond to the Environment .................................................................83
Strategic Planning Process ....................................................................83
Environmental Scanning and Analysis ......................................................85
Tools of Environmental Scanning and Analysis ........................................85
Processes of Environmental Scanning and Analysis ................................86
Contributing Forms of the Engagement with the Environment ...............90
Environmental Scanning and Analysis Configuration Limitations ..........93
The Resulting Strategic Plan ................................................................106
Monitoring Execution of the Strategic Plan ...........................................97
Strategic Decision-Making in Administrative Units ...................................99
Strategic Decision-Making Configuration Benefits and Limitations .......100
Decision-Making Process that Influenced the Strategic Planning ..........104
Leaders’ Sensemaking of Their Organizational Environment ...............104
Working Towards Success .....................................................................106

Chapter 5. Findings, Regional Comprehensive University #2.....................108
Decision-Making Process Implemented to Strategically Respond to the Environment .................................................................111
Strategic Planning Process ....................................................................114
Process and Tools of Environmental Scanning and Analysis .................117
Connection of the Environmental Scanning and Analysis to the Internal Organizational Environment via Conversations with the University Community ..119
Environmental Tools to Support the Transformative Initiative .............121
Contributing Forms of the Engagement with the Environment ...............124
Final Approval of the Strategy .................................................................126
Strategic Enrollment Planning: Decision-Making Process that Influenced the Strategic Planning .............................................................127
Monitoring of the Strategic Plan Execution ...........................................128
Strategic Decision-Making in Administrative Units ...............................129
Strategic Decision-Making Configuration Benefits and Limitations .......130
Leaders’ sensemaking of their organizational environment ..................133
Working towards success ......................................................................134

Chapter 6. Analysis of the Findings ..........................................................136
The Framing of the Strategic Responses ................................................138
Strategic Decision-Making Configuration ..............................................141
Strategic Planning Leadership’s Continuity, Organization, and Role .......143
The Role of the President .....................................................................145
The Role of the Governing Body ...........................................................146
The Role of Organizational Structure .................................................147
Strategic Planning Process Inclusivity ....................................................148
Strategic Bets vs. Organizational Aspirations ........................................149
Strategy vs. Planning ............................................................................150
Strategic Planning Processes and the Conceptual Logic of the Study .......151

vii
LIST OF TABLES

Table 1. Participants interviewed for the study..........................................................71
Table 2. Documents obtained from the RCUs..............................................................72
Table 3. Sample codes for data analysis.................................................................76
LIST OF FIGURES

Figure 1. Strategic Planning Process model by Kotler P., Murphy, P.......................30
Figure 2. The Strategic Planning Process.by Morrison J., Renfro W., Boucher W........30
Figure 3. Conceptual logic of the study................................................................. 61
Chapter 1. Introduction

Monitoring, analyzing, and responding to the external environment is of critical strategic importance for US higher educational institutions (HEIs). As any other organization, HEIs must respond to the external environment (EE) in order to survive and achieve their goals (Oliver, 1991). This study defined EE as a composition of external factors and other organizations and institutions with which organizational leaders must interact and which have the potential to influence organizational operations, resources, and performance (Daft, 1997; Wandling, 2018). HEI leaders navigate their large organizations that have multiple and sometimes conflicting purposes of teaching, research, and entrepreneurship by acting in dynamic external environments of changing socio-economic conditions (Birnbaum, 1988). Leaders are challenged by shifts in demography, the economy, technology, and increased global competition. The existing challenges in these conditions were exacerbated by the COVID-19 pandemic and made the EE more turbulent (McNichol & Leachman, 2020; Pew Research Center, 2020b; Rudowitz & Hinton, 2020). While analyzing the EE is challenging, the more information university leaders possess about it, the more capably the university can respond towards the external environment (Peterson et al., 1997).

Among different types of responses towards the EE, such as emergency and tactical, strategic response is of particular importance. For this study, “strategic response” was defined as organizational actions pursued in order to maintain strategic fit between an organization and its environment, and was characterized by at least one of the following: it represented a long-term action towards external pressure/s, which shaped the operation of the HEI for the foreseeable future (Kotler & Murphy, 1981; Peterson et al., 1997). Or, it involved a noticeable allocation of resources, which demonstrated organizational priorities and effort (Bower & Gilbert, 2006). Finally, it was
ratified, and therefore enabled by the governing body of the university (M. Hartley, personal communication, October 28, 2020).

At the national scale, strategic responses of US HEIs demonstrate that the country’s higher education (HE) as a whole is not fully successful in attending to the pressing issues of the EE. HE in the US was already falling short of producing enough degrees to support the growing knowledge economy, even before the pandemic due to the continuous lack of affordability (Zumeta et al., 2012). COVID-19 has exacerbated the already alarming HE affordability problem. The pandemic has diminished people’s ability to pay for their or their children’s education due to the economic downturn, unemployment growth, and income decrease across the nation (Kochhar, 2020; Parker et al., 2020). It has also negatively affected states’ ability to invest in HE as their budgets are projected to experience the greatest deficits on record in 2021 due to growing healthcare expenditures (Rudowitz & Hinton, 2020).

The major share of the national strategic response is represented by the regional comprehensive universities (RCUs), because they serve more than 40% of all undergraduate students in the nation and are considered the “workhorse” of US HE (de Alva, 2019). While there is no single agreed upon definition of the RCU, for the purposes of the study I defined them as follows: 4-year institutions with a broad spectrum of educational programs, serving predominantly in-state students (for details see de Alva, 2019; Henderson, 2009; Miller, 2020; Orphan, 2015).

While RCUs’ strategic response plays a crucial part in US HE’s ability to attend to the socio-economic conditions, we don’t see a systemic move towards the most pressing external factors of the environment: demography and the economy of the US.

Literature shows the lack of the systemic emergence of new educational products to accommodate the needs of changing student demographics (Selingo, 2016). First,
more students than ever are coming from ethnic minorities populations, of whom RCU’s enroll more than other public schools (de Alva, 2019; Zumeta et al., 2012). These students tend to have less financial means to pay for their education (Zumeta et al., 2012). Among them, Hispanics, who constitute the fastest growing ethnic group of students that is projected to quintuple by 2050, are also more loan-averse (Boatman et al., 2017; Hussar & Bailey, 2019). Second, the non-traditionally aged students are becoming a larger group and require different design of the degrees and educational experiences offered (Selingo, 2016).

Literature also reveals little evidence that institutions themselves contribute to the reduction of the cost of attending college by lowering tuition in response to the current economic conditions (Immerwahr et al., 2008; Ma et al., 2019; Zumeta et al., 2012). Many 4-year public schools await the return of local and state appropriations (which constitute up to 41% of their revenue) to prerecession levels (Doyle & Zumeta, 2014; Ma et al., 2019). Under the current circumstances, this might not happen, as state budget shortfalls were projected to be the highest in 2021 and so far were the highest on record (McNichol & Leachman, 2020). They continue to offset the lack of funding by raising costs, while the main financial aid mechanism, Pell grants, has not been able to keep up with tuition increases (Ma et al., 2019; Zumeta et al., 2012). RCUs serve 44% of Pell recipients on average, which is higher than other 4-years public schools (de Alva, 2019). And now the source of Pell grant, the federal budget, faces the largest deficit in the last 80 years due to the pandemic (Pew Research Center, 2020b).

A way to understand more about strategic response of the RCUs was to look at the long-term decision-making processes, which shaped their respective strategies and, therefore, strategic responses towards the environments. The analysis of these processes could illustrate the way in which the understanding and acknowledgment of the EE by
the RCU leaders influenced the decisions that are made to move the organizations forward.

There may be several processes through which RCU leaders engage with strategic decision-making. A way to look at these processes is to identify formalized and non-formalized ones. Among others, the following processes could be identified as formalized. At the governing board level, decisions are made within the board of trustees’ meetings. University-wide level processes could be represented by strategic planning or decision-making within the shared governance structures, such as a faculty council. At the administrative units level, long-term planning processes, such as campus, financial, and academic planning are in place. In addition, leaders can engage with EE that supports strategic decision-making within non-formalized processes, such as educational programs they pursue or through the university faculty course offerings. All these processes might include some variation of environmental scanning and analysis, but it is not their primary focus with one exception – strategic planning (SP).

SP is the only long-term decision-making process described in literature, which combines characteristics essential for understanding the role of the EE in strategic response (Capon, 1996; Keller, 1983; Kotler & Murphy, 1981). SP is primarily designed to shape strategy and, therefore strategic response (Kotler & Murphy, 1981; Morrison et al., 1984). It is geared towards anticipating the future state of the environment and its potential influence on the organization, instead of planning for the known present (Kotler & Murphy, 1981). Most importantly, SP has a dedicated initial step of engaging with the environment: environmental scanning (Kotler & Murphy, 1981; Morrison et al., 1984).

While we know that the use of SP is positively correlated with increased organizational survival and performance, prior research provides the evidence that in
many cases it is used in a way that does not deliver actionable knowledge about the external environment to the leaders of universities (Camillus, 1986; Eckel & Trower, 2019; George et al., 2019; Ginsberg, 2011; Kearney & Morris, 2015; Seltzer, 2018).

Literature describes factors that diminish the ability of leaders to engage with the external environments through SP. HEIs' leaders have less time to engage with strategy as presidential tenure continues to shorten (Gagliardi et al., 2017). The latest ACE study shows the decrease in average tenure duration from 8.5 to 6.5 (24%) years during 2006-2016 (Gagliardi et al., 2017). On the everyday basis, universities' leaders, from presidents to division chairs, are overloaded with the amount of work (Birnbaum & Eckel, 2005; Bolton, 1996; Bourgeois, 2016; Gagliardi et al., 2017; Montez et al., 2002; Sayler et al., 2019; Selingo et al., 2017). Within this workload, presidents spend most of their time dealing with fiscal issues: financial management and fundraising (Gagliardi et al., 2017). In addition to the lack of time, less than 20% of presidents consider strategic planning important in their practice (Gagliardi et al., 2017). Finally, the majority of HEIs leaders, who are involved in SP do not consult with experts on the subject (Moss et al., 2015).

Cumulatively, prior research illustrates that due to the lack of time and dominant focus on financial issues, university leaders struggle to fully understand their external environments and enact a successful strategic response.

While literature on SP in HE is extensive, we lack comprehensive research studies on successful SP examples and its essential part: environmental scanning (Dooris et al., 2004; Howes, 2018).

Extant research poorly describes who is involved in universities’ SP. While literature suggests that presidents must own the strategic plan and lead the SP, this is not always the case and we do not have a clear understanding of who leads the process instead (Seltzer, 2018). Fragmented evidence exists on the involvement of senior
leadership and all organizational units, but systematic knowledge is absent (Dooris, 2003).

Evidence is scarce on how environmental scanning and analysis happen within SP and other long-term decision-making processes. The study used management theory developments on strategic planning models as a first guiding perspective (for details see Hearn & Heydinger, 1985; Kotler & Murphy, 1981; Mecca & Morrison, 1988; Morrison et al., 1984; Peterson et al., 1997). It helped to shed light on environmental scanning and analysis within SP in RCUs.

Prior research also lacks studies that explore what constitutes EE as the result of environmental scanning and analysis in HEIs. In other words, we do not know what kind of dataset represents the EE and how these data are used in the long-term decision-making processes. Hence the study used institutional theory developments on organizational fields as a second guiding perspective to frame and understand what RCU leaders comprehend as their respective EE (for details see Meyer & Rowan, 2006; Meyer, 2010; Meyer & Rowan, 1977; Powell & DiMaggio, 1991; Wooten & Hoffman, 2017).

Extant literature suggests that SP should be exercised routinely, prospectively, and contextually among other characteristics (Kotler & Murphy, 1981; Morrison et al., 1984). It needs to happen on a regular basis instead of being used exclusively during crises (Kotler & Murphy, 1981). It must engage with the desired future state of the university and extrapolate existing EE trends into the future (Ackoff et al., 2006; Peterson et al., 1997). Additionally, SP should describe organization as a part of the larger context, i.e., being influenced by the outside world. In contrast, sensemaking theory demonstrates that the way SP is designed to work contradicts how universities’ leaders make sense of their surroundings (Smerek, 2013; Weick, 1976). Sensemaking process is episodic in nature and literature usually describes how it happens during
crises or major changes in organization instead of looking at it as everyday routine (Sandberg & Tsoukas, 2015). Leaders understand surroundings retrospectively, i.e. they make sense of the past events (Weick, 1995). Most studies look at the past reforms and transformations, conducting analysis after the event (Eckel & Kezar, 2003a; Savage, 2013). Researchers claim that creating tools for prospective sensemaking is needed and possible through further research (Brown et al., 2015; Sandberg & Tsoukas, 2015; Smerek, 2013). Finally, sensemaking process is grounded in identity, which is dependent more on personal experiences than on macro organizational context (Smerek, 2013; Weick, 1976). While research moved forward in seeing organizational identity as a lens for individual sensemaking, we lack evidence on how broader organizational EE influences leaders’ sensemaking (Brown et al., 2015; Sandberg & Tsoukas, 2015; Weber & Glynn, 2006). Cumulatively, prior research does not illustrate how university leaders make ongoing, prospective, contextual sense about the external environments of their respective institutions. Sensemaking theory was used as a third guiding perspective to learn about the processes of making sense about the EE within RCUs’ long-term decision-making processes.

The purpose of this study was to learn more about RCUs’ strategic responses towards their external organizational environments, strategic decision-making processes leading to those responses, and the influence of the leadership’s understanding of the organizational external environment over the RCUs’ strategic responses. To do so, the study had the following primary research question and five supporting research sub-questions:

How do regional comprehensive universities strategically respond to the economic challenges in their external organizational environment and which decision-making processes, if any, have they implemented to do so?
- Are regional comprehensive universities undertaking environmental scanning and analysis?
- How do leaders make routine, prospective, and contextual sense about external organizational environments?
- Who leads strategic decision-making processes?
- What characterizes the decision-making processes that lead to the strategic response?
- How do leaders evaluate the success of their institution’s strategic response?

The study aimed to answer those questions by interviewing senior leaders and analyzing the strategic documentation from two RCUs. The findings from the two cases revealed significant differences in how RCUs strategically responded to their respective EE. This research illustrated that the environmental scanning and analysis tools and techniques university leaders used during the SP process partially conditioned the way they made sense of their respective organizational environments, which, in turn, modulated the scope and direction of their institutions’ strategic responses. The study also revealed that the universities employed similar two-stage SP processes, but designed different tools and mechanisms within the process to carry out strategy creation. The influence of the Presidents’ knowledge, their tenure duration, and the relationships between administrators and their respective campus communities were crucial factors in RCUs’ ability to produce an effective strategic response. It is important to mention, however, that the COVID-19 pandemic significantly influenced my study’s data collection process and, eventually, constrained the final sample of universities. Particularly, the data from one case (RCU1) in the final sample revealed that this institution did not engage in the behavior my study was initially interested in learning about – how senior leaders’ sensemaking of the external organizational environment influenced their
universities’ strategic responses. I created the study’s theoretical framework and performed data analysis based on what extant literature suggests organizations should do to produce a successful strategic response, in particular to be committed to a routine, future-focused scanning of the larger environment. Due to internal organizational circumstances RCU1 did not engage in such work and because of its leaders’ focus on internal issues, this university produced a strategy irrelevant to the external environment. Despite that, it is important to acknowledge that the RCU1 President made a wise strategic choice. First of all, they were a new President, who had to introduce themselves and earn trust from the campus community in order to be able to execute strategy creation in the future. In addition, as RCU1 is a public institution funded mostly by state appropriations, it did not have an immediate financial risk of closure, even if it did not effectively respond to the challenges presented by the external environment. Finally, the President inherited an institution in a challenging situation of a decade long dysfunctional relationships between the senior administrators and faculty.

The study contributed to the HE academic community by learning more about the ways in which university leaders’ understanding of their organizational EE influences the universities’ strategic response. The study’s findings expanded knowledge on leaders’ analysis of the EE within long-term decision-making processes—which shape strategy—contributing to the development of a theoretical evolution of the management-born strategic planning tools designed specifically for HEIs. Having better understanding of the tools and processes to engage with the EE, can help US HEIs to improve their strategic responses toward the environment. Most importantly, through more effective, environmentally informed strategic response, more institutions will be able to adapt and survive in the current conditions and, therefore, increase educational attainment and HE will better contribute to societal development.
The following dissertation is organized in several chapters. Chapter Two provides a literature review to lay out extant literature and existing gaps in knowledge on the topics of organizational environments, decision-making processes university leaders use to engage with their respective surroundings, and leaders’ sensemaking. The research methods I used to execute the study are described in Chapter Three. Chapters Four and Five are dedicated to the description of the findings from the two cases included in this study. Chapter Six provides analysis of the findings from the two cases and places them within extant literature. Chapter Seven concludes the study with a summary of the findings, implications for practice, and potential for the future research.
Chapter 2. Literature Review

The Importance of Knowing About and Reacting to the Organization’s External Environment.

In this moment of significant changes in demography, economy, and technology, it is vital that HEI leaders have a detailed picture of their surroundings. This study built on prior research, that describes president as the owner and the leader of the long-term decision-making processes, which shape the strategy of the university, and whose personal commitment and championship is crucial to the successful strategic response (Ginsberg, 2011; Hearn et al., 1993; Seltzer, 2018). Literature suggests that this is not always the case, but we do not have a clear understanding of who leads the process instead (Seltzer, 2018). Since this is the case, the literature review section employs available literature to discuss presidential involvement in strategic planning.

Understanding the external environment allows HEIs leaders to make timely and effective changes to the successful operation of their respective institutions, and in some extreme cases to avoid organizational collapse (George et al., 2019; Hinton, 2012). Misreading or ignoring the external environment may result in a multitude of failures (Camera, 2019; Hearn & Heydinger, 1985). Not knowing one’s rivalries and offering non-competitive educational products might result in losing market share. This will be a mostly internal drama of the particular institution, the damage of which can be mitigated by measures in-house.

However, ignoring the external environment can lead to more serious consequences, as evidenced by recent closures of HEIs in the US, which affected many stakeholders in and beyond the institutions, a serious national concern (Camera, 2019). Mount Ida College in Newton, MA, abruptly announced its bankruptcy and decision to close in 30 days, a sign of crisis response (Camera, 2019). The administration’s apparent
lack of attention to environmental analysis abandoned thousands of students to figure out their future without institutional support. As enrollment numbers continue to decline—60% of public and private institutions did not meet their goals in fall semester of 2020—and HEIs operations costs remain the same or rise, some schools cannot remain open (Carlson, 2020). They face a crisis of institutional capacity versus available demand (Camera, 2019).

To effectively respond to the current situation, HEIs need to clearly understand their external environments, particularly demographic change. This is not a simple function of the declining quantity of traditionally-aged students, but the result of prospective students being a qualitatively different demographic group: older and with less financial means to pay for college, and less time to attend it. Without addressing this trend by changing enrollment strategy and educational opportunities to serve older and/or part-time students by adding shorter programs and opportunities for skills- and competency-based instruction, many HEIs run the risk of unsustainable financial deficit or closure. Experts from Harvard University predict potential institutional closures of 25 to 50% during the next two decades due to demographic change (CBS News, 2019; Hess, 2018).

The HE system in the US is not currently set up to produce enough graduates to address the needs of the knowledge economy, which already experiences a shortage of skilled employees (United States Department of Labor, 2020; Zumeta et al., 2012). The number of degree-granting institutions decreased by 682 in the last five years (IPEDS Data Center, 2018). Of those, 336 HEIs closed, leaving a total of 4,042 HEIs in the US (IPEDS Data Center, 2018). While one might argue that the number of closures is not critical, existing HEIs do not produce enough degrees. This makes ignoring demographic change in HEI environments an unforgivable mistake if the US is to remain a leading economy.
As HE itself is strategically positioned in regard to the nation’s wellbeing, HEI leaders should be the first to understand and respond to environmental changes, because the mistakes of HEIs manifest in many other aspects of life. Not educating enough people to work in and develop the knowledge economy will stifle economic growth. In turn, the decline in economic growth will deliver fewer financial means to support HE programs. It is especially important for RCUs to strategically respond to their respective external environments as this institutional type supplies almost a half of all the bachelor’s degrees in the nation.

**What Constitutes the Higher Educational Institution Environment?**

There is no single way to see the environment; all leaders must carve out what and who is included in their milieu (Ganey, 1981). To effectively lead their respective institutions, presidents have to define and understand their external environments. In fact, they may operate in multiple environments due to the complexity of HEIs, which serve multiple purposes simultaneously (Birnbaum, 1988). Historically, an institution was thought to have little or no influence over its environment; now HEI leaders’ agency in malleable surroundings is increasingly important (Peterson, 1997; Scott & Kirst, 2017).

By using HE and organizational theory research, this section aims to define the HE environment in terms of its challenges, issues, and constituents. These literature areas reveal the large amount of data presidents need to strategically lead their institutions. At the same time, data-informed decision making is not a dominant approach on campuses; we know that only 12% of US HEI presidents consider using institutional research in the future (Gagliardi et al., 2017). Data-informed decision-making, while being initially alien to HEIs, is now a common societal expectation and crucial practice for organizational performance. Even though institutional research is usually concerned with the internal organizational environment (tracking, for instance, students’ demography, graduation and
retention rates, degrees conferred, and faculty and staff characteristics) its data indicates how well a given HEI has performed its mission. In turn, an HEI’s mission is usually concerned with benefitting society as a whole, therefore its locus lies in the external environment. This is why the small number of presidents interested in data-informed decisions, based on the internal environment, raises concerns about their access to and use of datasets regarding the external world.

While the internal organizational environment is also of crucial importance, the study specifically looked at the external environment (further in the chapter - environment), for which I will use the following definition. Environment is a composition of external factors and other organizations and institutions with which presidents must interact and which have the potential to influence organizational operations, resources, and performance (Daft, 1997; Wandling, 2018). Leaders also need to pay attention to the market environment (Peterson et al., 1997).

**External Factors as an Element of the Environment**

External factors are trends and issues that originate in different aspects of social life, of which HEI leaders need to be aware. Sometimes external factors are referred to as the ‘macroenvironment’ (Peterson et al., 1997). This underlines the scale of the factors, which is not limited by particular region, industry, or market sector. Over time the number and interconnectedness of external factors and underlying trends has increased. Now, to effectively lead their institutions, US HEIs presidents must be aware of the global competition for resources, in addition to social, economic, political, and technological factors.

Literature in HE theory and practice provides a general understanding of the external factors, stating that it’s a combination of political, social, economic, information, physical characteristics (Birnbaum, 1988). Current HE research confirms that the most
concerning trends that HEIs should be paying attention to and their underlying conditions are rooted in several different aspects of life (for details see Berman & Paradeise, 2016; Eckel & Kezar, 2003; Rupp, 2015). As this literature review is being written, the COVID-19 pandemic is still developing, and we already see evidence of it exacerbating the existing challenges brought to the RCUs by the external factors.

Probably the most pressing issue of the last decade in US HE is affordability, which is a function of both social and economic conditions. The role of RCUs in solving this problem is particularly important because they serve a major share of students in the country, many of whom are low income: the number of Pell grant recipients in RCUs is 44% on average, which is higher than in other 4-year public HEIs (de Alva, 2019). Although middle-income families were gaining more over the last three decades, the rise of college costs for in-state students in public 4-year institutions consumed up to 53% of this income growth (Ma et al., 2019). While the pandemic is still taking place and we still have yet to learn how tuition will change in the next academic year, 42% of adults in the middle-income bracket had lost their jobs or had to take a cut in pay by April 2020 (Parker et al., 2020). It is already evident from the data that RCUs have a greater chance than wealthier public schools to be affected by the socio-economic conditions exacerbated by COVID-19.

Social conditions are dominated by the changing demography of the US. It manifests for RCUs’ presidents in declining enrollments (Hussar & Bailey, 2019). The danger of this decline for RCUs is hard to overestimate: up to 50% of the revenue in these schools come from tuition and fees (Ma et al., 2019). On the surface, this trend might appear as a call for a more aggressive enrollment strategy, but the underlying trends are more complicated than a simple decline in the number of students.

The national growth of minority populations (Asian, Hispanic, and Multiracial demographic groups) leads to the increase of prospective students coming from families
with modest financial means, which diminishes their ability to participate in HE (Frey, 2014; Zumeta et al., 2012). This trend is particularly important for the RCUs' leadership to pay close attention to as these institutions enroll higher concentrations of minority and low-income students compared to other public schools, such as flagship and research universities (de Alva, 2019). Further, research shows that Hispanic high-school graduates, a group projected to quintupel by 2050, are becoming increasingly loan-averse, which means that they are less likely to attend college at all due to their resistance to take on educational loans, compared to the previous generations (Boatman et al., 2017; Frey, 2014). COVID-19 has exacerbated their situation further: 61% of adults in Hispanic households reported either losing their jobs or had to take a cut in pay, which makes them the most affected demographic group (Parker et al., 2020).

In addition to addressing racial/ethnic demographic shifts, RCUs also have to attend to the increase in numbers of non-traditional students, whom they educate more than other public 4-year institutions (de Alva, 2019). Those students are older than twenty four, and demand different educational experiences, such as remediation, change of profession, or skill-based education (Hussar & Bailey, 2019; Selingo, 2016). Becoming a more diverse group and likely to be older, married, in need of remedial courses, to attend part-time, and live off-campus, HEIs still offer these students “one-size-fits-all” educational programs (Selingo, 2016). In addition to already rising numbers of non-traditionally aged students before the pandemic, the unemployment rate grew across all ages, from 4% to 13.1% and from 3% to 9.8% for the groups of 24-34 and 35-44 years old correspondingly during the first three months of the COVID-19 spread in the US (Kochhar, 2020). This trend might increase the number of older students coming back to HEIs in a search of an educational solution for the post-COVID economy.
Importantly, these trends surface differently by US regions or states. As RCUs are designed to predominantly serve local students, their presidents have to be well-versed in the local demographic projections. For instance, the expansive growth in high-school graduates coming from families with modest financial means will happen in the South (Hussar & Bailey, 2019). Texas will encounter a 49% increase in high school graduates of Hispanic origin, the minority group hit the hardest by the pandemic (Finney, 2014; Parker et al., 2020). On the contrary, the Northeast is projected to have fewer high-school graduates due to its overall trend of an aging and decreasing population in states like Maine (Frey, 2014; Hussar & Bailey, 2019). Both national and local demographic characteristics must affect strategic decisions on educational and financial aid products made by RCUs to address affordability. Changing enrollment strategy without understanding the underlying demography may not be effective.

*Economic conditions* bring a set of pressures that exacerbate affordability problems. For RCUs’ presidents, economic constraint manifests in the decrease of state funding, upon which public 4-year schools heavily rely (up to 41% of revenue) (Ma et al., 2019). Some public HEIs chose to wait for appropriations to come back to the prerecession level (Doyle & Zumeta, 2014). Unfortunately, the larger context of national budget deficit indicates this might not occur in the foreseeable future (Finney, 2014). The current state budget shortfall is projected to be the highest in 2021 and so far is the highest on the historic record (McNichol & Leachman, 2020). Before the pandemic, Medicare expenses were expected to almost double by 2030 and the national debt is expected to grow as well. Currently, most states expect Medicare enrollment to exceed the pre-pandemic projections for 2020 and continue into 2021 (Rudowitz & Hinton, 2020). This worsens an already existed “significant threat to the ability of states to invest in higher education” (Finney, 2014, p.5).
As with demographic trends economic conditions vary by physical location. The potential to invest in HE will decrease across states as the state revenues are projected to decline due to COVID-19, but it will be influenced the most in the states that previously have had less tax revenue (Ohio, Florida) or big pension obligations (Illinois) (National Conference of State Legislatures, 2020; Pew Research Center, 2020a). RCUs’ leaders need to take into account that state appropriations might not come back and in some states, may start to decrease.

While public 4-year institutions continue to offset the lack of funding by raising costs, the main financial aid mechanism, Pell grants, has not been able to keep up with tuition increases (Zumeta et al., 2012). This illustrates the inability of existing financial tools to address the affordability problem within current socio-economic conditions (Zumeta et al., 2012). RCUs must be ready to serve more students from demographic groups with fewer financial means while receiving less financial support from states; as of now, there is no evidence of tuition decreases or changes in enrollment strategies to accommodate this trend (Ma et al., 2019).

*Technological advancement* is represented by expanding computerization, which leads to automation of production and knowledge (Gleason, 2018). Research acknowledges the unfolding of a new industrial revolution, though related discussions remain partially speculative, not providing enough clarity of the long-term phenomenon (Gleason, 2018). Nevertheless, automation continues to decrease the number of job offerings available for those with no degree from 21% in 2018 to 17% in 2027 (Blumenstyk, 2020). The majority of the population with no postsecondary degree comes from Hispanic and Black ethnic groups with less income than others (*NCES, 2018; Social Explorer, 2019*). This will increase the share of non-traditional prospective students, who will need less costly, shorter-term, and skill-based educational products than typical 2- or 4-year
degrees. As RCUs serve more non-traditional students than other public institutions, they may need to improve existing online courses or introduce new forms, such as micro-credentials or badges to address this demand (Selingo, 2016).

*Globalization* is another external factor which leads to competition for resources (Berman & Paradeise, 2016). For many US HEIs it manifests in the decreasing enrollments of international students. The rate of international enrollment peaked in 2015, showing an increase of 10% compared to the previous year. In 2019 the increase was only 0.05% compared to the previous year (The Institute of International Education, 2019). Experts refer to “visa application issues or delays/denials, the social and political environment, and the costs of U.S. higher education” as the main reasons for this decline (Sanger & Baer, 2019). Although serving international students is not a primary purpose of RCUs, many of them have a considerable share of students from around the world. Students from Asia, especially from China and India, have significant impact of North American universities, and even the small decrease in the enrollments can unbalance US HEIs’ operations, particularly, compound existing financial pressures on RCUs (Berman & Paradeise, 2016; The Institute of International Education, 2019). As we still do not know how exactly the COVID-19 pandemic will change the number of international students in the US by the time it is over, the data show that more than 50% of surveyed US HEIs experienced the decline in enrollment (Martel, 2020).

Further, RCUs, whose prospective students are mostly domestic high-school graduates must compete for the growing number who choose to study abroad (Sanger & Baer, 2019). In 2019, 2.7% more students chose to do so due both to the cost of US education and the rise of educational quality in many countries, in part, due to the development of world class universities, especially in Asia (Marginson, 2013; Salmi, 2009; Sanger & Baer, 2019).
The trends and underlying issues presented here have, even separately, the potential to significantly affect RCUs and their influence have been rapidly mounting over a matter of just several months due to the COVID-19 pandemic. Simultaneously, these data are just the tip of the iceberg of the knowledge presidents need to have in order to understand their environments. Presidents must also know their peers and competitors to fully assess the organizational environment.

**Other Organizations and Institutions as Elements of the Environment**

Organizational theory research is concerned with environment-organization relationships. Earlier theoretical developments, such as resource dependence theory, state that resource flow defines the organization – environment interrelationship, but this was proven insufficient for evaluating the HE environment (Pfeffer & Salancik, 1978; Tolbert, 1985; Zucker, 1987). Institutional theory became the most comprehensive way to describe the reciprocal organization – environment relationship. In doing so it introduces the theoretical concepts of the organizational field and its pressures, which this section employs to inform the understanding of the environment. These constructs provide the most insight on the constituents in the environment, i.e. the large variety of other organizations and institutions that HEI leaders must consider (Powell & DiMaggio, 1991).

**Institutional Theory: External Organizational Environment as an Organizational Field.** Two branches of institutional theory, so called new and old institutionalism, contributed to the development of the organizational field concept, which became the major unit of analysis in HE research (Hsu et al., 2018; Powell & DiMaggio, 1991).

Both old and new institutionalism are rooted in sociology; the former is attributed to Philipp Selznick and his contemporaries; the three major works on the latter are by Meyer and Rowan (1977), Powell and DiMaggio (1991), and Zucker (1977). Due to their
origins in sociology, the theories treat environments as socially constructed realities (Dill, 1981). The use of both approaches in research is extensive, with the new institutionalism (NI) taking over after the seminal work of Meyer and Rowan. Some researchers moved further by combining the two perspectives (Greenwood & Hinings, 1996).

Both traditions agree that organizations do not act rationally, and both emphasize the importance of the relationship between organizations and their environments (Powell & DiMaggio, 1991). Nevertheless, their definitions of environments differ, as the old institutionalism focuses on the embeddedness of organizations in local communities, “to which they are tied by the multiple loyalties of personnel and by interorganizational treaties” (DiMaggio & Powell, 1991, p.13). On the contrary, the NI understands it as a “nonlocal environments, either organizational sectors or fields, roughly coterminous with the boundaries of industries, professions, or national societies” (p.13). Environments “are more subtle in their influence; rather than being co-opted by the organizations, they penetrate the organization, creating the lenses through which actors view the world and the very categories of structure, action, and thought” (p.13).

There are two generally accepted definitions of the organizational environment within NI, presented by the two major works (Zucker, 1987). The first definition was developed by Meyer and Rowan (1977) in order to explain organizational homogeneity. The authors claim that, by ceremonially adopting institutional rules which constitute the external environment (“positions, policies, programs, and procedures of modern organization” ( p.343) and function as rationalized myths, organizations increase their legitimacy within society and therefore raise the chances of organizational survival (Meyer & Rowan, 1977). Adopting myths existing in the field make organizations increasingly similar and constitute isomorphism.
Based on Meyer and Rowan’s (1997) work, DiMaggio and Powell (1991) introduce the definition of the environments as organizational fields which initially was described as “those organizations that, in the aggregate, constitute a recognized area of institutional life” (p.148). Scott (1995) adds that, the field is “a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefuly with one another than with actors outside the field” (p. 56). The organizational field is understood as a socially constructed, ever changing intersection of participants like “governments, critical exchange partners, sources of funding, professional and trade associations, special interest groups, and the general public – any constituent that imposes a coercive, normative or mimetic influence on the organization” (Wooten & Hoffman, 2017, p. 3).

Later definitions shifted from seeing the field as a synonym for industries, professions, or other recognized areas of institutional life, bringing together participants based on their relations to those entities, towards understandings of the field as being shaped by temporary configuring events (Wooten & Hoffman, 2017). Lampel and Meyer (2008) call for more attention towards the field inception, that might start during the field-configuring event, for instance an academic conference: “that fields begin as agglomerations of individuals, groups, and organizations that meet sporadically at first, and then come into contact with increasing frequency ” (p. 1027). Field-configuring events provide the possibility for a field to be comprised out of totally different actors that are not necessarily in the same industry or profession (Lampel & Meyer, 2008). Another recent development in NI literature is to use community as a unit of analysis. For instance, Marquis, Glynn, and Davis (2007) claim that community is a strong player in the organizational environment as it puts real institutional pressures on corporations. The HE academic field has extensive literature on university-community partnerships, although
studies that use institutional theory to look at the communities are rare. Researchers suggest that this theoretical perspective is useful to study communities and needs further exploration (Duff, 2006; Kecskes, 2008).

Overall, NI, by looking at the higher-order context of institutional systems, tries to understand how a “wider set of rules and beliefs fundamentally constitute actors, and how cognitive, normative, and regulative pressures lead to a legitimacy imperative” (Lounsbury & Zhao, 2013, p. 3; Meyer, 2010). As environments become more complex, HEI presidents are challenged to gain sufficient information about them.

At the same time, HEI leaders’ knowledge about their surroundings becomes increasingly important. While developing our understanding of the actors present in the field, institutional theory contributed to the articulation of the increasing power of leaders over their environments.

Before the NI introduction of the environment as a socially constructed entity, theorists saw organizational response as reactive, triggered by some technical development in the external surrounding (Powell & DiMaggio, 1991). For instance, in the 1960-70s, population ecology theory used biological mechanisms of natural selection to explain that, first, organizations have very little or no agency and ability to influence on their environments; second, they are not capable of change (Geertz, 1973). While still seeing organizational behavior as a reaction, the first developments of the NI understood that organizations successfully adapt and change by adopting institutional myths (Powell & DiMaggio, 1991). Nonetheless this theory still saw organization as a passive participant in the field, as they succumbed to the normative, coercive, or mimetic pressures. It was not until the later developments of the NI, when theory started to treat organizational leaders as proactive agents, able to shape their environment (Peterson, 1997; Scott & Kirst, 2017). As Scott (1995, as cited in Wooten & Hoffman, 2017, p.2) explains, organizational action
came to be understood as a reaction to environmental pressures and as a “a reflection of the perspectives defined by the group of members that comprise the institutional environment; out of which emerge the regulative, normative, and cultural-cognitive systems that provide meaning for organizations”. This development got expanded in the literature on strategic response and action, discussing strategies that organizations use to be effective in the environment: from acquiescence to manipulation (Oliver, 1991).

**Institutional Theory: External Environment as Shaped by the Organizational Field Pressures.** Institutional theory provides us with opposing pressures, isomorphic and competitive, which help to understand which actors are present in the organizational field of HE. Isomorphic pressures are theoretical concepts described in the older developments of NI. They include coercive, normative, and mimetic pressures, which lead to homogeneity of the constituents of the environment, i.e. HEIs become increasingly similar when influenced by isomorphic pressures (Meyer & Rowan, 1977).

*Coercive pressures* are most likely to come from power relations. For instance, a new governmental policy or law can coerce an organization to follow a particular set of rules and practices, such as the European Bologna process (Reinalda & Kulesza, 2006). Coercive pressures can also be consequential to resource flow, such as in Russian, Kazakh, and Chinese excellence initiatives, with the introduction of government policy to concentrate resources on specific areas of research. *(5-100 – Russian Academic Excellence Project, 2019; Hartley et al., 2016; Kang, 2015).*

*Normative pressures* are triggered by professionalization (DiMaggio & Powell, 1983). They are driven by a notion of practice adoption, which represents a good moral choice and is “associated with professions, because the similar education and training instill similar professional values of what is considered appropriate for professionals to
carry into organizations, a process that tends to favor the adoption of similar practices and structures across organizations” (Boxenbaum & Jonsson, 2017, p. 3). HE is a special case in this regard as it both trains and employs its graduates, which reinforces the same ideas and practices (Berman & Paradeise, 2016). In addition, both academics and HE leaders have particular views on how HEIs should be, which leads to adoption of similar practices and more homogenized organizational field (Berman et al., 2016). This high level of professionalization results in a cultural-cognitive system of ingrained beliefs and established models of curriculum, research, administration, that are highly difficult to question or change (Scott et al., 2017). The normative system includes meta-organizations such as The Association of American Universities, The American Association of American Colleges and Universities, and The American Council on Education. Other examples of the normative system are disciplinary organizations, faculty unions and staff associations, and accreditation systems (Scott et al., 2017).

*Mimetic pressures* are triggered by uncertainty. When organizations face an ambiguous environment, they tend to copy successful tools or models that proved increased rates of survival in their peers (DiMaggio & Powell, 1983). Contemporary research shows that even though universities around the world might not copy a single model, they tend to mimic different models dependent on the segment of the global HE organizational field in which they operate (Berman et al., 2016). For instance, universities that participate in the global rankings competition tend to copy the US research university model as well as universities embedded in national fields copy best national practices, like Grande Ecole in France (Berman et al., 2016). Another study shows that disparate HEIs use similar business-like imagery to communicate their identities to prospective students online (Atkinson, 2008).
While coercive and normative pressures imply less decisiveness from the organization, with mimetic pressures, we can best observe the agency of presidents. A study of 109 research-intensive universities in the US found that HEIs tend to mimic strategic initiatives that were popular at the national or state level, not the ones that have been adopted by their peer institutions (Fay & Zavattaro, 2016). This could be evidence of decoupling to gain legitimacy, or the fact that HEI leaders (in our case, presidents) do not know much about their competitive environment and peer institutions’ actions, despite the fact that this knowledge becomes increasingly important as competition for students and resources intensifies.

Reflecting on societal development, NI theory accompanies isomorphic pressures with the opposing force: competitive pressures, which highlight the proactivity of organizational leaders in knowing and fighting their competition (Scott & Kirst, 2017). In the competition for resources, organizations have to find their ways to balance institutional rules that lead to homogeneity with the appropriate individual strategy to increase organizational performance and effectively respond to external challenges.

In addition to strategic action and response literature areas, mentioned above, management theory suggests tools by adding the notion of the market to support a full understanding of the environment. Michael Porter introduced the Five Forces model and developed generic strategies of competition (Peterson et al., 1997). Porter’s Five Forces Model includes the influence of bargaining power of suppliers and buyers, the threat of new entrants and substitutes, and the intensity of rivalry with competitors in any industry (Martinez & Wolverton, 2009). This framework is used in HE studies worldwide (Do, 2019; Martinez & Wolverton, 2009; R. Meyer & Höllerer, 2014). Although some authors claim this model does not fit HE (Hassanien, 2017), in their work about industry analysis in HE using Porter’s model, Martinez and Wolverton (2009) add government as the sixth
force of the model and posit that it does, in this configuration, provide a comprehensive description of the HE industry (see also Pringle & Huisman, 2011). This means that Porter’s generic competition strategies can indeed be used in regard to HE. He suggests that a competitive advantage could be achieved either through cost or differentiation leadership.

Without significantly redesigning educational programs, it will be almost impossible for US HEIs to reduce costs and thus offer lower prices, as the first strategy proposes, given the current environment of changing demography and shrinking state support. The second strategy requires detailed knowledge of what other HEIs in their environments are offering, although NI research suggests that HEIs might not be well aware of what their peer institutions are doing (Fay & Zavattaro, 2016).

Just as organizational theory research went from seeing environments as a main source of influence and the organizations having little agency, to the understanding of environments as responsive to the organizational actions, isomorphism and homogeneity of the field was complemented by notions of competitive pressures and strategic action, bringing attention towards the agency and knowledge of HEI leaders (J. W. Meyer & Rowan, 1977; Peterson, 1997; Powell & DiMaggio, 1991; Scott & Kirst, 2017).

Institutional theory literature helps to understand the constituents in the HE environment. When combined with literature describing external forces and management literature, helping to understand competitive relationships within the organizational field, it provides a powerful guide for HEI presidents to chart their respective environments in the present and future, and act accordingly. Doing this requires leaders to accumulate and evaluate substantial data on trends and other environmental participants and competitors. Having environmental data and using it to make operational choices can prevent strategic misdirection and help to provide sufficient education locally and nationally. The fact that
many HEI presidents do not use institutional research to inform decision-making signals that data-informed approach for understanding external environments is not an established practice (Gagliardi et al., 2017).

These literature areas show which data presidents need to understand their environments and act strategically upon them, as well as an overall concern about lack of data-driven decision-making. However, we need more evidence on how and if presidents currently engage with their external environments.

We need to understand if presidents are skilled in knowing what is happening around them, which external factors are present, which are the isomorphic and competitive pressures extant? From institutional theory research literature we know that presidents may not be well aware of what their peer institutions are doing (Fay & Zavattaro, 2016). We also know that HEIs have difficulties even acknowledging competition, as they have historically enjoyed unchallenged prestige, which is being endangered by the very notion of rivalry (Rowley & Sherman, 2001).

Therefore, we need to learn more about the processes that are in place in HEIs to help presidents to engage with their environments. Traditionally, universities use strategic planning to do this. We need to know if strategic planning delivers the data needed for strategic decisions and whether presidents have the capacity to engage with said data. To shed light on presidential knowledge about their environments, literature on their work structure and the organization of the strategic planning process could be used.

**Strategic Planning Process as a Means of Engagement with the External Environment**

By exploring literature areas on the strategic planning model and its implementation in contemporary HEIs, as well research about work structure of HEI
presidents, this section identifies barriers to the delivery of actionable knowledge to presidents about environments.

Strategic planning is traditionally used to engage with an organization’s environment. In particular, it is a means of retaining strategic fit between the organization and its turbulent surroundings (Kotler & Murphy, 1981). It is concerned both with the internal and external organizational environment. Strategic planning involves understanding the unfolding trends in the external environment, as well as its participants and market conditions. One should not to confuse strategic planning with other planning types, such as long-term or budget planning, as those are sets of prescribed steps to achieve clear goals within a stable, predictable environment (Kotler & Murphy, 1981). There is no study that proposes a comprehensive model of strategic planning for HE. The process’ description slightly varies in different literature on HE, but it always starts with scrutiny of the organizational surroundings (Hunt et al., 1997; Keller, 1983; Kotler & Murphy, 1981; Peterson et al., 1997; Sullivan & Richardson, 2011). For instance, the strategic planning process described by Kotler and Murphy (1981) and Morrison, Renfro, and Boucher (1984) represent two different logics: linear and circular (see Figures 1,2), but both have environmental analysis as an initial step.
**Figure 1.**


**Figure 2.**

History of Strategic Planning in Higher Education

The presence of strategic planning in HE literature started in the 1950s, when United States HE system underwent significant growth following World War Two. Derived from military tools, strategic planning was then enough to satisfy campus planners’ needs for physical expansion (Dooris, 2003). In the 1970s, with the challenges of the declining “baby-boom” college population and the increase in the cost of education, the “inside-out” linear long-term planning model (which focused on internal characteristics of HEIs) became less relevant. Strategic planning shifted towards the creation of more intricate models that included the external environment (Dooris, 2003; Morrison et al., 1984; Sullivan & Richardson, 2011). This is when market and business-oriented definitions came into play within the planning process in HEIs: competitors, market niche, shareholder values, SWOT analysis and others and started the golden age of strategic planning in higher education (Dooris, 2003).

The popularity of strategic planning in HE lasted through the 1990s and in some cases invited criticism regarding the use of business tools in HEI management. It also engendered the major works of Keller (1983) and Birnbaum (2000). Keller’s work Academic Strategy: The Management Revolution in American Higher Education (1983) influenced several generations of HE managers and is still considered to be an important guide. Conversely, Birnbaum (2000) introduced the term “management fad,” a “management innovation that ... is incompatible with organizational culture ... [and] is eventually rejected” (p. 469). He made the case that business-born tools are not appropriate for loosely coupled, highly autonomous HEIs (Fife, 2003). Birnbaum’s work compliments Henry Mintzberg’s thoughts on strategic planning, although the latter, in The rise and Fall of Strategic Planning, only concentrates on failures and does not discuss successful examples (Capon, 1996). His criticism is based on the fact that strategic
planning process ignores the HE organizational context, but nevertheless suggests that HEIs can benefit from strategic planning, if used wisely (Dooris, 2003).

The need to include the HE organizational context into the strategic planning model, and to understand the mission of the institution led to the development of contextual planning, a proactive approach towards the environment, in which the environment is understood as “complex, but malleable” (Peterson et al., 1997, p. 134). In contrast with strategic planning, which identifies the priorities and aims to channel resources into a particular niche product, contextual planning relies on a portfolio of initiatives that addresses different aspects of the external environment and, by doing so, can influence and change it (Peterson et al., 1997). This echoes new developments in institutional theory, which came to recognize environments as influenced by organizational leaders’ proactive behavior.

Overall, the literature shows that the new developments in strategic planning tend towards more synthetic, sophisticated forms of social discourse, which need creativity and flexibility. According to Dooris (2003), strategic planning is being transferred from the rational (linear step-by-step tools) towards increasingly about learning and creativity, with the recognition that college and university leaders need to challenge assumptions and consider radically changing existing structures and processes. Relatively recent conceptions of strategic planning center more on dynamism, flexibility, nimbleness, inventiveness, and imagination. They focus on strategic thinking as opposed to syllogistic [deductive] analysis (p.8).

Strategic planning remains the most used process of organizational engagement with the environment, and it is positively correlated with organizational survival and performance, both for private and public sectors (Camillus, 1986; George et al., 2019; Kearney & Morris, 2015). Some experts hesitate to attribute institutional success to tools designed for corporate management. Others are advocates of strategic planning and claim that not only does strategic planning work in higher education, it may be the only process
which effectively engages the external environment (Dooris, 2003; Kotler & Murphy, 1981). Overall, researchers agree that some form of strategic planning should exist in HEIs and should be tailored to the HE field.

Despite general agreement that strategic planning is useful for HEIs, there is no comprehensive study that is useful for institutions seeking to organize the process (Dooris et al., 2004). The literature search in the top-tier HE academic journals results in only approximately 20 studies since 2008 that discuss strategic planning to some extent. For example, Olszowy and Lee (2017) find that there were no studies on strategic planning in the Journal of Higher Education Outreach and Engagement for the last decade. What the literature shows are anecdotes of some successful cases, and expansive evidence that in many cases strategic planning does not serve the purpose of providing HEI presidents with sufficient knowledge of the environment due to the organization of the strategic planning itself or as a result of presidents’ work schedules.

**Strategic Planning as a Process and a Tool for Understanding the External Environment**

Literature shows that, in many cases, strategic planning is not implemented in HEIs to provide presidents with sufficient data about their environments, as its use has deviated from the theoretical model. While attempting strategic planning, HEIs tend to prioritize planning over strategy (Eckel & Trower, 2019). This is the result of HEIs’ processual incompatibly with strategic planning; “they are set up for operations” (Kotler & Murphy, 1981, p. 470). Operations, in turn, use traditional educational planning processes [which] are weak in facilitating the identification of critical trends and future events and assessing their impact on education. At best, most planning models assume there will be a "surprise-free" future in which present trends continue unabated and the interrelationship between and among social, economic, political, and technical forces remains essentially the same (Ziegler, 1972). We know that this is not true; environments are marked by rapid and unanticipated changes. (Mecca & Morrison, 1988, p. 35)
When HEIs use an operational approach in strategic planning, it results in a rigid process with pronounced defects, which “mechanically treats the environment” (Dooris et al., 2004, p.9), separates planners from operations, and provokes the resistance of organizational cultures. As a result colleges and universities waste time by trying to use planning process that they are used to and which prevents them from seeing what is unfolding in their environments (Eckel & Trower, 2019).

Another issue is that HEIs tend to use strategic planning in the times of crisis. Few leaders voluntarily focus on change as an everyday practice; strategic planning exercises, to change “goals, strategies, and organizational systems, usually occur as reactions to crisis events, rather than as thoughtful adaptations in advance of crises” (Kotler & Murphy, p. 471). One might argue that effective strategic planning can be useful in a crisis, but the process is more effective if organized on a regular basis towards the overall effect of predicting and mitigating or avoiding crisis.

In some cases, strategic planning is used to assert power. Instead of being used to chart the future, it is used as a tool for the present (Ginsberg, 2011). “When [leaders] organize a planning process and later trumpet their new strategic plan, senior administrators are signaling to the faculty, to the trustees, and to the general community that they are in charge” (Ginsberg, 2011, p.2). This practice is a reflection of the growing power of administrators in US HEIs and leads to the ubiquity of planning (Ginsberg, 2011).

Sometimes, strategic planning serves administrators’ interests as a substitute for action and contributes to a future job search. When new leaders launch a strategic planning design campaign, it typically results in a process taking longer than a year. In some cases, it is used “… to impress the corporate headhunters who direct contemporary administrative searches […] and can create a useful impression of feverish activity and progress” (Ginsberg, 2011, p.3).
Another common issue is the lack of transfer from planning to action. While every HEI is supposed to have a strategic plan, many plans are written for the sake of gaining legitimacy in the eyes of others. It follows that many HEIs are focusing on creating the plan, not the mechanisms of execution, monitoring, and assessing the implementation of the plan (Chance & Williams, 2009). As a result, strategic plans are often bluntly generic.

First, strategic plans are frequently indistinguishable from each other. “Similar phrases and paragraphs can be found in many plans. ... This interchangeability of visions for the future underscores the fact that the precise content of most colleges' strategic plans is pretty much irrelevant” (Ginsberg, 2011, p.4). Plans are not tailored to a particular institution, and articulate similar goals of student diversity, diversification of revenue streams, and competitiveness, without arguing the reasons for those choices (Seltzer, 2018).

Second, many strategic plans lack concrete objectives, timetables of implementation, lists of responsible parties, and descriptions of means for achievement (Ginsberg, 2011). “Their goals tend to be vague and their means undefined. Often there is no budget based on actual or projected resources. Instead the plan sets out a number of fund-raising goals. These plans are [...] simply expanded "vision statements" (Ginsberg, 2011, p.4).

To make it worse, research shows that strategic plans do not reflect the mission because they focus on educational programs’ financial security and overall survival (Choban et al., 2008). For instance, while the institution communicates its focus on student learning with the public, strategy is in fact dominated by organizational survival measures (Choban et al., 2008). “There is still a relative economic advantage to focusing on inputs rather than outputs; impressive facilities and faculty credentials still sell better than nebulous outcomes [of student learning]” (Choban et al., 2008).
Since strategic plans are often generic, they lack important data about the external environment of HEIs. The most pressing external factors—changes in demography and economy—are overshadowed by internal university problems. Campus and master planning, capital planning, and space management planning are still the top three realms of university planning (Moss et al., 2015). An empirical study of 304 strategic plans in American HEIs shows that diversity and affordability initiatives for sustainable development are the least present in strategic plans (Semeraro & Boyd, 2017). This could be the function of those trends being relatively new or that the reality is that strategic planning is not set up to effectively see and recognize the most pressing issues of the external environments.

Research in HE does not provide empirical evidence on how often data on other organizations is present in strategic planning. We know that HEI leaders do not like to accept that competition exists, as they enjoyed their exclusive position of the only educational providers for several centuries (Rowley & Sherman, 2001). Knowing that strategic planning in many cases is not organized to engage with the environment, we can assume that it does not deliver sufficient data about competitors as well.

Though research explains some of the issues with strategic planning process, HE lacks comprehensive studies to understand the use of strategic planning in HEIs (Dooris et al., 2004; Howes, 2018). The field can benefit from more research exploring strategic planning and the resulting strategic plans in different sectors and locations. Research can shed light on the presence of external challenges and other organizations in strategic considerations and better explain HEIs’ understanding of their respective environments.

**Environmental Scanning as an Essential Part of Strategic Planning Process**

Environmental scanning is the step that differentiates strategic planning from other planning, such as long-term or budget planning and, therefore deserves to be
scrutinized separately. It is designed to scan the environment and provide data for strategic decisions. Literature shows that this step is essential for successful strategic planning but that it must have the personal commitment of HEI leaders in order to be effective.

Morrison et al. (1984) suggest the structure, process, and typology of the environmental scanning process. They claim that “the most popular of the formal systems by far is through an in-house, interdisciplinary, high-level [scanning] committee of four or five members (but no more than 12 or so)” and ideally includes a “broad cross-section of department heads, vice presidents, deans, the provost, faculty members trustees, and so forth” (Morrison et al., 1984, p. 17). They introduce three types of scanning: passive, active, and directed, that differ by scope, level of consciousness, attention, and involvement. The authors also describe the process as searching for information resources, selecting information resources to scan, identifying criteria by which to scan, scanning, and determining actions to take on the scanning results (Morrison et al., 1984). Unfortunately, environmental scanning tool as a separate unit of analysis is almost absent in the HE studies. One of the rare examples is the quantitative study of environmental factors’ (in this case, social, economic, and educational) influence on the application and enrollment numbers in Virginia, developed in order to inform HE strategic planners (Morcol & McLaughlin, 1990). The authors use path analysis to identify the correlation and introduce geographical component by looking at the data on the county level, which gives better understanding on how those factors impacted Virginia HEIs. Their results suggest, for instance, the negative effect of unemployment and the rurality of the county on enrollment and application numbers, which can inform the strategic planning process for Virginia institutions (Morcol & McLaughlin, 1990).
The only detailed study on environmental scanning implementation explains that it is essential for organizational performance (Hearn et al., 1993). In a case study of the University of Minnesota, the authors show that once rigorous environmental scanning disappeared from the central leadership and moved in to the non-central units outside of the academic core, it remained absent in the fundamental decisions being made in the upper management of the university, resulting in poor handling of important campus issues (Hearn et al., 1993).

From the same study we learn that powerful championship is necessary for environmental scanning. When university leaders cease to champion scanning, the practice becomes an interdivisional resource competition tool (Hearn et al., 1993). In order to succeed, environmental scanning should be “a personal and professional priority of top administrators” (Hearn et al., 1993, p. 30).

In addition, HEI leaders should be involved in environmental scanning because without their input, the results of the analysis lack validity; further, “not expending the resources – including the time of senior leaders – to anticipate developments that can affect the future of organization – is foolhardy” (Peterson et al., 1997, p. 277). Environment scanning is time consuming because understanding HEIs environments requires timely assessment and action.

Yet time is a scarce resource among [HEI leaders] and institutions […] tend to have preferences for participatory governance. These value systems are deeply held and can imply a need for environmental intelligence to be widely disseminated prior to decision making, thus flying in the face of the demands of turbulent environments (Hearn et al., 1993, p. 424).

A recent study vaguely describes the environmental scanning process provided by HEI presidents; in the best scenario they mention periodic meetings with their vice-presidents to ask their opinions on important topics in their areas of responsibility (Dunek, 2015). This might signal the absence of formal environmental scanning practice in HEIs,
which in turn raises the question of the quality of environmental analysis in HEIs (Dunek, 2015).

Although the scarce literature argues the necessity of environmental scanning as a part of strategic planning, the need for leaders’ personal engagement in the process, and partially explains the challenges of environmental scanning implementation in HEIs, “the extent and nature of its use, its successes and its limitations” (p.8) are still poorly understood (Hearn et al., 1993).

We as a field do not know the current state of environmental scanning in American HEIs as there are no recent studies. The results of the University of Minnesota study are insightful, but not generalizable. More research is needed to see the current use of environmental scanning across sectors, types, and regions of HEIs. If we knew more about how environmental scanning is organized in HE, we could shed light on the overall effectiveness of strategic planning and the performance of HEIs.

**Strategic Planning Process as One of the President’s Responsibilities**

Strategic planning and environmental scanning in many cases are not organized to provide presidents with actionable knowledge. We know some anecdotal cases of successful strategic planning. Well or poorly done, we know that the new developments in strategic planning processes tend to be less linear and more synthetic, and therefore require more time from presidents. Literature on the work structure of presidents shows that they do not have sufficient time or training to engage with strategic planning. Their routines are increasingly standardized through a common set of practices by the growing pressure for quick wins, organized around fiscal results (Gagliardi et al., 2017; Selingo et al., 2017). This contributes to a variety of problems, such as “enrollment plans that ignore demographic shifts among students; [...] and strategic plans that are completely rewritten each time a new president is installed” (Selingo et al., 2017, p.16). Though there are other
HEI administrators who can execute strategic planning instead of presidents, we know that powerful championship is essential in strategic planning process and president, as the ultimate leader, must be the driver for mission and vision fulfillment through strategic steps, and therefore “own the strategic plan” (Seltzer, 2018, p. 62).

**Presidents Focus on Everyday Fiscal Issues.** Studies on the work structure of HEIs leaders, regardless of job description, agree that leaders’ everyday work has become extremely complex, especially as a result of the pressure on universities to operate as businesses and under growing financial constraints, most pronounced in public institutions (Gagliardi et al., 2017). Though the academic debate about the suitability of business approaches in HEIs is ongoing, the reality is that leaders operate in complex environments, business-oriented in part, and must be involved with different stakeholders and markets to be effective. To combine academic and business leadership is an extremely hard task that has no fully described models or analogues in other fields (Kotler & Murphy, 1981).

HE researchers are in accord on the complexities of the HE presidents’ work. For instance, Robert Birnbaum and Peter Eckel (2005) write on the college “presidential dilemma”:

> the president is expected to serve simultaneously as the chief administrator of a large and complex bureaucracy, as the convening colleague of a professional community, as a symbolic elder in a campus culture of shared values and symbols, and (in some institutions) as a public official accountable to a public board and responsive to the demands of other governmental agencies. Balancing the conflicting expectations of these roles has always been difficult; changing demographic trends, fiscal constraints, the complexity and diversity of tasks, university dynamics, and unrealistic public expectations make it virtually impossible for most presidents to provide the leadership that is expected. (p. 340)

The role of the college president shifted from the “builder of formal administrative structures” and “business manager who runs the campus” in the 1930-40s, through the “fiscal manager and fundraiser” in the 1970-2000s, to the contemporary trend of
“multidisciplinarian”, who can “build and navigate academic disciplines, institutions, and outside partnerships” (Selingo et al., 2017, p.4). Some research suggests that the presidential position stopped being a single person job simply because it went beyond physical capabilities of one person (Bornstein, 2004; Bourgeois, 2016).

Future presidents assume that being a strategist will be a top priority skill when they are in office; in reality, they spend most of the time on financial management and fundraising (Gagliardi et al., 2017; Selingo et al., 2017). While Selingo et al. (2017) state that 20% of presidents rank strategic planning as one on the most important areas of their work, most “presidents indicated that budget and financial management (65%) and fundraising (58%) are their two most time-consuming activities” (Gagliardi et al., 2017, p.X). Not only do we see that the difference between use of time for financial issues and strategy is significant (65% versus 29%), more importantly, it is discovered that fewer than 20% of presidents indicated the importance of strategic planning for their future work (Gagliardi et al., 2017). These findings clearly indicate that environmental analysis, as an essential part of any strategic process is not, by far, a primary activity within presidents’ work structure.

Literature suggests a shift towards president as multidisciplinary leader, an expert in orchestrating external forces, but the reality is that environmental engagement and strategic planning is not a priority in their work, and they mostly remain fiscal managers. One promising fact is that more experienced presidents value collaboration, i.e., contact with the external environment, over financial management and academic leadership, which might eventually serve as a predecessor for the shift in presidential practice (Selingo et al., 2017).

**Presidential Tenure is Too Short to Effectively Engage the Environment.** Along with the demands of financial management, presidents are not
sufficiently engaged in strategic planning because of the increasing expectation for them to achieve short-term wins (Hinton, 2012; Selingo et al., 2017). “As a result, many are looking for the proverbial low-hanging fruit on their campuses where they can show fast results, not only for their own boards but also for search committees for their next job” (Selingo et al., 2017, p.3). Prioritizing short-term results over strategic long-term planning forces presidents to avoid starting strategic initiatives, which they will not finish by the end of their tenure, even if the initiatives are essential to the institution’s performance (Selingo et al., 2017).

To constrain the strategic planning process more, presidential tenure duration is shrinking (Gagliardi et al., 2017). The average tenure term is as short as 4.9 years at the public bachelor’s institutions (Gagliardi et al., 2017). In public doctoral-granting institutions, which serve most students in the country (43% of all degrees and certificates awarded in 2018), presidential tenure has decreased to 6.2 years, compared to 7.4 years in private HEIs of the same type (Gagliardi et al., 2017; IPEDS Data Center, 2019). HEI presidents expect to lead several institutions before they retire (Selingo et al., 2017).

Decreasing duration of tenure not only limits choices of strategic actions that presidents are willing to initiate, it also diminishes their chances to see the results of their work and therefore learn from that work as individuals or as members of the professional community. In other words, shrinking tenure puts constraints on the development and tailoring of strategic planning processes in HE.

**Presidents Lack Diversity of Professional Perspectives.** Another factor that reduces presidential engagement with strategic planning and, therefore their environment, is their professional training and background. Presidents’ past experiences are mostly located within the HE industry, which limits the diversity of perspectives available to them for environmental analysis (Birnbaum, 1988; Bolman & Deal, 1991).
The majority of college presidents do not have training in management or strategy. In 2016, 41.1% of them were graduates of HE programs (Gagliardi et al., 2017). The next two biggest areas of training are social sciences (14.2%) and humanities (11.3%) (Gagliardi et al., 2017). This study does not report how many of presidents have business background as primary or secondary training, but we know it is certainly less that 11.3%. This is one reason why traditional pathway to presidency - from provost or dean offices - is running dry, as potential candidates often lack the skills to perform the job and do not want to do it due to the increasing external turbulence (Selingo et al., 2017). In addition, less that 15% of presidents have had jobs outside HE, which may have decreased the diversity of presidents’ perspectives and diminished the extrapolation of management theory or tools from other fields (Gagliardi et al., 2017). Further, no specialized training exists for HE presidents, which could be a much-needed combination of management and higher educational theories tailored to HEIs reality (Selingo et al., 2017).

Even though most of the presidents are trained within HE and not business, campus leaders generally do not seek to improve strategic planning skills (Moss et al., 2015). The study by Society for College and University Planning, an influential professional group for HEIs strategic planning, finds that many of campus leaders who will be engaged in strategic planning are not planning to pursue professional development or connect with the strategic planning professionals for advice (Moss et al., 2015).

The increasing professionalization of the job of president leads to shorter tenure duration, which diminishes their possibilities to organize a theoretically supported strategic planning process (including environmental analysis) and witness the results of this work. Presidents spend most of their time dealing with financial management and fundraising, which leaves them little time to consider the future or strategies to be invented and employed for successful response to the environment.
Although we learn that presidential capacity to engage with strategic planning is constrained by the time and training, we still might benefit from understanding, for instance, how exactly differences in presidents’ professional background affect the design and organization of strategic planning in HEIs, if at all. Does longer tenure mean better strategic plan and successful implementation? How does their training in HE (knowledge about organizational theory in HE) help them to tailor strategic planning to their institution, if at all? In addition, if presidents are mostly dealing with financial issues, who else is involved in strategic planning; how well are they trained; do they have enough time for it?

Theoretical developments in strategic planning in HE literature call for more synthetic, creative approaches to allow HEIs to keep up with dynamic environments. In reality, in many cases, strategic planning is not used in its original design, i.e., to understand and engage with the environment. Instead, it has become a mainstream practice that everyone is supposed to implement. As a model, strategic planning remains a management-born phenomenon with few known examples of its successful tailoring to HEIs. Environmental scanning is almost absent from research as a model or in practice. Therefore, strategic planning is not set up to provide HEI presidents with actionable knowledge about external factors and other organizations, which diminishes their ability to engage with their respective environments.

Presidents’ work time is influenced by larger institutional forces of decreasing tenure duration and the overall dominance of financial issues over everything else in their everyday practice. Powerful championship is crucial to the installation of strategic planning, but the professionalization of presidents’ work enforces the pressure of short-term wins and decreases the capacity of the HEI presidents to engage in properly
organized strategic planning, as the results can only be seen several presidential terms later.

We cannot fully rely on strategic planning and environmental scanning literature in HE to explain what is the best way to tailor strategic planning to the needs of HEIs due to its nonsystematic anecdotal nature, but it delivers the evidence that in many cases strategic planning does not usually provide actionable knowledge to presidents. Even when it does, presidents do not have enough time to engage with this data via strategic planning. Therefore, we need to explore literature that explains how they interact with their environments outside of these dedicated processes. Literature on the individual sensemaking process can shed light on how presidents personally understand their surroundings.

**How Presidents Make Sense of Their Environments**

Theories of social constructivism can help us understand the manifestations of the external environment at the individual level, i.e., how presidents make sense of their surroundings. In particular, sensemaking (SM) theory is an influential concept that suggests a set of personal characteristics through which we can understand this process.

**Theories of Social Constructivism as Lenses to Understand How Presidents Make Sense of Their Environments**

As strategic planning theoretical model increasingly understands it as a social process, we can use literature that discuss how HEI presidents relate to their respective environments in this respect. The extensive literature within the theories of social constructivism that implies that actors create their environments themselves by acting upon them can be helpful to understand this relationship (Weick, 1995). These theories derive from sociology and treat environments as socially constructed realities, which
makes them a good choice to explore the field of HE as it is also seen by the institutional theory as a socially constructed entity (Watkiss & Ahn, 2019).

Floyd H. Allport and Erving Goffman contributed the most to the concepts that resulted in the contemporary understanding of SM process articulated by Weick (1995). They can help “to understand the everyday life of everywoman and everyman, who ... [is] involved in the activities of organizing” (Czarniawska, 2006, p. 1672).

All three authors saw social life as fabric of temporarily interconnected events and actions, that consist of SM (Czarniawska, 2006). These authors catalyzed the articulation of what became the most expansive and influential perspective in organizational and management studies described by Weick in his work Sensemaking in Organizations (Brown, Colville, & Pye, 2015; Czarniawska, 2006; Weick, 1995).

**Sensemaking Theory in Organizational and Higher Education Studies**

Researchers generally define SM as “those processes by which people seek plausibility to understand ambiguous, equivocal or confusing issues or events” (Brown et al., 2015, p. 266). By selecting cues from the external environment, people enact the latter into a comforting order, a social reality of theirs, to which they must respond (Weick, 1995). “By creating order and categories from which future sensemaking processes can extract meaning, sensemaking processes are thereby also seen as enacting a social order” (Degn, 2015, p. 905). Therefore, to understand SM we need to discover which order and categories people include in their constructed environments. This reflects the first of seven characteristics that Weick introduces – SM is constructed from *extracted cues*. The theory implies that sensemaker never acts alone, as there are many others present in the environment (Degn, 2015; Weick, 1995). Therefore, SM is a *social process*, a collective construction of meaning. SM happens within the parameters of individual and organizational identities; therefore, it is *grounded in identity* (Weber & Glynn, 2006). SM
is retrospective as people can only make sense of what has already happened: it helps to explain

how much of action is informed by highly skillful and complex reasoning, most of which is tacit. ... We act and then discover our preferences, principles, values, and beliefs ... we retrospectively construct the values that make sense of the outcome [of the act] (Smerek, 2013, p. 374).

SM is ongoing in a way that the environment is in the constant change and people extract cues from the continuous flow of events (Weick, 1995). It is also enactive as we choose “pieces” of the environment in a way that makes sense only to a particular actor. SM is also driven by plausibility rather that by accuracy for those in organization (Eckel & Kezar, 2003b). Research shows that in HE some characteristics have more influence over SM than the others: for instance, “the elements of identity and plausibility, its social nature, and the use of extracted cues were readily observable in most of the strategies. ... strategies were not uniformly retrospective or connected to the environment” (Eckel & Kezar, 2003, p. 52).

The literature on SM overall and specifically in HE is closely associated with the topics of leadership, strategy, organizational change, and action, as SM process has direct influence on strategic planning (Degn, 2015; Weick, 1995). It also is a suitable theory to look at the construction of strategy (and environment as a part of it), then to study the strategies themselves (Degn, 2015).

Several HE studies show how institutional forces of professionalization find their way to the individual SM processes. This research looks at how the identity of leaders influences their sensemaking process and, consequentially, their relationship with the environment. For example, college presidents’ identity throughout their tenure was found to be shaped by their self-description during the hiring process (Smerek, 2013). As the hiring process is increasingly driven by the same institutional forces which emphasize
short-term results, presidents may put themselves in a situation of “self-fulfilling prophecy” (Selingo et al., 2017). By describing themselves as expected, they shape their future presidency by the institutional norms, that do not pay enough attention to the long-term strategic oriented leadership. We also know that professional background of HEI leaders has strong influence on SM and the following action: more business-oriented strategic initiatives were launched after more college presidents with managerial background were appointed (Degn, 2015). As this trend might mean an increase of strategic planning and environmental analysis use across campuses, it concerns a small number of cases, because presidents who have had a managerial experience outside HE are rare examples (Gagliardi et al., 2017).

**Tensions and Knowledge Gaps in Theoretical Literature on Sensemaking**

Based on the critique suggested by several authors, three dichotomies are present in SM literature (Brown et al., 2015; Sandberg & Tsoukas, 2015).

*Ongoing versus occasional (critical) nature of sensemaking.* Most SM literature discusses the process of understanding “disruption in existing practices, uncertainty and ambiguity” (Degn, 2015, p. 903) by a crisis that triggers SM (Maitlis & Sonenshein, 2010). The literature rarely studies unplanned events, such as catastrophe, terrorism, or economic collapse (Sandberg & Tsoukas, 2015). The literature primarily explores planned events which lead to critical changes, such as an appointment of the new president or implementation of a new policy. For example, we learn that governmental policy to concentrate research resources pushes presidents to make sense of two different, often conflicting rationales in their institutional environment: strategic management and symbolic management (Pietilä, 2014). In another study, new college presidents conducted research their institutions to better understand them (Smerek, 2013).
What we do not learn from existing studies is the nature of routine, everyday process of HEI presidents’ environmental SM. Though HEIs face challenges regularly, for instance, long-standing financial pressure in public education which will influence ongoing SM, this argument presents a narrow picture of it about well-known event or episode. Even though Weick (1995) originally describes the SM as ongoing process, he introduces its episodic ontology, as Sandberd & Tsoukas (2015) argue. They propose the term of “immanent sensemaking” that does not carry episodic nature and claim the need for its future exploration (Sandberg & Tsoukas, 2015).

*Retrospective vs prospective nature of sensemaking.* Retrospective comprehension dominates the theory of SM as Weick’s work originally implied that people can only make sense about what has already happened, i.e., that action precedes cognition (Weick, 1995). Most studies in HE included in this section look at the past events of reforms, transformation, or faculty departure and administrators conducting analysis after the event (Eckel & Kezar, 2003; Savage, 2013). The researchers, primarily in the realm of strategy and organizational change, claim that creating tools for prospective SM is possible through further research (Brown et al., 2015; Sandberg & Tsoukas, 2015; Smerek, 2013). The study on college presidents found that they “had a great desire to think about and plan for the future ... to place cognition before action” (p.395), which proves that there is a need for research to provide a theoretical foundation for these processes (Smerek, 2013).

*Micro Vs Macro foundation of sensemaking* constitutes another dichotomy in the current literature. Traditionally, SM is understood to be rooted in the individual’s cognition (Weick, 1995). Weber and Glynn (2006) introduced the importance of organizational context in SM through typified roles, actions, and situations, therefore claiming the organization to serve as a cognitive constraint. Regardless of their effort, the SM perspective does not give enough attention to larger social, economic, historical, or
other macro-issues within and across organizations (Brown et al., 2015; Sandberg & Tsoukas, 2015). Additionally, there is not enough known about the connection of SM perspective with the institutional theory and Smerek (2013) suggests a possibility of such a study in HE field.

Our knowledge of retrospective occasional SM that is rooted in past professional experiences corresponds with how presidents treat strategic planning in many cases. As the theoretical model of the latter is designed to be used on a regular basis, providing data about the external environment and charting the organizational future, we need to know more about the ongoing contextual SM of presidents to explain current difficulties with strategic planning and ways it might be organized successfully in and tailored specifically to HEIs.

Overall, the SM theory is helpful in exploring the ways in which HEI leaders understand their respective environments. Although this theory and has been popular among HE researchers over the last two decades, they mostly looked at institutionally constrained occasional SM following disruptive events (Sandberg & Tsoukas, 2015). Therefore, we as a field still do not know much how HEI presidents make sense of their organizational environments in larger contexts to understand the contemporary and future challenges in HE in the United States.

**Conclusion and Potential for future research**

In the time of significant changes in demography, the economy, technology, and global competition it is crucially important for HEI presidents in general, and for RCU leaders in particular, to have relevant data about their institutions’ external environments. This knowledge is essential for data-driven decision making, which supports effective strategic planning and response. Understanding the surroundings of the universities allows presidents to make timely and effective changes to the operation of their respective
institutions in order, in some extreme cases, to avoid organizational collapse. At the same time, presidents’ capacity to fully understand their environments is diminished by opposing institutional forces.

On one side, collecting and analyzing data about the external environment requires increasing organizational and individual capacity and resources. Trends in external factors and their underlying conditions require thorough scanning process. Environments as organizational fields are becoming more complex, comprised of a larger and more diverse group of organizations and institutions (Powell & DiMaggio, 1991; Scott et al., 2017). Balancing between increasing similarity with others and simultaneous competition with them, requires from presidents extensive knowledge about other HEIs and market conditions.

On the other side, the increase in the professionalization of the presidents’ occupation provides them with less capacity and resources to engage with the environment. The initially alien culture of data-driven decision making is gaining importance in HE, although it’s still not perceived by the majority of presidents as a necessary practice (Gagliardi et al., 2017). Assuming presidents will make it a priority, there is a potential lack of processes in place and time to collect and analyze these data. Strategic planning in its current configuration is not organized in many HEIs to provide presidents with actionable knowledge. Environmental scanning is hard to sustain in some cases. Decreasing tenure duration and stakeholder’s expectations for fast results lead to short-term planning as the foundation for strategic decisions. The organization of work around financial management results in overwhelming time consumption by fiscal issues and fundraising in the everyday schedules of presidents (Gagliardi et al., 2017; Selingo et al., 2017).
While literature used in this review sheds light on some important problems regarding presidents’ engagement with their respective environments through strategic planning process it also reveals possibilities for prospective research.

We can benefit from learning more about presidential understandings of environments through research that looks at the individual, institutional, and systemic levels of the sensemaking influence over strategic decision-making and strategic response.

Through understanding presidents’ routine sensemaking about the future of their organizations placed in particular context, we can learn how the environmental scanning and strategic planning processes could be changed to better fit RCUs.

To fill the gap in knowledge on presidents individual sensemaking, we must build on extant social constructivist, organizational and management theory research to develop our understanding of president’s engagement with the data on their environments. We need to know which constituents and external pressures presidents include in data about their environments and whether it is a sufficient dataset for strategic planning. We know that practitioner’s literature on strategic planning does not incorporate discussion on the latest theoretical developments in organizational theory, therefore it is important to identify potential blind spots in the dataset. We need to know if presidents’ perception of the environment as theoretical construct has evolved to correspond with theoretical progress.

Existing knowledge gaps on the organizational level of strategic planning and environmental scanning processes can be addressed by having contemporary examples of successful strategic response towards external pressures and existing competition. For instance, we will benefit from seeing how RCUs work with the relevant problems of their states, cities, or territories. What differentiates strategic planning of those RCUs which succeed in anticipating future trends, such as demographic change? How are the processes
that deliver actionable data designed and organized? Do problems appear in the dataset produced by strategic planning? How do they transfer to the strategic plan? Since we have few and dated studies on environmental scanning, we need to understand the current use of this model, and presidential championship of it.

To understand how institutional forces of presidents’ occupation manifest in strategic organizational processes, we need to bridge what we know about presidential individual characteristics and contemporary strategic responses towards environments. For instance, is there a correlation between longer tenure and more effective strategic and response?

While we know that more presidents with past experiences in management launched more strategic initiatives, we need to understand if that quantitative result led to qualitative change and resulted in sufficient strategic response. Therefore, we will benefit from studies that look at the connection of past experiences or training outside of HE and the resulting change in strategic planning and environmental scanning processes. Additionally, although we know that presidential personal commitment is crucial to the strategic processes operation in universities, we need to understand, how exactly it shapes the strategic planning model.

While prior research suggests that presidents must own the strategic plan and lead the SP, this is not always the case and we do not have a clear understanding of who leads the process instead (Seltzer, 2018). We can benefit from the studies that look at presidents and other senior leaders at their institutions, who are involved in strategic planning.

While we know that in many cases SP is dysfunctional and does not lead to the strategic response we need to extend the inquiry in to looking at other processes that
presidents and other university leaders consider shaping the strategy of their institutions and leading to the strategic response.

Learning more about how university leaders routinely engage with the future of their institutions will enable us, as an academic community, to develop a theoretical evolution of the management-born strategic planning tools designed specifically for HEIs. HE leaders might benefit from using these tools for more effective strategic management of their intuitions. Most importantly, through more effective, environmentally informed strategic decision-making processes, more institutions will be able to adapt and survive in the current conditions and, therefore, increase educational attainment and HE will better contribute to societal development.
Chapter 3. Research Methodology

The purpose of this study was to learn more about regional comprehensive universities (RCUs) strategic responses towards their external organizational environments, strategic decision-making processes leading to those responses, and the influence of the leadership’s understanding of the organizational external environment over the RCUs’ strategic responses. To do so, the study had the following primary research question and five supporting sub-questions:

How do regional comprehensive universities strategically respond to the economic challenges in their external organizational environment and which decision-making processes, if any, have they implemented to do so?

- Are regional comprehensive universities undertaking environmental scanning and analysis?
- How do leaders make routine, prospective, and contextual sense about external organizational environments?
- Who leads strategic decision-making processes?
- What characterizes the decision-making processes that lead to the strategic response?
- How do leaders evaluate the success of their institution’s strategic response?

Methodology

The study was designed using qualitative approach as an epistemological umbrella. There are several reasons for this choice.

Interpretive and constructivist epistemological perspective with in the qualitative methodology allowed for a design that aimed to fully describe, attempt to understand and interpret the phenomenon in question (Merriam, 2009).
By looking at several different institutions, the study used inductive logic, which is immanent to the qualitative approach (Maxwell, 1996; Ravitch & Carl, 2016). This helped to reveal existing patterns to understand the phenomenon of organizational external environment evaluation and its influence on strategic response in RCUs (Ravitch & Carl, 2016).

This study used primary data; the need for tailoring the data collection and analysis methods has emerged in the process. The qualitative methodology provided the possibility for the necessary changes throughout the execution of the study (Creswell, 2013).

In addition, the qualitative study design allowed me to explore the “complexity and subjectivity” (Ravitch & Carl, 2016, p.155) of the external environment evaluation and its influence over strategic planning and other long-term decision-making processes that lead to the strategic response through the experiences of the participants.

To conclude, the study used theoretical lenses of organizational and social constructivism theories, which are frequently utilized by researchers to study organizations, HEIs in particular, within the qualitative methodology (Eckel & Kezar, 2003b; Scott & Kirst, 2017; Smerek, 2013).

**Method**

Under the qualitative approach umbrella, the *case study* method was the appropriate choice due to several reasons.

First, the study intended to answer “how” type questions, which indicated a good fit for the case study method as acknowledged by the prominent scholars within the tradition (Denzin & Lincoln, 2018; Merriam, 2009; Yin, 2009). Not only was the study aimed to understand “how”, but also to achieve an in-depth understanding and description of leaders’ engagement with external environments and its influence on the
strategic response of their institutions. The “in-depth” understanding approach is known as a hallmark of case study method (Creswell, 2013, p.100).

Second, the study addressed a complex social phenomenon of external organizational environments and decision-making processes, hence the case study method made possible the detailed investigation via several data sources; this reflects the Feagin, Orum, and Sjoberg (1991) definition of the case study (as cited in Lincoln & Denzin, 2016). In addition, the fact that I as the researcher had no control of the phenomenon studied proved the appropriate use of this method (Yin, 2014).

Finally, the study explored currently operating institutions and their “real-life contemporary context” (Creswell, 2013, p.94). The study of ongoing, live issues supported the choice of the case study method.

**Research Design**

The most appropriate unit of analysis for the case study was identified as an RCU, as this research explored the phenomenon bounded by place (organizational boundaries of the institution in which leaders enact strategic response) and time (current presidential tenure) (Stake, 2005). The *multiple-case study* was chosen to provide a variety of RCUs’ institutional behaviors within the shared external environment (explained in detail in the sampling strategy section).

The study explored RCUs’ strategic response to environmental pressures both through leaders’ understanding and engagement with the external environment and how their knowledge about it influenced strategic decision-making. For the study, strategic response was defined as organizational actions pursued in order to maintain the strategic fit between organization and its environment and was characterized by at least one of the following:
represented a long-term action towards external pressure/s, which shaped the operation of the HEI for the foreseeable future (Kotler & Murphy, 1981; Peterson et al., 1997)

• recorded the allocation of resources, which demonstrated organizational priorities and effort (Bower & Gilbert, 2006)

• ratified and therefore enabled by the governing body of the university (M. Hartley, personal communication, October 28, 2020).

Further, within each case, three areas of interest were identified to inform the mechanisms of data collection. The first selected area was the: formal strategic planning process and its environmental scanning and analysis. Strategic planning is one process leaders use for long-term decision-making and it is often misused. Importantly it is the only long-term decision-making process described in literature which combines characteristics essential for understanding the role of the external environment in strategic response (Capon, 1996; Keller, 1983; Kotler & Murphy, 1981). SP is primarily designed to shape strategy and, therefore strategic response (Kotler & Murphy, 1981; Morrison et al., 1984). It is geared towards anticipating the future state of the environment and its potential influence on the organization, instead of planning for the known present (Kotler & Murphy, 1981). Most importantly, strategic planning has a dedicated initial step of engaging with the environment: environmental scanning (Kotler & Murphy, 1981; Morrison et al., 1984). The second area of interest was identified as: The long-term decision-making processes and environmental scanning and analysis beyond strategic planning, both formalized and non-formalized, that shape the strategy and lead to the strategic response of RCU’s. This area of attention accommodated for the misuse of strategic planning in HEIs, as described in literature (Ginsberg, 2011; Seltzer, 2018). The last area of interest was defined as: The environment external to the
organization as understood by its leaders i.e., how leaders define their environments, and which actors, factors, and trends they include in it.

Per Stake’s (1995) typology, this is a collective instrumental study, because it intended to shed light on a specific problem, namely that the external environment may not be well understood by the HEI leaders, and “to get the story down for the possible benefit of policymakers, scholars, and other citizens” (Odell, 2001, p. 162 in Denzel & Lincoln). This problem surfaced during the literature review, which helped to articulate the study’s theoretical proposition that the institutional forces in US HE increase the possibility of leaders’ ignorance of the organizational external environment, which, in turn, invites the possibility of strategic misdirection. This proposition justified designing this research study as exploratory (Yin, 2009).

To focus the research questions more, the two new theoretical propositions were defined for the study. The conceptual logic of the study (please see Figure 3) illustrates how the new propositions were formed.

Prospective, contextual, and ongoing sensemaking, which informs RCUs leaders’ understanding of the external environment, combined with their personal commitment to environmental analysis as a formal, theoretically supported process, increases the chances for successful long-term decision-making processes, which shape the strategy and lead to the strategic response. The possible construct measurements for the success of these processes are:

- for formalized processes of strategic planning and other long-term decision-making processes, that lead to the strategic response: environmental scanning within the processes is formal and theoretically supported, results of the environmental scanning are used in the following stages of the decision-making processes, resulting plan of action has connections to the real
problems in RCU’s external environment as well as timeline, budget, and responsible parties.

• for non-formalized processes: they enhance leaders’ understanding of the external environment, that is further used in the formal processes of strategic decision-making.

Further, strategic planning as well as other long-term decision-making processes can lead to the successful strategic response upon implementation of the strategic plan or the plan of action resulting from other processes. The success of the strategic response was measured through evaluation of the leaders involved in strategic planning or other long-term decision-making processes, which lead to the strategic response.

The new theoretical propositions are the following:

1. Environmental scanning and analysis procedures, which allow RCU leaders to engage with their external environments prospectively, contextually, routinely within long-term decision-making processes, could positively influence the success of the strategic response;

2. A successfully implemented strategic plan or the plan of action resulting from other long-term decision-making processes, which shape the strategy, could contribute to the overall success of strategic response, i.e., could positively influence organizational performance and survival.

As this was a qualitative study, it did not intend to produce generalizable results based on the two new theoretical propositions. This research rather aimed to find the evidence of these phenomena in a particular institutional sample included in the study.
**Sampling Strategy. Participant Selection and Selection Criteria**

Sampling strategy in case study research is essentially the choice of the cases (Stake, 1995). Logically, the definition of the case study, which is the achievement of full, detailed understanding of the chosen case, asserts the purposeful type of sampling (Creswell, 2012). I used *purposeful typical sampling* to identify the cases for this study (Yin, 2009; Creswell, 2012).

To identify cases, the study held several factors constant. As previously stated, the purpose of this study was to learn more about RCUs strategic responses towards their external organizational environments, strategic decision-making processes leading to those responses, and the influence of the leadership’s understanding of the
organizational external environment over the RCUs’ strategic responses. Therefore, organizational external environment for the purposes of the study was limited to the economic challenges in the external environment towards which the universities’ strategic responses are targeted, namely the decrease in state and federal funding and the decrease of family income. These two factors significantly affect operation in both public and private sectors: through state appropriations (in public institutions) and tuition revenue, which is a function of both federal and state financial aid instruments and family income.

To look at the HEIs in a shared context, the dissertation committee encouraged holding the regional factor constant because geographical proximity illustrates how different HEIs respond to the shared economic context in their external environments. The state of California (CA) was chosen for several reasons.

One reason lied within pronounced economic challenges that the state is currently facing. CA’s projected state budget deficit for 2021-22 is $54 billion (Petek, 2020). The state historically has the highest volatility of state support for HE among states, and that volatility is currently exacerbated by COVID-19 effects on state budget (Odle & Finney, 2020). Tax income in CA is increasingly and heavily dependent on personal income tax and, therefore, is now also affected by the decrease of family income due to the COVID-19 pandemic, which leads to less investment in HE (Odle & Finney, 2020).

Additionally, CA is projected to face a 15% decrease in high school graduates from the class of 2019 to 2037, which will result in a continuing decrease of state appropriations for public institutions and tuition revenue for both sectors (Bransberger et al., 2020). Along with the approaching demographic cliff, the state has experienced the increase in numbers of students from ethnic minorities with fewer financial means;
the most sizable ethnic group, Hispanics, will remain the largest for the foreseeable future and is both more loan averse and the most economically affected by the COVID-19 pandemic (Boatman et al., 2017; Bransberger et al., 2020; Zumeta et al., 2012).

In addition, it is important to explain that the COVID-19 pandemic was treated as a systemic shock to higher education, in particular a catalyst for increased attention to the external environment during the study. The COVID-19 factor was only used to provide additional focus to the RCUs’ strategic response, when participants were sharing their perspectives on how COVID-19 sharpened or changed the RCUs’ attention and/or attitude to the pre- and post-pandemic socio-economic conditions. The study was not concerned with the emergency response (for instance COVID-19 testing organization on campus or temporary hiring freezes) that happened as a reaction to the fast-evolving situation.

From the variety of institutional types operating in California, regional comprehensive universities (RCUs) were chosen as the organizational population for the study. It is important to concentrate our scholarly attention on the public sector of contemporary higher education in the US. Public RCUs are significantly dependent on major stakeholders, such as state governments that regulate and constrain their financial and operational flexibility, which is crucially important for relevant and timely strategic response, especially during the unfolding COVID-19 pandemic.

There is no single definition for the RCUs in extant literature and no existing classification describes these institutions precisely (for details see de Alva, 2019; Henderson, 2009; Miller, 2020; Orphan, 2015). For the purposes of this study, I defined RCUs as follows: 4-year public institutions with a broad spectrum of educational programs, serving predominantly in-state students.
While researchers use different ways to define and classify the institutions in question, there is no disagreement on their extreme importance. RCUs that occupy the middle ground between the research universities and community colleges educate the majority of first-time undergraduates (de Alva, 2019). In fact, they are essentially the “workhorse” of US higher education; 70 percent of all undergraduates attending four-year public institutions and over 40 percent of all undergraduates in the nation attend these RCUs (de Alva, 2019).

In addition to being the major player in terms of numbers of students served, RCUs play an important role in solving one of the most persistent problems in the US - income inequality - by educating more first-generation, Black, Hispanic, and non-traditionally aged students (age 25 and above) than flagship and research universities (de Alva, 2019). Prior research provides evidence that RCUs in fact serve as engines of economic mobility by successfully moving low-income students into the higher percentiles of income distribution (Chetty et al., 2017; de Alva, 2019).

While being very important to the overall HE productivity and the development of their regions, these institutions are at bigger risk than public research and private schools of being impacted by the changes brought by the COVID-19 pandemic and its economic and social consequences. This is, in part, because most RCUs are less wealthy than flagships due to limited research funding. Public RCUs depend mostly on state appropriations and tuition revenue (de Alva, 2019). The state appropriations were steadily declining even before the pandemic (Zumeta et al., 2012). With more stress now put on all sectors of the economy, such as Medicare and unemployment benefits, we can expect more budget cuts in higher education in the following years. Tuition revenue will probably decline on the national level for both sectors of HE; even though people tend to pursue education in the times of economic downturn, we do not know if this will be true
during and after the pandemic. In the current context, students are more loan averse and finding employment after graduation will be less certain as the pandemic evolves. Most importantly, RCUs will be even more affected because they serve a large share of students from ethnic minorities with fewer financial means (de Alva, 2019; Zumeta et al., 2012). At the time of writing this sampling strategy, those groups were becoming more acutely affected by the economic stall and were less likely to start or continue their education in the fall semester of 2020 (“The Edge,” 2020).

While it was evident that RCUs, a very important institutional type, might be deeply affected by the COVID-19 circumstances, insufficient educational research exists to understand these institutions (De Alva, 2019). This provided a strong rationale for choosing RCUs as the population for the study.

To choose from several hundred RCUs, I held two factors constant. First, with the consideration for the RCU’s institutional mission fulfillment, I chose institutions, which:

- enroll at least 80% of in-state students, which indicates the fulfillment of the regional component of the RCU’s mission (Orphan, 2015). These data were obtained from the IPEDS system (IPEDS Data Center, 2018).
- have achieved an economic upward mobility rate for low-income students of at least 50%, which indicates both the regional component and the commitment to educating students from the historically underrepresented groups in HE (Miller, 2020). This factor was held constant to limit the sample to those institutions which achieved better results in delivering graduates economic mobility, one of the RCU’s important characteristics. I calculated this rate using the Equality of Opportunity Project data (Chetty, 2017), and adjusted mobility rate among low-income students formula (upward economic mobility of students from families with parental income in two
bottom quintiles to the top two quintiles of income distribution) developed by de Alva (2019).

Before the state of California was introduced as a geographical factor to narrow down the sampling strategy, I contacted two RCUs located on the West and East coasts through the network of the dissertation committee members and completed two successful introductory calls. During my conversation with one of the Vice Presidents the West Coast RCU, they found my study interesting, engaging, and relevant. As this introductory interview happened half a year into the COVID-19 pandemic, it became clear that while this institution did engage in a strategic planning process and had a strategic plan, its leaders were entirely consumed by the emergency response to the unfolding health crisis. The Vice President expressed concerns that their colleagues would be able to find time, and even if the interviews would be ultimately possible most of the discussion about the university decision-making would revolve around the COVID-19 emergency response. My second introductory call with an East Coast RCU’s Vice President had the same result. The leader also found the topic important pursuing and offered help connecting me with their colleagues for the interview scheduling. Although, similarly to the West coast university, the leader cautioned me that all the strategic planning and decision-making work in the university was postponed due to the pandemic and substituted with everyday tactic planning.

After the dissertation committee members advised me to geographically constrain my sampling strategy and focus on the state of California, I turned my attention to the 25 public RCUs that fit into the sample. I approached the senior leaders at nine institutions via email using both the professional network of the members of the dissertation committee and “cold” emails. I received positive responses from four institutions and conducted successful introductory calls with each of them. I had an
introductory call with a faculty member at one institution who advised me to reach out to the office of a particular Vice President; I did not hear back after doing so. Another of these conversations did not result in sufficient interest from the colleagues of the leader I interviewed in spite of several emails expressing my strong intention to include this university into the study, leaving it out of the final sample. Data collection was fully conducted in the third institution, but I also excluded this university from the final sample. The reason to do so was because the institution’s new president had recently assumed office and had purposefully suspended the creation of strategy for the duration of the pandemic, focusing on the emergency response to the COVID-19 related issues instead. The previous strategic plan at this institution was not functional, and the cabinet members who served in the university under the previous president did not provide enough data about the past iteration of strategic planning. Therefore, there were no sufficient data about the processes of strategy creation to be obtained from either the president or their cabinet. The final sample had one public RCU.

After consulting with the dissertation committee, the decision was made to include into the final sample a not-for-profit private institution to which I gained access. This added an important dimension to the study, a possibility to see how institutional control (public/private) impacted leaders’ understanding of their environments. What allowed for this addition is that researchers continuously make attempts to advance our understanding of the RCU as an institutional type (de Alva, 2019; Miller, 2020; Orphan, 2015). For instance, Miller (2020) argues that the existing postsecondary classifications cannot capture the complexity of the RCUs identities; he finds that they could be more successfully described by shared features of “relatively high admission rates ... lower prices, higher proportions of students of color, students receiving Pell-grants, and instate students” (p. 70). The private institution included in the final sample shares
important mission characteristics with the public RCU in the sample, i.e., both are located in CA, operate on the same student market, and therefore serve the same demographic groups. The two universities are similar in size (between 7000 and 10000 students), serve more than 80 percent of the in-state students, the majority of their students are first in their families to get a college degree (according to the institutional data of the RCUs), educate a majority of Pell-eligible students, and have at least 50% low-income students adjusted mobility rate. Both universities are Hispanic-serving institutions.

Overall, the COVID-19 pandemic significantly constrained my study in several dimensions. The length of both gaining access to the universities and data collection processes took almost 9 months, from September 2020 to June 2021. I spent several months of networking, “cold” emailing, introductory conversations, and data collection in the institutions that were not eventually included into the final sample. Further, while virtual interviews via Zoom software allowed me to not be physically present on campuses and still collect the data I needed, I encountered new difficulties during the process. As the study’s participant sample consisted of senior leaders overloaded with work (even on a regular year, without a pandemic) it was extremely difficult to hold them accountable to Zoom meetings. Leaders scheduled interviews up to a month in advance, and I waited for several weeks in-between the interviews at the same university. Without a pandemic, I would have been physically present on campuses and completed data collection in a matter of several days or a week at each research site; instead, my process was elongated to almost 9 months. RCUs leaders’ increased time constraints were not the only way in which COVID-19 pandemic limited the access to the institutions in my sample. Many universities that have engaged in strategic planning and would have been
great choices for my study suddenly stopped their strategic work due to the pandemic, and in some cases, had senior leadership changes because of it.

Lastly, I got access to the two interesting cases of institutions that were open to the participation in my study and have successfully engaged in strategic planning. After the data were collected and analyzed, it became clear that one of the universities had a different organizational purpose of engaging in strategic planning. Its leaders were mostly interested in their internal organizational relationship restoration, which made the framework of external work with their environment less relevant for them. Unfortunately, the COVID-19 pandemic affected the resulting sample of institutions, one of which was not a perfect fit for the main purpose of my study and on a year without a health crisis, might not have been included into the final sample.

**Mechanisms and Research Design**

**Data collection**

In order to achieve data triangulation and, therefore, to increase the validity of findings, several mechanisms of data collection were used (Denzin & Lincoln, 2018; Patton, 1987; Yin, 2009). The mechanisms were used simultaneously, which helped to inform the data collection process, while also keeping track of my observations and reflections regarding these data (Yin, 2009). The data collection took place from January to June of 2021.

1) **Interviews.**

As interviews are “at the center of many qualitative studies since they provide deep, rich, individualized, and contextualized data” (Ravitch & Carl, 2016, p.146), they were the dominant method during the study. Interviews were used to understand the construction of the participants’ realities of the phenomenon or experience (p.146); in the case of this study, interviews helped to explore the external organizational
environment as understood by the leaders and the decision-making processes that lead to the strategic response.

Procedurally, I conducted 50-minute to hour-long, in-person, semi-structured interviews with open-ended questions (Ravitch & Carl, 2016). The interview protocol (see Appendix A) featured knowledge type questions (Ravitch & Carl, 2016). Due to the COVID-19 pandemic, the individual interviews took place using Zoom video conferencing software. The oral consent for recording was acquired from each participant at the beginning of the interview. The resulting audio files were saved to the secure file storage “Penn Box”.

During the data collection, for each of the cases I interviewed 15 participants: two RCU’s presidents and 13 other senior leaders responsible and/or participating in the strategic decision-making processes that lead to the strategic response (see Table 1). Strategic decision-making process was defined for this study as any process (formalized, non-formalized) that led to the creation of the plan of action, which declares the measures designed to maintain the strategic fit between the organization and its environment.
<table>
<thead>
<tr>
<th>Participants interviewed for the study</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Participants’ job titles</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCU1 (public)</td>
<td>Participants fully represent president’s cabinet (only general counsel refused to participate in the study). All the VPs, but one, have previous long-term professional experiences within HE and 5 participants have experiences outside of the university’s system. The current presidential tenure is nearing five years, the longest VP’s tenure is eight years, all other participants spent less than five years at the RCU 1 and started their tenures under the acting president.</td>
</tr>
<tr>
<td>President</td>
<td></td>
</tr>
<tr>
<td>Provost/Vice President for Academic Affairs</td>
<td></td>
</tr>
<tr>
<td>Vice President or Advancement</td>
<td></td>
</tr>
<tr>
<td>Vice President for Business and Finance</td>
<td></td>
</tr>
<tr>
<td>Vice President for Strategic Planning</td>
<td></td>
</tr>
<tr>
<td>Vice President for Student Affairs</td>
<td></td>
</tr>
<tr>
<td>Senior Associate Vice President for Communications, Marketing, and Public Relations</td>
<td></td>
</tr>
<tr>
<td>Senior Associate Vice President for Human Resources, Equal Opportunity, and Compliance</td>
<td></td>
</tr>
<tr>
<td>Director of Administrative Operations</td>
<td></td>
</tr>
<tr>
<td>Total RCU1</td>
<td>9 interviews</td>
</tr>
</tbody>
</table>

| RCU2 (private) | Per president’s advice I talked to all the cabinet members who were the key participants of the strategic planning process. Three out of six VPs participated in the study. All the VPs, but one, have previous long-term professional experiences within HE and 1 participant has experience outside of the HE. The current presidential tenure is over 10 years, the longest VP tenure is 8 years, the longest cabinet member tenure is 10 years; all other participants spent less than five years at the RCU 2 and started their tenures under the acting president. |
| President | |
| Vice President for Finance and Facilities, Chief Financial Officer | |
| Vice President for Strategic Enrollment Management | |
| Vice President for University Advancement | |
| Director, Office of the President & Board Affairs | |
| Member of the Board of Trustees | |
| Total RCU2 | 6 interviews |
| Total | 15 interviews |
The conducted interviews provided me with written descriptions of existing strategic planning and other processes that led to the strategic response according to the interviewees, and how RCUs’ leaders understood their external environment.

2) Document analysis.

Document analysis was chosen as a mechanism in this study as it provides insight into the “data-rich environment” of organizations (Ravitch & Carl, 2016, p. 171). I have scrutinized publicly available documents on the RCUs’ websites: strategic plans, descriptions of the strategic process, annual operational reports, and financial statements. I have been provided with internal documents, describing policies of internal environmental analysis and strategic planning from the RCU2; the latter ones were requested to remain confidential. The list of obtained documents is presented in the Table 2.

**Table 2**

*Documents obtained from the RCUs*

| RCU1 (public) | - University current strategic plan, 2017 |
| | - Annual report produced by the institutional research unit, 2018-2019, 2019-2020 |
| | - Campus master plan, 2009 |
| | - University policy on support units review, 2008 |
| | - University policy on academic programs review procedures, 2012 |
| | - Financial statement, 2019-2020 |

| RCU2 (private) | - Strategic vision, 2013 |
| | - Strategic vision, 2020 |
| | - Master plan, 2017 |
| | - Institutional surveys (university website, multiple years) |
| | - Course evaluation surveys (university website, 2011) |
The data gathered included formal descriptions of strategic planning and environmental scanning processes, data about the participants and forms of organization for these processes, as well as the resulting strategic plans.


Research journal as a mechanism of data collection was chosen to provide structured reflexivity throughout the research process and increase the validity of the study by “critically engaging with [my] biases, interpretations, processes, and reflections, [which] can help ... to produce more complex and ethical research” (Ravitch & Carl, 2016, p. 205). I used the journal consistently throughout the study. I wrote a note after each interview to reflect on my observations and thoughts, which helped me tailor my interview protocol in the preparation for the following interviews.

**Data analysis and theoretical framework**

In order to increase the validity of the findings and the robustness of the research design, as case study method literature suggests, I designed the initial analytic strategy before the data collection was carried out (Denzin & Lincoln, 2018; Yin, 2009). The general analytic strategy of the study relied on the abovementioned theoretical propositions:

- Environmental scanning and analysis procedures, which allow RCU leaders to engage with their external environments prospectively, contextually, routinely within long-term decision-making processes, increase the success of the strategic response;

- A successfully implemented strategic plan or the plan of action resulting from other long-term decision-making processes, which shape the strategy, contributes to the overall success of strategic response, i.e., increases organizational performance and survival.
Generally, the data analysis looked for the evidence of how leaders’ external environment understanding was reflected in strategic planning and other processes that lead to the strategic response and how the implementation of the strategic plan affected the RCU’s strategic response.

The theoretical framework for the data analysis included several theoretical perspectives.

First, strategic planning and environmental scanning models, taken from organizational theory research (for details see Kotler & Murphy, 1981; Morrison et al., 1984), compared with the reality through the interviews and document analysis, helped to reveal how strategic planning processes were organized regarding the theoretical models of SP and ES and how the implementation of strategic plan influenced the overall strategic response of the RCU.

Second, the characteristics developed by sensemaking theory scholars helped to illustrate how leaders’ understanding of the environment corresponds with what the theory implies about the sensemaking process (Weick, 1995). The sensemaking theory helped to shed light on what happens when senior leaders are asked to think about the environment in the way strategic decision-making requires (contextually, prospectively, routinely), which contradicts the way people usually make sense (Weick, 1995). While sensemaking theory revealed the process of mental construction of the external environment, the institutional theory on organizational fields, used in conjunction, illustrated the result of the sensemaking process, i.e., the external environment as a result of conceptualization.

I used two analytic techniques to scrutinize the collected data: pattern matching between the theoretical framework and the data and the cross-case synthesis (Yin, 2014). For the initial pattern matching, I used the set of predesigned themes/codes, that were
slightly modified during the process (see Table 3). For instance, it became clear during the coding process, that there are data available on tools for both external and internal organizational environments. To address this, I separated the code “environmental scanning and analysis” into two: “external environmental scanning and analysis” and “internal environmental scanning and analysis”. The cross-case synthesis was used as a technique to shed light on similarities and differences among institutions that led to successful strategic response.
### Table 3

Sample codes for data analysis

<table>
<thead>
<tr>
<th>1. Individual level: sensemaking and institutional theories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future of higher education (prospective sensemaking)</td>
</tr>
<tr>
<td>How and when future thinking occurs (formal or informal practices used to think/work with the content of the future)</td>
</tr>
<tr>
<td><strong>FRWD</strong> - ways forward</td>
</tr>
<tr>
<td><strong>FTR</strong> - future of the environment</td>
</tr>
<tr>
<td>Context surrounding higher education (contextual sensemaking)</td>
</tr>
<tr>
<td>External factors (which socio-economic conditions are considered included in the current understanding of the external environment)</td>
</tr>
<tr>
<td><strong>CHL</strong> – Challenges present in the environment</td>
</tr>
<tr>
<td><strong>COVID</strong> - pandemic-related influences on strategy</td>
</tr>
<tr>
<td>Organizational field (how institutional theory is reflected in the understanding of the current external environment, i.e., actors, relationships, analogies)</td>
</tr>
<tr>
<td><strong>ENV_CONC</strong> - concept of the environment</td>
</tr>
<tr>
<td><strong>ENV_CONSTIT</strong> - Environment constituencies</td>
</tr>
<tr>
<td>Routine/crises thinking (ongoing sensemaking) Evidence in which circumstances sensemaking and strategic thinking occurs</td>
</tr>
<tr>
<td><strong>CRISES_SM</strong> - no time available to engage with the strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Organizational level: organizational theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalized processes (strategic planning, environmental scanning and/or other formal long-term decision-making processes, that lead to the strategic response)</td>
</tr>
<tr>
<td><strong>RESP</strong> – response/actions taken towards the environment</td>
</tr>
<tr>
<td><strong>SCS</strong> – success/results of the strategic response</td>
</tr>
<tr>
<td><strong>SP</strong> - strategic planning organization and administration</td>
</tr>
<tr>
<td><strong>SP_MONIT</strong> - strategic planning monitoring</td>
</tr>
<tr>
<td><strong>STR_DEF</strong> - definition of strategic</td>
</tr>
<tr>
<td><strong>STR_DM_NEG</strong> - strategic decision-making hardships, limitations</td>
</tr>
<tr>
<td><strong>STR_DM_POS</strong> - strategic decision-making successes</td>
</tr>
<tr>
<td><strong>STR_DM_UNIT</strong> - strategic decision-making in administrative units</td>
</tr>
<tr>
<td><strong>STR_DM_UNIV</strong> - strategic decision-making university-wide</td>
</tr>
<tr>
<td><strong>ENV_SA</strong> - environmental scanning and analysis</td>
</tr>
<tr>
<td><strong>ENV_SA_EXT</strong> - external environmental scanning and analysis</td>
</tr>
<tr>
<td><strong>ENV_SA_INT</strong> - internal environmental scanning and analysis</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-formalized processes (attempt to find other “spaces”, where strategic decision-making takes place)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NOFORM_DM</strong> - informal strategic decision-making</td>
</tr>
<tr>
<td><strong>ENV_SA</strong> - environmental scanning and analysis in non-formalized processes</td>
</tr>
<tr>
<td><strong>ENV_SA_EXT</strong> - external environmental scanning and analysis in non-formalized processes</td>
</tr>
<tr>
<td><strong>ENV_SA_INT</strong> - internal environmental scanning and analysis in non-formalized processes</td>
</tr>
</tbody>
</table>
Procedurally, the analysis of the interview data was the following. I transcribed interviews simultaneously with the data collection using the software Otter.ai and completed the first read for possible mistakes without coding. Then I shared individual transcriptions with the participants via a secure link to PennBox file storage, asking for their feedback on the factual accuracy of the data. I had several iterations of reading, coding and pattern-matching until data saturation was achieved, i.e., when "repeated confirmation and recurrence of themes and codes during data analysis" (p.1) happened (Morse, Barnett, Mayan, Olson, & Spiers, 2002 as cited in Faulkner & Trotter, 2017).

I engaged in documents analysis simultaneously with the interview data analysis. My goal was to match the patterns of use derived from theoretical models of strategic planning and environmental scanning, to find the evidence of strategic planning or other processes’ use according to the theoretical models, as well as their deviated forms described in literature. In addition, I intended to find evidence of presence of perspective, contextual, ongoing sensemaking in the documents.

**Positionality/Researcher’s role**

The qualitative epistemological approach treats researchers as research tools themselves because their views can influence the design and execution of the study (Ravitch & Carl, 2016). To be aware and avoid the influence of my beliefs and tacit theories on the dissertation research, I addressed their influence in my study by articulating them and looking at their presence during the process.

My interest in the topic of the study is rooted in my belief in the foundational power of HE to influence societal development. In the time of increasingly dominant focus in the US on education as a private good as well as HE leadership’s attention to financial efficiency, I find it crucial to address the topic of HEIs’ strategic response capacity towards the changing external environment. The current COVID-19 pandemic
proved one more time the importance of organizational ability for fast adaptation to what could be the most significant educational landscape change of our lifetime. The necessity of having the ongoing processes of external environment evaluation and transferring their results into strategic action becomes more and more important for researchers to study and for HE practitioners to execute.

By conducting the study in the US, I intend to understand how the leaders of the US HEIs operate within the abundance of publicly available data on many socio-economic, political, environmental, and other issues. Unlike some other countries in the world, the US benefits from a long-standing tradition of independent research in universities and a myriad of state or private research organizations; therefore, I think it is very important to know how these available data are being used by HEI leadership.

This brings me to the biases that I was able to identify regarding the study. I believe HEI leaders are dedicated to improving their respective institutions and, therefore, to enhancing the national educational system's capacity to provide scientific development and support national wellbeing. I also see HE from the perspective of systems thinking, i.e., as a complex adaptive system that operates in the situation of “unbounded ontological complex reality” of its environment (Denzin & Lincoln, 2016, p. 619). Therefore, the change in the external environment will inevitably lead to the organizational change as both are part of the system. Furthermore, I believe that the desired organizational future is not an evolutionary continuation of today’s situation. It is an intentional organizational action through change (Ackoff et al., 2006).

Validity, reliability, and trustworthiness of the findings

In order to ensure the validity of the study, two types of triangulation were employed (Patton, 2015). The triangulation of data was achieved through the use of different data sources: the interviews as a subjective source and documents as the
objective one (Denzin & Lincoln, 2018; Yin, 2014). This provided a combination of formal perspective from official paperwork and experiential personal perspective from the participants; both worked as a reality check mechanism in relation to each other. Furthermore, the use of several data sources improved the construct validity as it provided a variety of perspectives on the strategic processes and the leaders’ understanding of the external organizational environment (Yin, 2014). In addition, the data validity was addressed by performing a cross-case analysis in two chosen RCU's.

Secondly, the theoretical framework of the study allows data analysis through two perspectives, sensemaking and organizational theories, which in turn lead to theory triangulation (Patton, 2015).

HE senior leaders and strategic planning processes or other processes that lead to the strategic response do not have, respectively, a formal job description or model designated to this particular type of institution. Therefore, the findings could be considered partially representative of the leaders’ and decision-making models’ broader populations (Denzin & Lincoln, 2016). Also, the study is designed to shed light on the ways in which understanding of the external environment affect strategic response of the RCU's, which could be considered an “analytical generalization” (p.610) in which the cases are not representative of the organizational population, but rather are the opportunities to acquire knowledge about the theoretical model of strategic decision-making in higher education (Denzin & Lincoln, 2016).

Another important issue defined by the qualitative research methodologists is data validation. To ensure my correct understanding of the collected data, I engaged in the participant check procedure. I have shared the transcribed interviews via secure Penn Box link with every participant and asked for their feedback on any factual mistakes or misunderstandings.
Limitations of the study

Generalizability is a common concern for the case study method; it follows that it is also a common limitation. While the findings of the study are possibly generalizable to some extent to the other HEIs of the same type, for instance regarding the strategic process organization and the external environment constituencies, the potential users of this research will need to interpret this research through their own organizational and leadership contexts. COVID-19 pandemic prevented me from including more cases and decreased possible generalizability of this study via two avenues. One institution I have gained access to and collected the data appeared to have put their strategy creation on hold until the end of the pandemic. There were several institutions where initial contacts advised that their colleagues would not be able to participate because of the significant pandemic-related workload.

This study is also limited by the little presence of faculty voices in the data. As it was already mentioned, one of the study goals was to understand the senior leaders’ sensemaking of the organizational external environment and its influence over the RCUs’ strategic responses. While knowing how faculty members make sense of their environments is important for the overall understanding of university decision-making, this matter was out of the scope of my study. In addition, in the case of RCU1, per advice of one of the senior leaders, I contacted a long-serving faculty member who participated in the creation of the strategy under the previous president. However, despite my several attempts, they never responded due to the existing conflict between the administration and faculty, thus leaving their voice out of the data.
Chapter 4. Findings, Regional Comprehensive University #1

Regional Comprehensive University #1 (RCU1) is a rurally located, four-year public comprehensive university, and is part of a CA state higher education system. It serves approximately 10,000 students; most of them belong to groups historically underrepresented in HE and are the first in their family to earn a college degree. More than 55% of RCU1 students are Pell-eligible. The university is surrounded by a small town of less than 100,000 residents, located in the agriculturally dominated economic region of the state. The campus is part of the town’s social fabric, providing an accessible outdoor public space for the residents. RCU1 mostly serves students from the six surrounding counties, with the three closest ones dominating the enrollment geography. RCU1 has several colleges that offer degrees in a wide range of subjects, from physics and computer science to education and arts. The university’s undergraduate student body is approximately 90 percent of the total number of students with the most popular bachelor’s degree in business administration.

RCU1 faced several challenges resulting from external economic conditions. It is important to mention that during the past year (2020), leaders’ decision-making was dominated by emergency responses to COVID-19 related challenges. Therefore, the strategy for post-COVID times was not yet defined in the Spring 2021 semester. While efforts such as COVID-19 testing setup, or the organization of a call center to reach out to students who were not willing to start or continue their education were extremely important actions taken during the pandemic, they were emergency responses and were not a part of strategic decision-making by definition.

One of RCU1’s long-standing challenges was low return on investment (ROI) on its degrees. The misalignment of the national structures of higher education and workforce revealed a disconnect between the expectation for the postsecondary degree to
serve as a means to increase future income and the economic structure of the region. For example, a unionized worker in the area has higher income than a graduating bachelor’s degree holder. As the region served by the university is mostly focused on agriculture, the lack of highly compensated work opportunities for recent graduates reduces their ROI should they remain in the area. RCU1’s graduation rate within 150% of normal time was 7% lower than the state average for the same institutional type in 2018 (IPEDS Data Center, 2018). In addition, RCU1 leaders learned that many students might not be fully benefiting from their degrees as they lack awareness of the career options available to BA holders. In response, RCU1 launched a career readiness initiative. Through a series of events that completed over four years, students were supposed to acquire eight career readiness competencies, such as critical thinking, leadership, and the use of technology at the workplace. Although this antidote initiative was launched after the Strategic Plan of the current President was finalized, “it’s a strategy to still meet the goal number one” of the plan, according to one of the university’s leaders.

Another pronounced challenge for the university was being overenrolled in a time of diminishing and unpredictable financial support from the state. Undergraduate enrollment grew more than 10% during the last decade, and university leaders expected their institution to remain overenrolled despite the COVID-19-related decrease in the number of incoming students. Despite this enrollment trend, the state of CA did not provide additional support to cover the cost of education. In addition, RCU1 historically experienced high volatility in state appropriations. This uncertainty was exacerbated by the fact that RCU1 was partially financially dependent on the governing body of the system, which in turn influenced the board of trustees and, therefore, the distribution of state funding within the system. Despite these financial constraints, leaders at RCU1
declined to declare impaction, thereby remaining non-selective to maximize access, in accordance with the dominant objective in the strategic plan.

**Decision-Making Processes Implemented to Strategically Respond to the Environment**

To respond to the above challenges, RCU1’s President envisioned the strategic decision-making as a university-wide, two-stage process: strategic planning (SP) and Strategic Plan execution monitoring.

**Strategic Planning Process**

The strategic planning (SP) process was completed over the period of one and a half years and was finalized several years ago. It resulted in an anonymous vote in favor of the new eight-year long Strategic Plan from the university community. According to one of the Cabinet members, every university should engage in the exercise of SP, but this process in RCU1 was partially motivated by upcoming accreditation procedures.

The current President initiated SP shortly after assuming office. Until that time, long-standing antagonism between faculty and senior leadership had prevented strategic planning for over a decade. The 12 year-long disconnect and disagreement between the academic community and administrators was partially attributed to the non-collegial culture existing in the university, which manifested in “raising stakes in unprofessional way “on both sides, in the words of one of the administrators. To “hit the reset button”, the President started their tenure with a listening tour of the institution, before initiating university-wide SP. In addition, the new President hired a brand new Cabinet over the course of their tenure. To resolve the administrators/faculty conflict and help the campus to communally engage in the SP, the President introduced an administrative solution: a large strategic planning council (further Council) co-chaired by two leaders: the Provost and the Speaker of the Faculty Senate (the body representing the General
Faculty of RCU1). The Council had almost 30 members including the President and all Vice Presidents, one student, two deans, two professors, four representatives of the administrative units, a librarian, several alumni, and community members. There were six non-voting participants in the Council, two of them were external to the university. The Council was formed to streamline the SP process by merging the functions of two previously existing groups: the Strategic Plan Working Group and the committee responsible for the implementation and prioritization of the SP.

Structurally, the President created a new Vice President position to administer the SP process. The impetus to search for a new Vice President came from the idea to create a new administrative unit that would inhouse strategic planning, enrollment services, Registrar, financial aid, outreach, institutional research, and the practice of innovation. As a result, in addition to the SP process, the responsibilities of this Vice President also focused on institutional review, enrollment management, and innovation; and corresponding administrative units were introduced. Having organized the SP processes in their career before RCU1, the Vice President for SP played critical role in organizing the process itself as well as keeping track, documenting, and summarizing the conversations happened during the strategic planning.

Procedurally, according to the university Strategic Plan, it was a bottom-up planning process executed through the Council and several working groups within it, that conducted nearly 50 conversations with the campus community seeking “consultation, gather feedback and/or data, perform environmental scans, and more … [and] … internal SWOT analysis, which was used to help inform feedback received through consultation”. The five strategic goals were articulated through iterative crowdsourcing and feedback sessions via in-person consultations with campus representatives and governance committees, open forum, and gathering opinions on the
website on the “community needs and desires for our institution”. The Council defined the main question for those consultations as follows: “if you could have anything you want ... what would you like to see?” “We went through a detailed SP process that involved every constituency, faculty, staff, students, community members, parents, alumni, you name it”. One of the Vice Presidents commented: “All these people provided input on what was important to [RCU1]”.

**Environmental Scanning and Analysis**

As a part of its strategic decision-making, RCU 1 undertook environmental scanning and analysis through a combination of tools, processes, and non-formalized methods of engagement. The work of leaders with the university’s organizational environment was dominated by *internal, routine, and retrospective sensemaking*. The only tool that RCU1 used exclusively within SP process was the internal SWOT analysis. The other tools, processes and contributing forms of engagement with the environment were used by the leaders within and beyond SP process.

**Tools of Environmental Scanning and Analysis**

RCU1 had no dominant tool to scan and analyze the organizational environment across the university. This type of work was manifested in an unsystematic array of techniques, *both routine and occasional*, focusing on the internal environment and operating on two different organizational levels of RCU 1.

University-wide internal SWOT analysis was performed by the Council during the SP process. RCU1’s Strategic Plan specified that this analysis was internally oriented to identify the strengths, weaknesses, opportunities, and threats for the university. At the same time, the SWOT’s results were not present in the Strategic Plan and were not believed to exist in a finalized documented form. According to one of the Vice Presidents, “[SWOT] was a part of the data collection ... it was used as part of the conversation
during the strategic plan, but I have not seen that analysis in several years”. The only available data point was the Council’s SWOT brainstorming session notes. It contained high-level observations about RCU1’s strengths, weaknesses, opportunities, and threats. For instance, the Council admitted as a threat the competition from other types of HEIs, stating that it came from: “two-year colleges, for profit, online, and private” institutions. The document did not reveal any other specifics on potential competition. Generally, the RCU1 strategic documentation did not provide clarity if or to what extent the external factors were incorporated into the conversation about the future of the university.

Another university-wide tool for working with the environment was the annual report produced by the Institutional Research unit using internal institutional data. It existed as both a printed and a digital document and in the form of interactive charts and graphs on the RCU1’s website.

RCU1’s environmental scanning and analysis tools operating on the administrative unit level were minimally developed and detailed. Some of the administrative unit heads performed their own small version of the internal SWOT analysis to identify the threats and complete the audit of the current affairs in their jurisdiction.

**Processes of Environmental Scanning and Analysis**

RCU1 implemented several *formalized, predominantly routine* comprehensive processes geared towards learning about *internal* organizational environment of the university.

The Support Unit Review (SUR) process was led by the Vice President for SP. This program, on a five-year cycle, was designed using two other HEIs as benchmarks and, according to the RCU1 website, allowed leaders to gain comprehensive, periodic data on the effectiveness of all units, their use of resources, and how well they were
supporting the mission of the university. The process consisted of three steps. First, a support unit provided an analysis of its current state. The units’ administrators were free to decide which employees would perform the self-evaluation, but it had to include the data on the following areas: roles and functions of the unit itself and as a part of the university, the planning processes in unit and how they support the achievement of the Strategic Plan of RCU1, effectiveness of the unit in achieving its goals and resource allocation. This report was then reviewed by the team, mainly comprised of the experts from outside the unit. According to RCU1’s policies, this team had to have a faculty member, a staff member, a student, five Vice Presidents or their designated representatives, a college dean, a President representative, and an internal unit representative, who was made a part of the team to ensure the “continuity and appropriate use of the data”. In addition, an external expert was chosen by each unit and approved by the corresponding Vice President. The external reviewer was asked to complete a one-and-half day visit to the unit in question and to evaluate the report produced by the unit. To conclude the process, the review team reported its major findings and recommendations to the corresponding Vice President or the President. If all the parties agreed on the recommendations given to the unit, an implementation agreement was introduced to guide the unit through the changes. This agreement featured three areas: goals of the unit for the next five years, the strategies used to accomplish those goals, and the expected results.

Another tool was implemented to learn about the internal environment within the academic units of RCU1. Academic program review (APR), led by the provost, was functionally similar to the SUR. As RCU1’s website declared, it was a cyclical 5-7 year “self-study and planning within [academic] programs” to “strengthen the connections among the strategic plans of the program, the college, and the university”. The goal of
this review was to understand the effectiveness of RCU1’s academic programs and identify student learning outcomes as a core element of them. The process started with the self-study report by the academic program faculty. It held the program description and goals, data on its students, faculty, instructional design, resource usage, and program’s comparison to peer programs. The self-study was reviewed by the college committee (college employees trained to conduct the APR), the University Educational Policies Committee, and the Graduate Council. The report was then accompanied by the external expert review and returned to the internal reviewers seeking recommendations and the next 7-year plan for the program. As a result of the APR the college review committee, college dean, and university committee recommended three possible outcomes for each program: program approved for continuance and expected to complete the new 7-year plan, program approved for continuance with specified modification, and program recommended for suspension or discontinuance.

In addition to these review programs, two major university-wide surveys provided data on the experience of the community: the biannual “Student Health Survey” and the triannual climate survey for the faculty, administration, and staff.

Another avenue for the Cabinet members to acquire the internal data about RCU1 was the annual report produced by the Institutional Effectiveness and Analytics unit. It existed in the form of a publicly available annual summary on the internal institutional data trends for the past five years. These data predominantly described current students’ characteristics, such as age, gender, and academic program, enrollment data, and graduation/retention rates.

While most of the work to learn about the internal environment was done routinely in the RCU1, one Vice President mentioned an accidental approach to it within their jurisdiction. Environmental analysis existed as a skill of a particular subordinate, in
this case associate Vice President. Their superior explained that this person was able to conduct:

research and do these sorts of mini briefs, an elaboration on a problem or ... a predictive model ... [They] work really closely with our institutional research folks ... because we don’t have any of the data usually, but we can get the data from them. So [they are] our translator if you will.

It was evident that the Vice President was lucky to have an employee with a particular set of analytical skills to conduct institutional research, but it was not a specifically designed function and/or hiring policy within this administrative unit. While the processes of data collection about the internal environment and its analysis were mostly formalized, RCU 1 had no formalized process of scanning and analysis of the external environment (EE). It was a combination of occasional and routine practices across the administrative units. Two types of practices were clearly identifiable as contributing to contextual sensemaking.

“On-demand” scanning and analysis of the EE was used by senior leaders when data were needed to make a particular decision. According to one Cabinet member, “there are no formulaic ... in making big decisions” and data about the EE were searched for only when needed. In other words, there was no routine scanning process at RCU1 organized to provide continuous data flow about the external factors and developments. The “on-demand” data mobilization was used by the university management in cases such as the annual decision-making process regarding how many students the university could enroll; at least three types of external data were utilized. First the leaders looked at the demographic data on the incoming pipeline of students: ethnicity, background, preparation level, etc. Another dataset of interest was about the financial expectations for the state appropriations. Finally, the senior leaders paid attention to the economic
impact, i.e., job/internship openings and the survey of the students and local employers to inform changes in existing programs or the design of the new ones.

Another example when RCU 1 experienced an occasional need for external data was when the discussion about opening a new school within a new branch campus occurred several years ago. To define if that was a good investment, besides looking at the obvious variable of student demand in the area for education opportunities, Cabinet members sought the data on the needs of local employers, the political context and support, and the availability of donor support in the area.

Besides “on-demand” mobilization of data, external environment scanning, and analysis existed as a fraction of the formalized internal environment scan, specifically the Academic Programs Review. According to the Review documentation on the RCU1’s website, during the first step, responsible members of the divisions were performing a self-study, which had a single question that prompted program leaders to discuss existing competition and the positions of their programs within it.

**Contributing Forms of the Engagement with the Environment**

RCU1’s senior leaders developed several ways to learn about the internal environment outside of specifically designed processes or tools.

Along with attending various administrative meetings around campus and the town hall meetings, the President and their executive team had two other important avenues for this learning process. One avenue was the continuous conversation among the Cabinet members, which came as a benefit from the collaborative culture that the new President introduced. “As each Vice President is dealing with whatever it is, the President ... bring[s] everybody in, so we're always aware”, one of the Vice Presidents mentioned. This feature of RCU1’s management culture informed otherwise separate administrative units about the affairs across campus. In addition to the communication
within the upper management, the exchange of data about the internal organizational environment between the Cabinet and faculty and staff was evident. According to the university website, an internal funding program was created to try “innovation in individual units that promote the goals of the University’s new Strategic Plan”. Faculty and staff applications for funding shed light on what the university’s academic community considered important to pursue. For instance, several years ago, a bootcamp for K-12 students was launched to introduce them to the “career” concept and incentivize them to consider attending college.

RCU1’s President and their Cabinet members developed and used a broad variety of forms of engagement with the external environment, which contributed to their contextual sensemaking.

As formalized processes and tools for the interaction with the external organizational environment were not readily available at the university, leaders instead systematically relied on their personal knowledge as experienced long-term HE professionals. For instance, one of the Vice Presidents served at the university for several decades, and as a result, was able to provide the rest of the Cabinet and the President with the data on what was happening in the community outside of RCU1: “I can kind of get a sense and get us into groups to sense what’s happening”.

The President’s personal skills and knowledge in the field of HE were particularly important for providing the senior leadership with the data about the outside world. The President kept abreast with the new and best practices in US HE, keeping track of what was done in other institutions and what had not yet been implemented at RCU1. For instance, one of RCU1’s strategic responses, the Career Readiness initiative, was modelled and adapted from a program in a highly-selective private university in CA. In addition to learning about the developments in other universities, the President urged
the Cabinet to transfer what they learned into action instead of putting this knowledge on the shelf: “We should do this; we should try this”. Lastly, in the words of one of the leaders, the President encouraged their colleagues to engage with the external organizational environment in a comprehensive way:

to read daily headlines from ... “Inside Higher Ed” or “Chronicle” or keep in touch with other colleagues across the nation, and look at what’s happening nationally, federally as it applies to higher ed from a political, economic standpoint; statewide to look at what other campuses are doing that are similar to us in our campus demographics, and to constantly keep thinking about what else is new, what else should we be focusing on.

Another way leaders learned about the world outside of the organization was the engagement with professional groups. Participation in professional networks provided them with “a sense of what’s on the horizon, you get a sense of whatever is out there” in the words of one of the administrators. Along with participation in professional associations (such as CUPA-HR for human resources Vice President), one professional community helped RCU1’s senior leaders to stay abreast with the news within their scope of responsibilities. It was the community of corresponding members of the Presidents’ Cabinets across the system. One of the Vice Presidents described it as a very effective tool of engaging with the external environment:

all the Vice Presidents for each of the areas come together as a unit ...we’re learning from each other in the system, what they are dealing with externally ... I learn a lot about what to think about when I'm looking at our environment, what is coming your way.

Another distinct professional group, the Community Ambassadors, while created to serve the purpose of “identifying opportunities to establish and build business and community partnerships”, provided leaders with a possibility to receive data from the regional community. These community members are “the eyes and ears” on the ground, responding to the President’s request to report any concerns about the university that
they hear in the community: “They look out for the external stuff, and they bring it to the
table and say: ‘Hey ... have you guys thought about this, what are we doing for Hispanics
in the central or this region?’” in the words of one administrative leader.

While most of the non-formalized engagement with the external environment
happened through personal transfer of knowledge among the leaders and community
members, there was another way RCU1 senior leaders learned about it. They did it
through research published in both professional and higher education journals, along
with looking for publications on “best practices”. Many also used internet-based
resources to access public data, such as monitoring county and state web resources (ex:
County Office of Education website data and monitoring social networks within the
community).

Lastly, there was an involuntary way of learning about the external environment
through an instruction from the university system’s office as it responded to challenges it
faced. While RCU1 had strategic freedom it also had to comply with the system’s
management initiatives, such as the initiative aimed to increase the number of students
across the system graduating on time. The system’s management existed as a unique
piece of RCU1’s external organizational environment, forcing the university to shift its
attention and resources in particular ways; as one of the Vice Presidents described it:
when system’s “office says, ‘Now you’re going to be doing this’ – ‘Okay, we’re going to be
doing this, right?’”

Environmental Scanning and Analysis Configuration Limitations

The major limitation of environmental scanning and analysis at RCU1 was their
internal focus. The underlying condition of this phenomenon was simple: it was
generally difficult for senior leaders to pay attention to the outside world, “because most
people ... pay attention to what is here and now, in their face”, according to one senior
leader. Another possible influence was that HEIs are complex organizations with enough going on to occupy all available attention bandwidth of the leadership. In the words of one of the Vice Presidents, leaders are “oftentimes ... just stuck in our own little bubbles on our campus ...we're not seeing what’s happening out there”.

This internally-oriented attitude could have been a factor of the limited knowledge about the external environment and its diminished role in the RCU1’s strategic decision-making overall. In the opinion of one of the Cabinet members, “when we do strategic planning or we are doing environmental analysis ... we think insular, and we may minimize the external threats or opportunities, and it may be because sometimes we don’t have that knowledge”. Therefore, when faced with the long-term decision-making the university predominantly looked for the opportunities within the organization and only then sought confirmation from the outside world. As one of the Vice Presidents commented:

Internally, we look at where is the growth? What does growth look like? What is the competition? Can we collaborate with them? What ... do the local, state, and government agencies in our area ... have in mind ... expectations for the university, because sometimes they have different things in mind. They may or may not be promoting our growth.

Another significant problematic zone regarding the work with the environment at the university was understanding the future trends of the major external factors.

First, due to the pre-existing conflict between the faculty and prior senior leadership, the campus was still in the process of resolving those issues. This focus on the past made it harder for the leadership to discuss the future with the campus community. On the process side, the Cabinet members were using tools for anticipating the trends in the environment. Most of the attention in this work was paid to the short/medium-term (2-5 years) projections of the data concerning the incoming student populations: the number of students, their level of college readiness, their ability to pay for the education
at RCU1, etc. While the enrollment short-term data are “the most comfortable and solid”, according to one of the Vice Presidents, it created limitations for the areas where the planning lag would be longer, such as physical campus development or hiring a tenured faculty member.

As the work with the environment was dominated by the internally focused issues and short-term planning, environmental analysis at the RCU1 in many cases was a result of the incoming task, not a constant search of the future developments and opportunities, i.e., it was reactive. Not only was the university potentially missing out on possibilities, but because the challenges in the external environment at the RCU1 were addressed as they came in, this contributed to the unfocused strategy of the university: “you think you’ve got your priorities figured for this year and then ... you are ... going in a different direction”.

*Time constraints* were also a significant limitation preventing senior leaders from engaging with their respective environments. One senior leader explained that many people have difficulty to stay abreast with the myriad of factors and actors constituting their external surroundings, “because they’re just so embroiled in the here and now, managing, that it’s hard to step away and look at what’s bigger.” Overall, the Cabinet members experienced significant workload and did not have enough time for their individual learning: “I wish we encouraged more learning and ... and thought time, you know, individual time to read”.

While RCU1 senior leaders and their subordinates participated in different professional groups and events, predominantly conferences, there was no organized *feedback* procedure after those events to reflect and document the learnings about the external environment.
Although RCU 1 had the institutional data gathered in the annual report by the Institutional Research Unit, this document lacked accessibility due to its size. It did not allow “the campus to digest that information and keeping it refreshing ... if your dataset is this big, then where do you start?”, one of the Vice Presidents explained. As a result, while one chapter of this report communicated the progress of the Strategic Plan implementation, it was not highly utilized as a data point to reflect on the outcome of the Strategic Plan.

**The Resulting Strategic Plan**

Simultaneous with the environmental scanning stage, the Council carried out consultation with the campus community. The leaders were crowdsourcing the aspirations of the community for the university. After the initial set of in-person conversations and the SWOT analysis, the second phase started with a university-wide open forum. During this step the leaders continued to gather feedback of the university community through in-person conversations and the university website to get the “clarified and contextualized sense of campus and community needs and desires for our institution”, according to RCU1’s strategic documentation. After all the consultations were completed and the Council produced the final draft of the Strategic Plan, it was presented to the campus community to seek feedback. RCU1’s leaders made the drafting process transparent. According to the university strategic documentation, “as the document was revised, changes were posted online, and various specific questions could be returned to the campus community for feedback via representative consultation and online feedback”. Lastly, the final review was done by the Academic Senate and other governance groups, and the Strategic Plan was approved unanimously. After that the final draft was approved by the President.
The resulting Strategic Plan was a very complex document: it had five overarching goals, each with four to six objectives, each of which had from four to 12 strategies. It contained a total of 140 action items to support the goals. While the goals, objectives, and strategies were different in scope, there was no prioritization among all the items across all levels in the Strategic Plan.

The five overarching goals were broadly articulated. RCU1 wanted to be a student-oriented institution, deliver educational products providing transformational experiences, be innovative, be administratively efficient, and develop the relationships with their local communities. Under the first, very important in the words of RCU1’s leaders, goal - to be a student-oriented institution - there were five objectives and almost 40 strategies. For instance, one of the objectives was to increase graduate enrollments. The strategies to achieve this objective were the following: to identify the existing programs with the highest potential to grow graduate enrollments, contemplate the creation of new cutting-edge programs, increase transfer to graduate programs, adjust workload for faculty in graduate education.

While the Strategic Plan was very comprehensive, some of the objectives and strategies remained abstract. One of the Strategic Plan goals stated the university’s innovative approach to its future. For instance, it declared that RCU1 will open several cutting-edge interdisciplinary programs to promote entrepreneurship and innovation, although did not provide any details on those educational products.

The resulting strategic plan was a systematization of collective aspirations of the campus community and confirmed RCU1’s previous commitment to stay non-impacted.

**Monitoring Execution of the Strategic Plan**

For SP monitoring purposes, the Strategic Plan existed in the form of a digital spreadsheet, which was difficult to work with. As one university administrator pointed
out, the document was “a bit clunky ... what’s the overarching goal, what’s the objective, what’s the strategy, when are we working on it?” Another leader highlighted that every year Vice Presidents had to “work with their divisions to figure out which of these – this giant list of items – their division wants to prioritize for that year”.

RCU1 had two avenues of monitoring the execution of the strategic plan: routine weekly President’s Cabinet meetings and Cabinet’s retreats several times per year. The Council that participated in the strategy creation was not a part of the monitoring. The Strategic plan declared that the annual progress to be presented to the Council every year, but there was no evidence of that happening.

The weekly President’s Cabinet meeting was the main tool for routine discussion of plan execution. “There’s not a strategic planning committee that meets once a month or a quarterly ... we look at it as a Cabinet”, one of the administrators said.

Discussion of the plan also occurred at retreats held by the President’s Cabinet several times a year. While all the Cabinet members participated in these retreats, the productivity of retreats varied dramatically, in the opinion of the various leaders. One of the Vice Presidents described the retreat as follows:

The Strategic Plan was a big chunk of that retreat. For two days we had significant time to review our progress. So, this is an internal ... mechanism for [the Strategic Plan] monitoring from the President's point of view, but from a university point of view ... we have a strategic planning committee, and that committee is kept updated.

This perception contradicts another leader’s take on the retreat as a means to work on strategy:

[The Strategic Plan is] an agenda item, and one [person] talks about it for an hour and [we] move on with our day. I don’t think there’s really any substantive conversation about it internally ... we don’t review that together, and we don’t make decisions about it. It is just sort of there if you will.
The documented representation of the Strategic Plan monitoring was a chapter in an annual report produced by the institutional review unit. The report contained campus data on enrollment, advancement, faculty and staff characteristics, educational programs, as well as graduation and retention rates for the past five years. One chapter was dedicated to the selected achievements of different divisions regarding the Strategic Plan. The chapter described the actions taken under the strategic goal and objective organized by the responsible party up to the current moment.

**Strategic Decision-Making in Administrative Units**

Along with the university-wide strategic decision-making, RCU1’s leaders used two types of within-unit configurations, which fell into two categories.

Mostly, Vice Presidents, as administrative unit leaders, used tactical planning instead of strategic sessions to monitor and execute the implementation of the strategic plan, which was similar to the President’s Cabinet retreat practice. Once or twice per year they reviewed the progress towards the Strategic Plan implementation and set the goals for the next planning period. These data were reported to the Vice President responsible for the SP: division heads reported “where [they were] at, and what [they] have accomplished, what maybe isn’t so much ... a priority in light of the Strategic Plan, or what has really become more in focus”, one of the leaders clarified.

Several Vice Presidents went beyond tactical planning and employed different types of strategic exercises in their units. For instance, one used a day-long crowdsourcing exercise to define the values within their jurisdiction, similar to the one during the university-wide strategic planning several years ago. All employees of the Vice President’s jurisdiction engaged in a series of discussions and voted on their most important shared values. This work provided a sense of direction and unity among these employees. Another leader used once-a-quarter strategic meetings across their units of
responsibility to pause the tactical planning and to check whether the divisions were on track to support the university-wide Strategic Plan. The senior leader did so by asking their subordinate administrators: “let’s reflect, let’s think about what we’re doing, where we are, is that helping us think about our [strategic] goals?”.

**Strategic Decision-Making Configuration Benefits and Limitations**

RCU1’s configuration of strategic decision-making was beneficial but also limited and difficult for the university’s senior leaders.

To overcome existing distrust between faculty and administration, the President invested substantial energy in an inclusive strategic planning process. This inclusive approach was unanimously recognized by Cabinet members, one of whom remarked:

I was impressed with the way it was organized because ... the new President ... spent a lot of time listening on campus, talking to everybody, visiting with everybody. ... [they] ... started getting everybody prepared: ‘There’s going to be a strategic planning committee, we’re going to engage in strategic planning, there will be a new provost’.

Further, the President organized the work of their Cabinet based on a culture of cooperation. As described by one of the senior leaders, the President created:

a collaborative team, where all the members of [the] team understood they must work with each other, they cannot just manage their own division, they ... have to be collaborative and they have to be involved and understand the variety of issues of spaces and help to move initiatives together by working together.

The creation of this collaborative approach was echoed and validated by the Vice-Presidents several years later, as one of them stated: “I think we work very closely as a Cabinet ... we’re not siloed”.

By modeling inclusivity and demanding collaboration, the President was able to organize strategic discussion that included as much of the university community as possible and allowed the Cabinet to work collectively towards a shared goal. As a result, the Strategic Plan passed campus vote by the Academic Senate and other governance
groups unanimously, achieving buy-in from a wide range of community members and contributing to resolving the preexisting conflict between the administrators and faculty.

While the success in creating an inclusive strategic planning process and producing a Strategic Plan was a critical step in moving RCU1 forward, the organization of strategic decision-making had limitations and problematic elements. Probably the most prominent were the difficulties with focusing and prioritizing within the strategic plan. It was difficult for leaders to prioritize their efforts. This led to the situation where everything and nothing was a priority. One of the Vice Presidents explained the situation thus:

Number one thing for our campus to do – is prioritize ... right now we have probably 30 priorities, which means we have no priorities. And so, there’s no strategic momentum toward any one of them, because there are people going in 30 different directions.

One of the possible reasons for this lack of focus was that the new President’s Cabinet chose not to decline any ideas or desires of the university community on what should be included into the final Strategic Plan. While senior leaders clearly saw the possibility of ending up with an overloaded and non-executable Strategic Plan, they did not want to risk the still fragile communication between the administration and faculty.

Difficulties with prioritizing also resulted in overly broad strategic goals; therefore, any new initiative occurring in administrative units could be retrofitted into them. An argument could be made that this was a benefit, as RCU1 had an eight-year long Strategic Plan and the broadness of the goals allowed for incorporation of ideas after the plan took action. On the other hand, retrofitting actions back into the Strategic Plan indicated that goals were formed to incorporate the ideas of the community and did not provide enough direction for the university leaders. According to one Vice President,
strategic leaders were “mapping to the existing goals ... backwards. We fit whatever it was we were doing into where it fits in the strategic plan”.

At the same time, the Strategic Plan contained around 140 “tactics” or action items, which made it “too specific ... there was way too much detail in ... the plan, it didn’t give the flexibility to those that executed it”, one of the senior administrators noted. Another difficulty with having many items which must be monitored was tracking their progress and checking things off the list. One administrator mentioned that there was still opportunity for organizational structures to be created, so that all the tactics could be accessible in one space, instead of being “all over the place ... it just needs to be put back into the appropriate strategic planning goal”.

While the unanimous buy-in of the Strategic Plan was achieved by crowdsourcing ideas from the community, there were still some perspectives and voices not represented in that plan, in particular, students and student support administrative units staff. One of the senior administrators attributed this to the absence of a safe environment for some people to share their thoughts, due to the conflict between faculty and administration during the tenures of the two previous Presidents. They further explained: “If it had been an amazing President, that would have been here for a long time and retired, and this President followed that President, I think it would have been a totally different story”.

While the parts of the university community felt not heard during the strategic planning process, simultaneously senior leadership struggled with the capacity of the campus to engage in strategy creation. The strategic planning skills of mid-level academic leadership were a particular concern of the President’s Cabinet. Deans and department chairs not only failed to initiate thinking about RCU1’s opportunities for development within their units of responsibility, they did not even involve their faculty into the strategic conversation. They did not see the strategic planning process as an
opportunity to think about a possible new path for the university by being “vision-focused”, but instead they saw the process of strategy creation as a crisis and wanted to manage through it with as few changes as possible. The limited skillset of this tier of management to fully participate in strategic planning could have been the result of an organizational phenomenon – the “learned helplessness” of the campus community. One of the President’s Cabinet members described it as follows: the campus “is ... frozen in time ... because they had learned to become helpless, they don’t do anything. ‘We have no money, there’s nothing we can do, so let’s just keep things ... as close to the norm as possible’”. The faculty members’ attitude seemed to somewhat improve over the process of strategic planning, but the lack of motivation to move the institution forward largely persisted.

After the strategic planning was completed and once the plan took action, senior administrators made an important reflection. They recognized a limitation in the nature of strategic planning: it was reactive, not proactive. Instead of pausing and trying to understand what the future would bring, how the institution could foresee the changes in the external environment and proactively lead society into the future, most of the time Cabinet members reacted to immediate developments in their organizational surroundings:

we ... may create a great program, but it was really a reactionary program, not a proactive one ... we don’t necessarily do a good job of using our mental scans. Eventually we’ll have a new updated census, right? And using that sort of external stuff to say: ‘This is how we need to plan as an institution’. And it’s more very much in-time planning, you’re building the plane as you’re flying it. It’s much more in-time, much shorter length of looking at things ... we see this in seniors, we see this in juniors. We haven’t done a very good job of saying: ‘This is what’s coming up ... in junior high graph demographics and things like that’.

Significant workload also contributed to the leaders’ limited ability to be future-oriented in establishing strategy. As it is common in US HE, Cabinet members were
overloaded with by their responsibilities, which prevented them from having a necessary pause in their schedules to reevaluate the strategic goals. As one of the Vice Presidents described their everyday work: “you’re always in ‘go-go-go’ mode, you’re not reflecting and you’re not taking time to think through, and I think as leadership we need to afford our people that time. It can’t always be about the next big thing”

**Decision-Making Process that Influenced the Strategic Planning**

The relationship between RCU 1 and its public four-year system management influenced the university’s strategic decision-making. While RCU1 had absolute freedom to create its own strategic plan, which it did, the system’s management implemented initiatives across campuses that partially affected what senior leaders could accomplish. It was expected that the Strategic Plan would support the overall course of the university system. As system-wide initiatives were financially supported by its management, it led to peer competition for available resources within the system, and motivated RCU1’s leaders to include the system’s management agenda into its Strategic Plan. For example, the system’s office launched an initiative to increase in-time graduation rates across campuses. While this initiative reinforced RCU1’s leader’s attention on graduation rates and added an objective under one of the strategic goals, it did not change their strategic direction of remaining a non-impacted campus.

**Leaders’ Sensemaking of Their Organizational Environment**

Throughout the SP process, RCU1 leaders mostly associated their external organizational environment with their geographical region of service. In the words of one of the Vice Presidents RCU1’s surroundings were very definable as the adjacent geographical catchment area: “For this institution that is pretty easy. We are a regional institution ... and we have a six county service region, but the majority of our students come from three of those six counties”. Senior leaders also viewed their region of service
and the students that come from it as a part of the community of other constituencies in the area, such as stakeholders and employers. In addition, the leaders saw great importance in seeing their region in a larger context of the state and the nation.

While the President and the Cabinet wanted to start a future-oriented conversation during the SP process, the preexisting conflict with the academic community partially prevented them from employing prospective sensemaking. None of the tools that senior leaders chose to use during the environmental scanning reinforced the necessity of work with the future of the environment.

RCU1 leaders routinely made sense of their external environment beyond the SP process by using contributing forms of the engagement, such as conferences or participation in professional groups. The tools that were used specifically for SP process were occasional (non-routine) and allowed them to make sense of their external environment during the particular period of study. After the Strategic Plan was ratified by the Academic Senate and the President, the leaders employed neither a routine tool for evaluation of the Strategic Plan, nor a regular formalized environmental scanning, To routinely understand their university’s internal environment, they used academic and administrative unit reviews.

During the SP process, RCU1’s leaders made sense about their environments from both the micro- and macro-contextual perspective. However, the micro-contextual approach dominated: the tools leaders used during the environmental scanning process provided an internally-focused way of seeing the surroundings: internal SWOT analysis and crowdsourcing of aspirations.
Working Towards Success

The two major strategic responses, the declaration of non-impaction and the career readiness initiative were generally successful and beneficial to RCU1’s performance.

The major strategic decision made during the process of the strategic planning confirmed university’s commitment to student access by not declaring an impaction, which subsequently made faculty work harder and overcrowded classrooms. Regardless of the difficulties, the institution has managed to both stay overenrolled and increase the retention and graduation rates, which leaders considered a crucial factor of the Strategic Plan success. In the words of one of the Vice Presidents,

the reason I say we have done well is because we have not only taken in more students but our retention, graduation rates have gone up, both four years and six years. I did not know that ... would happen, but that has happened.

Since the Strategic Plan took action the first-time full-time freshmen students cohort size increased by approximately ten percent, according to the Institutional Review report published in 2020. Retention rates had also increased during the academic year 2018-19 (the most recent available data point): approximately four percent for the first-year students, approximately two and three percent for second and third-year students accordingly. Four-year graduation rates improved by almost six percentage points, followed by one percent increase for five-years graduation rate. Six-years graduation rate was on the increasing trend but experienced a decrease of one percent in 2019.

The Career Readiness initiative started its full operation in 2020 and is still in developing stages. Nonetheless, according to the Institutional Review report, by the end
of the year, 20 businesses and agencies had signed on to become its founding partners, which served as a proof of success.

The current Strategic Plan performed significantly better than its predecessor, that was shelved due to the conflict between faculty and administrators. It triggered the institutionalizations of several high impact practices across campus and is still being used as a guiding document in leaders’ work: “it is still very much thought of in many of our meetings ... still has validity that we should still continue to utilize ... and in sort of setting the path of the university”, one of the Vice Presidents underscored.
Chapter 5. Findings, Regional Comprehensive University #2

Regional comprehensive university #2 (RCU2) is a more than 100 years old, a suburban four-year private not-for-profit comprehensive university. Its main campus holds approximately 70% of all RCU2 educational programs, while several regional campuses make up the rest 30%. It is a Hispanic-serving institution of approximately 10,000 students; most of them come from middle and low-income backgrounds, belong to groups historically underrepresented in HE, and are the first in their family to earn a college degree. Half of RCU2 students are Pell-eligible, and more than 90% receive financial aid at federal, state, or intuitional level. The university is located in southern California and is surrounded by a small town of approximately 30,000 residents, which is in turn part of a densely populated metropolitan area of several million people. RCU2 mostly serves students who reside within 50 mile radius from the university. RCU2 has four colleges which offer degrees in a wide-range of subjects, from chemistry and information science to education and arts. The university’s undergraduate student body is approximately 60% of the total number of students; the most popular bachelor’s degree is in psychology.

RCU2 faced several challenges resulting from external economic conditions, both on the national and regional level. Following the national trend, California will face a demographic cliff in the near future. As far as available demographic projections can foresee, the number of high school graduates is supposed to start a continuous decline in 2024 (Bransberger et al., 2020). By 2036 the decrease is supposed to constitute 15 percent for public and private schools graduates cumulatively (Bransberger et al., 2020). In addition, the larger US demographic trend showed no promise for any increase in the number of high school graduates throughout the next century, as the US is on the verge of “sansdemic – ‘without people’” (Hetrick et al., 2021). Therefore, the existing higher
educational market for the undergraduate students was disappearing without a viable possibility of regaining the number of high-school graduates. As RCU2 is a 95% enrollment dependent institution, the approaching demographic shift is its imminent economic threat. Changes in demography sharpened RCU2’s need for several issues to be addressed. First, the already intense competition for the shrinking undergraduate population of potential students nationally, but especially in the southern California, that had a large pool of HEIs, was becoming severe. RCU2 had to address the challenge of serving non-traditional students better, as existing educational programs were not fully suited for a student population that was becoming older, tended to be married, and seeking to study part-time. RCU2 had to change to offset the shortfall of undergraduates by working in the markets of the future: introducing more graduate and professional programs, as well as flexible programs for working adults.

Another challenge for RCU2 was affordability of higher education in the US. The annually increasing tuition brought many students, especially from families of modest economic means, to the breaking point of their ability or willingness to attend college. The average cost of attendance for a full-time undergraduate student at RCU2 was comparable with the organizational population of CA four-year private non-for-profit suburban institutions in the 2019-2020 academic year (IPEDS Data Center, 2019). RCU2 saw no future in expecting the net tuition growth from regular tuition increase in the foreseeable future and wanted to respond by understanding their student population better. “How do you serve them well, how do you fit within this context and how can you manage and moderate your expenses, such that you can serve them for the net tuition that you can realistically expect to realize”, as one of the Vice Presidents described the institutional attitude. As most of the RCU2 students were Pell eligible, the university provided institutional financial aid to more than 90% of its students. If RCU2 was to
continue to increase the amount of aid to attract new students as the competition for them intensified, that would be “a race to the bottom”, in the words of an administrative leader. That would mean financing the aid from the margin, which would endanger the financial health of the university, and ultimately its mission to support low-income and underrepresented in HE students.

At the regional level, both the state of California and the region surrounding RCU2 were challenged by significant change in its population age structure. In other words, the California population was aging faster than the national trend; the share of residents older than 65 was projected to almost double between 2010 and 2030 (Stanford Center on Longevity, 2021, September 22). This was a major factor in the increasing need for healthcare professionals at all levels. The number of job openings in this industry was projected to grow by 27% from 2010 to 2030, with most of the need accounted for by nurses (26%), allied health specialists (25%), and healthcare support specialists (36%) (Carnevale et al., 2012).

To respond to the above challenges RCU2 took a number of actions. The university kept diversifying its academic portfolio by adding educational products for graduate and non-traditionally aged working adults (online undergraduate and graduate programs, non-degree, and non-credit offerings), decided not to raise tuition rate for the fall semester of 2021, and expanded on their decade of experience with providing online programs. These initiatives were important to the institutional mission, but RCU2 put its major bet on a transformative strategic initiative: the opening of a new College of Health. The College of Health was an umbrella for a broad range of healthcare-related educational programs, some of which already existed in RCU2. The new college responded to the three environmental challenges RCU2 experienced. It was designed to address the demographic shift by attracting traditional full-time students, as well as
transferring students with associate degrees. The cost of attendance was targeted through competitive pricing and very high probability of post-graduation employment due to the pronounced shortage of healthcare professionals in the local labor market. In addition, RCU2 aimed to fulfill the regional aspect of its mission by expecting their future graduates to return to their communities instead of leaving the area and help the region to turn the corner in the healthcare labor shortage. Importantly, the College of Health was also designed to address RCU2’s own student health, both physical and mental.

Decision-Making Process Implemented to Strategically Respond to the Environment

RCU2’s President envisioned the configuration of its strategic decision-making as a university-wide, two-stage process: strategic planning (SP) and Strategic Plan execution monitoring. In addition, the university implemented a Strategic Enrollment Plan.

Two full SP processes were completed over the course of the President’s more than 10-year tenure. A major feature of the President’s leadership over strategy in both SP processes was, from the beginning, the articulation of strategy through three defining characteristics. The President was confident that the only way for the university to continue to exist for another 100 years was to be “distinct, competitive, and relevant”, in the words of one of the leaders. These three-dimensional lenses became “the compass” for strategy creation at RCU2, according to one administrative leader. By “distinct” the President meant different. RCU2 could not just state that their strategy was to care for students; that would not make the university distinct from other HEIs. The university needed educational products that nobody else offered. At the same time, those programs needed to be “relevant” to the outside world. As the President explained, a program in
calligraphy would be very distinct, but likely not relevant. Lastly, RCU2 had to be competitive in offering the highest value possible for the students’ money.

The President started their tenure over a decade ago and launched the first SP process almost immediately. It was completed eight years ago, and the resulting strategic plan was active until last year. The President themself was a big change for the university; the previous leader served for 25 years and belonged to a different religious tradition. The new President embraced change by leading the first SP with a tripartite roadmap, envisioned as a metaphorical “braid” composed by a Strategic Vision, a fundraising plan to support this vision, and a physical campus master plan to support both the vision and the fundraising. It was a bold and innovative approach, as RCU2 was a religious institution in the past and many of its employees did not see fundraising as an acceptable behavior. The fundraising goal was set to increase the endowment by almost 400%, which was completed a year ahead of schedule.

After the success of the first SP the President started the second one, which eventually led to the design of the College of Health. Two years before the first strategic plan was to expire, the President communicated to the campus community that strategy was an ongoing process, and it was time to think beyond the existing plan.

The second SP process benefited significantly from being led by the same President, because senior leaders were able to have the continuity of institutional strategy, sharp focus on the future, and continued differentiation of Strategic Vision from Plan.

At the early stage of SP, senior leaders wanted to ensure the new iteration continued the existing strategy, not starting a brand new one and abandoning what was already done. They analyzed the previous strategic plan’s progressing or completed initiatives, action items that were no longer relevant, and necessary initiatives that were
not started yet. Even though some Cabinet members and Board of Trustees’ (further-Board) members involved in the SP had changed since the first plan was created, having the new strategy development in the hands of effectively the same leadership provided a solid foundation for the second iteration.

The second SP was characterized by the President and their Cabinet’s understanding and focus on the fact that the strategy is the work with the future. As the campus was more mature, having engaged in the SP before, this time the leaders were able to take a bolder look into the future and persuade the campus to follow. The President wanted to address organizational inertia, that in a nutshell could be described as: “We have always done it this way” by stressing the importance of paying attention to the development of competition not only within California but nationally, as HEIs from across the country started to compete for California high school graduates while their own markets evaporated. In addition, RCU2 leaders were aware that US society had reached the point where students effectively must attend college to become employable. Hence, they were responsible for identifying future jobs for which they must prepare students. As the diversity of students would keep intensifying in the foreseeable future, leaders would have to change university operations to meet their shifting needs. One of the Vice Presidents noted, “if we are not paying attention to who our students are going to be 5 or 10 years from now, we have got a huge problem”. By stating “if we’re going to survive, just survive, we have got to be future-focused”, the President set the focus on the future as a leitmotif of the SP.

RCU2 President’s Cabinet and Board employed a clear distinction between the Strategic Vision and the Strategic Plan. It allowed them to separate future-focused ideas and strategic goals from tactical execution plans. It helped avoid getting lost in the
hundreds of tasks in the plan, while keeping the ten thousand feet view of strategy goals and initiatives in the constant eyesight.

**Strategic Planning Process**

Structurally, the President created a new Director of the Office of the President and Board Affairs (further - Director of the President’s Office) position to lead and administer SP process; and corresponding administrative unit was created. In addition, this leader was charged with leading several cross-unit initiatives and projects, including the opening of a new research center. After this position was filled, the President announced to the campus community that the Director of the President’s office was in charge of the SP process. This administrative leader of the SP was a position with no authority over the President’s executive Cabinet, the Board, or wider university community. The Director of the President’s office had to organize the SP process using influence and partnership instead.

Procedurally, the SP process took approximately two years; the Board approved the Strategic Vision in the fall of 2020. The discussion and approval of the Strategic Vision and Plan was organized in stages of iterative communication of the President’s Cabinet, the Board, and the wider university community. The Board ratified the vision statement, strategic themes, and university-wide strategic goals one year into the SP. Half a year later they approved the transformative initiative to create the College of Health, and concluded by approving the whole strategy by the end of the second year. Based on the ratified strategy, RCU2 leaders put together strategic plans (both university-wide and at the level of administrative units and colleges) to realize the Strategic Vision.

RCU2 senior leaders wanted the SP process to be comprehensive by including the opinions of the administrative and academic units as well as to be able to progress
towards the finalization of strategy in a particular amount of time. To do so, the President had to trigger a cultural shift by suggesting a recommendatory role to the academic units. As one of the leaders described, the President encouraged the university community to participate as much as possible and, at the same time, introduced specific distribution of the responsibilities across the participants:

‘[The President is] listening to your recommendations.’ And with clarity as much as possible, saying: 'While the President and the Board will make all the final decisions, your job is to make recommendations, and for us - to listen. And then we will have an informed decision that we will make ... You make all the recommendations, and [the President] makes decisions.

The SP process began with an annual Board retreat. In the brainstorming exercise with the Board, RCU2 leaders evaluated general external data on state population, student demographics, degrees, and professions they anticipated covering. More than 30 members of the board offered their professional experience in a variety of fields: engineering, real estate, law, public services, food, and chemical industries, with the majority of the members from the same field of expertise concentrated in healthcare, high technology, and educational industries. This retreat produced general ideas on potential foci for RCU2’s future strategy. This was the moment where the interest in catering to the healthcare industry was reintroduced in a vague sense: “We should really focus on health, we don’t know what that means, but we should make sure that it is a part of the next strategic plan”, as one of the leaders described it.

The idea to educate students for the healthcare industry was not brand new to the President or the Board. They were in discussion about it together and with their respective professional communities for several years prior. During the first SP, RCU2 had articulated a broad goal of assessing community needs and the implementation process for academic programs in several industries such as media, logistics, sustainable natural resources, entrepreneurship, and healthcare services. In between strategic
planning processes, the President’s belief in RCU2’s health-related future grew. Five years ago, they outsourced a report to consultancy company to answer the question: “What professions are going to be needed the most in the adjacent to the RCU2 metropolitan area of 6 million people 15 years from now?” A long list of professions pertinent to two industries came out of this research: technology and healthcare, with the latter having most of the top 20 occupations. Taking the socio-economic characteristics of RCU2 students into account, the authors were asked to identify the degrees obtainable for them. Medical degrees were found unlikely to be in demand due to their high tuition fees. On the contrary, professionals in nursing, allied health specialists (such as early childhood development specialists), and healthcare support (such as physician assistants, health services managers) would be in high demand. The President took the list to the Board for the initial conversation and over time proposed to open a new college, which would house the existing health-related programs and offer new ones.

The decision to choose healthcare over technology was also partially catalyzed by the Board’s collective professional experiences. In the words of one of the Vice Presidents,

Our decision was to move towards health ... we have a number of health professionals on the Board, ... a lot of donors, and people that were connected to the university that were in the health profession ... So that was a big push for us to move towards health initiatives.

After the initial Board retreat, the Strategy Advisory Task Force (further – Task Force) was created. It was charged with the administration of the major steps of the SP: environmental scanning; organization of communication between the university community and senior leadership (President’s Cabinet and Board); documentation,
analysis, and synthesis of the content of the strategic work; drafting and finalizing strategic documentation; and reporting the results to the senior leadership.

The Task Force had 12 members and was co-chaired by the Director of the President’s Office and a faculty member from one of RCU2’s colleges. Due to the double leadership, the faculty influence was the most pronounced during this stage of the SP. According to the strategic documentation, the members of this group included a staff representative (Chief Human Resources Officer), library and Faculty Senate staff, faculty members from all of the colleges, regional and online campuses representative, President of the student association, a member of the Board, an alumnus, and a strategic planning consultant. Their main responsibility was to act as liaisons for the populations they were representing. The liaisons’ based design was chosen over the open forum one because of what RCU2 learned during its first SP process. While leaders continually held open forums and invited everyone to participate, there were university community members who felt unheard and never participated in any meetings by the end of the process.

**Process and Tools of Environmental Scanning and Analysis**

RCU2 undertook environmental scanning and analysis through a combination of processes, tools, and non-formalized methods of engagement. The work of the leaders with the university’s organizational environment was dominated by external, occasional, and prospective sensemaking.

Having already used a consulting company’s report as a preliminary tool for of the external environmental scanning, RCU2 leaders embarked on the first stage of the SP.

To add momentum to the SP process, Task Force members engaged in extensive scanning of the external environment, predominantly via available research. It was intentionally a future-focused, externally oriented, non-formalized process, that took
about a year to complete and contributed to leader’s *contextual* and *prospective* sensemaking.

The Task Force engaged in the search of publications in two major spheres: general socio-economic conditions in the US (sources like Forbes and Bloomberg) and research on trends in higher education (such as the Chronicle of Higher Education). They developed a set of keywords to focus their scanning process, which, in this phase, was essentially a literature review. RCU2 leaders looked at publications discussing general higher education landscape in the US, higher education forecasting in terms of student demographics, finances, and student loan debt. They also paid attention to the articles on the general population’s perspectives about higher education, and specifically its value.

Document-wise, the environmental scan was not a formalized process. As the data set grew bigger, the Task Force members kept their document organized as a shared file, where they put the summaries of the publications they found and could share with their corresponding divisions or units for discussion.

The environmental scanning process helped to shape the understanding of the external context which RCU2’s leaders found crucial for strategy formation; later, they had it included in the strategic documentation as an overarching framework for the whole strategy. The external forces they found influential over strategic decision-making were concentrated in four areas. From the economy perspective, median income remained flat, which put university under constant pressure to increase tuition to absorb operational expenses, as well as projected budget deficit in California was a threat to the availability of student aid. Demographics were represented by the increase of historically underrepresented in HE groups of students and sharp decrease in high school graduates approaching to arrive in several years. The decrease of the value of HE in the public’s
opinion and information revolution as an unpredictable disruptor in the industry were acknowledge by the leaders as essential trends. Another factor which eventually shaped the strategic plan was the accreditation process which coincided with the SP process. By the end of the SP process, all the strategic initiatives were aligned with the recommendations of the accreditation experts. Lastly, the COVID-19 pandemic was identified as a novel external challenge, and leaders adopted the mindset of using the situation to convert it into a strategic opportunity. They understood that a well-designed and timely strategic response to the pandemic was necessary for future institutional success.

*Connection of the Environmental Scanning and Analysis to the Internal Organizational Environment via Conversations with the University Community*

Leaders were forced to conclude the environmental scan; in the words of one of them, it was a “rabbit hole”, and Task Force members kept finding relevant data. To make a logical transition to the collective analysis phase, simultaneously with the final stages of the environmental scanning, Task Force members started *university-wide visioning sessions* with faculty, staff, and students. For one year, they carried out iterative conversations with the populations they represented. The Director of the President’s Office would update the Task Force with any information they had from the Board and the President; with data from environmental scanning, they would go to their units and divisions. The overarching question for this work was articulated as: “What do you think when you hear this information? Knowing your lived experiences at RCU2, what needs to be in this strategic plan?” The results of these discussions were brought back to the Task Force meetings and, combined with the research categories that
surfaced during the environmental scan, resulted in the draft Strategic Vision and themes.

The RCU2 Strategic Vision highlighted the institution’s dedication to access and inclusivity, while provided distinct educational programs that led to students' success. It underscored the regional mission of the RCU2 by stating that its graduates will bring their expertise into their community. The four themes resulted from the work of the Task Force intended to supply high-quality learning experience that provided high return on student’s investment; to promote inclusivity and diversity; to supply educational programs that supported value-based education in not only professional, but also social, emotional, spiritual, physical aspects of students’ lives; and to operate in the culture of excellence and innovation. Each of the themes had one corresponding goal. The drafts of the Strategic Vision and themes (and corresponding goals) were brought to the Board’s attention and were successfully approved.

As the Task Force members drafted the Strategic Vision and themes, the two Task Force chairs asked them to take the conversations with deans and department leaders one step forward and ask them to develop college and departmental strategic plans based on the vision and themes. Those conversations in turn resulted in sets of tactical actions, and the Task Force members had to aggregate them into broader university initiatives. Eventually, these contributed to the final list of the strategic initiatives, such as opening the College of Health and focusing more on non-traditionally aged student population.

After the approval of the Strategic Vision and themes, the Task Force was phased out. RCU2’s leaders now had all the data from the environmental scan, the Strategic Vision and themes, and the broad initiatives ideas. During this stage, the President’s Cabinet was the main participant of the SP process. Their main goal was to
prioritize the ideas and choose what RCU2 would actually do. The Cabinet worked closely with the Faculty Senate and college deans to have their feedback for the Board’s decision-making.

The President’s Cabinet and college deans came together in a retreat to identify the ideas that would be transferred into actions. They collectively shortlisted 6 ideas for further consideration. To make the final decision, leaders employed a matrix with two axes: high and low impact and high and low investment, with impact having a broad definition of influence over RCU2 itself and its community. The distribution of the ideas over four matrix quadrants revealed that the initiatives should be arranged into three different levels: transformative, bridge, and incremental. The College of Health provided a high impact on the future of the RCU2 itself and on its region by helping to offset the need for local healthcare service professionals, but also required high investment. Therefore, the College for Health became a transformative initiative; leaders decided to concentrate only on this one major initiative, instead of having several of them. The bridge initiatives were crucial or “missional” for the university but would not require the level of attention from the whole institution as the transformative initiative would. For instance, the actions to improve student retention or faculty curricular innovation became such initiatives. Lastly, the incremental initiatives were concerned with effectiveness and efficiency of RCU2, such as staff professional development and data management.

*Environmental Tools to Support the Transformative Initiative*

To sufficiently support the design of the transformative initiative two special groups were created: the President’s Advisory Council on Health (further - Health Council) with the focus on the external environment and the Special Health Committee that focused on the RCU2’s internal processes to support the creation of the new college.
The role of the Health Council was to bring the President’s idea to focus on health, supported by the Board, into the plan of action to create the new college. The starting point of this work was the recently completed Strategic Vision, and the workforce report requested by the President to a consultancy company, stating the increasing future need for the healthcare professionals, and in the words of one of the Council members, this group was “really the one who helped flush that out” by answering the question: “What role did RCU2 need to play in health in its communities?”

The Health Council consisted of 30 members; two of them (including the Chair) were also members of RCU2’s Board. Most of these professionals occupied CEO or other upper-level management positions at, as one of the Vice Presidents described it, “community-based health providers” - regional public and private hospitals, medical centers, and insurance companies. The Council met every three to six months and advised the President that the College of Health should focus on broader areas of physical and mental health, as well as overall community wellbeing. In addition to the educational programs that already existed in RCU2, such as such athletics, early childhood development, and health service management, the Council defined several priorities for the new college: start preparing physician assistants and nurses to supply the immediate need of the healthcare support specialists; identify and start programs that would be needed to support the aging California population; and focus on the well-being of RCU2’s own students.

While the external experts on the Health Council identified the role of RCU2 in the community, the Special Health committee evaluated the creation of the new college from the internal resources’ perspective. It was chaired by the Vice President for Advancement and one of the colleges’ deans and consisted exclusively of RCU2’s
employees. The committee produced an operational expenditures tactical report to inform the decision-making process.

Lastly, the developing COVID-19 pandemic served as the last push to approve the transformative initiative as shortages in the healthcare nation and worldwide became clear. Both the President and the Health Council recommended that the Board move forward with it. Two years after strategic planning began, the transformative initiative was approved by the Board.

Another tool RCU2 leaders used to identify which extant programs would be transferred to the new college was SWOT analysis. The President requested all departments aspiring to participate to submit it and reason why particular programs should be a part of the transformative initiative.

It is important to mention that RCU2 used several formalized routine tools to understand their internal environment during SP processes. For instance, the university used surveys to track the data on students’ evaluation of the courses offered, climate surveys of all types of faculty members and administrative and professional staff, and questionnaires for non-returning students. RCU 2 has also employed a 5-year cycle academic programs and administrative units review to evaluate the effectiveness of both. Department chairs and unit heads were responsible for coordination and completion of the review in six months. First, the draft of the internal report was performed. For the departments, it contained the description of the program’s capacity, assessment of learning outcomes based on program goals, and improvement recommendations. For the administrative units, it included similar indicators: department’s capacity, its performance effectiveness based on its goals, effectiveness of processes utilized to accomplish its goals, and improvement recommendations. Then, the external reviewer was invited to campus to review the report and produce recommendations. After that,
the Educational Effectiveness Committee received the results of the review and made suggestions if necessary. Lastly, the academic deans and administrative unit heads in collaboration with Provost and other senior leaders made resource allocation.

**Contributing Forms of the Engagement with the Environment**

RCU2’s senior leaders developed a formalized way to expand their knowledge about the internal environment beyond specifically designed strategic processes or tools. They implemented a university-wide data governance concept.

RCU2 changed its attitude from data collection to data management and started to build data infrastructure. For example, senior leaders supplied institutional research function, which traditionally was concerned with data collection, with data analytics. As an example, enrollment policy was not “freeze data, externally reported, it’s live data and it’s predictive modeling and consistent analysis of our in-cycle. So, it was clear that we needed to establish an office of enrollment analytics”, in the words of one senior leader. Having more developed predictive data analytics allowed RCU2 leaders to intensify their capacity in market research. Leaders were able to make data-informed decisions on any prospective educational product. As one of the Vice Presidents explained: “we can pull every program that we might be considering and run it through the derive ratios we have set and look clearly at: ‘These are the programs that popped up based on demand based on salaries’”.

RCU2 leaders established a data governance structure, a cross-functional group of university employees. It contained representatives from informational technology units, institutional research, financial and budgeting specialists, academic professionals. Some of the participants were employed at the Vice President level positions. This group was tasked with producing shared language for institutional data use. They had to define major operational terms, so that everyone at RCU2 understood the internal data. As one
of the Vice Presidents explained: “We had to understand that when I say "freshmen", you know what I mean, and that we all say "freshmen", it means the same thing”. The work of this group resulted in the production of the Data Cookbook, containing all functional and technical definitions for the RCU2 internal data.

University senior leaders developed and used a variety of forms of engagement with the external environment, which contributed to their contextual sensemaking.

An additional way for the President to engage with the external environment was through the knowledge of their brilliant Cabinet members. In the words of one of the senior leaders, the President had “a lot of input from each one of the Vice Presidents ... [The President was] constantly scanning the environment through their eyes”.

Another way to understand their surroundings was participation in the professional group of corresponding members of presidential cabinets from other HEIs. For example, one of the RCU2 Vice Presidents described their participation in a particular group of around 30 universities across the region: “We meet once a year and compare notes ... we are open about sharing most of the information that we have with each other ... That helps us to see where we are compared to some of our competitors”.

While the Board was a part of the formalized SP process, it was also a way that RCU2’s President and their Cabinet were routinely learning about their environment. Because most of the Board members are highly involved in regional industries and communities, they contributed knowledge about the local affairs that RCU2 could use as an opportunity. For instance,

One of our members is very connected with a local city... And they know that ...city is planning a revitalization of their downtown. We have our college ... in that downtown area. So, because of their relationship and knowledge of what the city is wanting to do, they brought it to our President, and we are in conversation: ‘How can ... the university be a part of this revitalization, which would help the city by having a local education available to its residents?’
Another group on campus served as a place where various current issues were discussed. The University Management Council consisted of approximately 60 people and held its meetings once a month. This was the place for the university community to discuss any issues that interested them, share ideas about “what you did, what you have heard, what you have learned; is that something that we can do at the university or not”, as one of the Vice Presidents said.

In addition to knowledge transfer among professional groups external and internal to the university, leaders learned about external environment, specifically their competitors and the future trends in HE through conferences. One of the senior leaders developed a technique to both scan the external environment and prepare their units of responsibility for the upcoming changes:

In my unit, whenever my direct reports attend a conference, I ask them: ‘What are the three things that you learned? What are one or two things, that other people are doing that you think, will help our institution?’ So, in that sense that is the ‘scanning’ that we do, to see what changes we need to implement internally ... if it comes from within, it is much easier to implement, than if you try to dictate it to others.

Lastly, available research and data review also contributed to the engagement with the environment. Even when the SP was concluded, the leaders continued to routinely study sources like “Chronicle of Higher Education” and “Review in Higher Education”, reports from EMSI and Clearinghouse, and IPEDS data. One of the Vice Presidents plainly stated the constant need to scan the external environment: “If you stop looking outside, then you will not be successful”.

**Final Approval of the Strategy**

After the decision to create the College of Health, the refinement of the bridge and incremental initiatives continued and the whole plan was presented to the university community. The President’s Cabinet continued to work on the plan, determining multi-
year budgeting, metrics, and accountability to support the initiatives and the vision. Half a year later, Board approved the finalized strategy (including vision, themes, goals, and the actual plan for the first year) for the next 5 years.

Strategy in documented form existed in the publicly available Strategic Vision and proprietary Strategic Plan. The Strategic Vision was a short deductively organized clear statement of the strategic framework, mission, vision, themes, and goals. The Strategic Plan existed as an internal university document used by the President’s Cabinet to track the execution of the Strategic Vision.

**Strategic Enrollment Planning: Decision-Making Process that Influenced the Strategic Planning**

As the demographic cliff was one of the major external environmental challenges for RCU2, six months into the creation of the strategy, a new Vice President for strategic enrollment was hired and the creation of a Strategic Enrollment Plan was carried out roughly at the time of the Strategic Vision approval by the Board. One of the senior leaders described the supportive purpose of the Enrollment Strategic Plan and its relationship to the institutional strategy:

> In an institution that is 98% tuition revenue funded, the strategic plan success requires a robust focus on net tuition revenue production ... When you think about how the work of the enrollment management plan undergirds that strategic plan, we have to bring in the students and we have to ensure that we are well positioned to help them succeed. And we have to develop the net revenue necessary to build all the other elements of the strategy.

The Strategic Enrollment Plan set four goals to achieve: fiscal sustainability by taking a proactive and systematic approach to enrollments; accountability by sharing the enrollment goals with the community and being assessed by it; cross-sector engagement because enrollment influences every person working at the university (not just the admissions office), and data and system management. The latter was achieved through a
According to one of the Vice Presidents the creation of the Strategic Enrollment Plan was a crucial part of ensuring the success of the Strategic Vision by understanding how to attract the students:

The President’s Cabinet spends a lot of time reviewing the enrollment trends, what will be happening in the future. And that is how we have been able ... not only to survive but during this pandemic ... we are one of the few institutions that have thrived ... [RCU2] is one of those institutions that from last year to the pandemic year has seen an increase in our enrollments. And one of the major reasons for that is because we have created a strategic enrollment plan.

**Monitoring of the Strategic Plan Execution**

The main university-wide tool for tracking the SP execution was a document created by the President and their Cabinet, which contained their goals. It was a matrix that listed all the initiatives RCU2 was acting on, grouped by their levels: transformative, bridge, and incremental. Further, for each initiative there were corresponding goals set to achieve, factual progress on those goals, the correlation of the progress achieved towards the final result of the Strategic Vision, a responsible Vice President and participating organizational units.

This document was used collectively by the leaders to keep them updated. In the one of the senior leader’s words: “It is not just in [the President’s] head, it is in front of the Board, it is in front of the Cabinet every minute, and the teams are part of it”.

The President’s Cabinet prepared the matrix over the summer and presented it to the Board every September to set the goals for the next year, and every May to demonstrate progress. During the academic year (between September and May) the
Board got an update on RCU2’s leaders’ progress towards the goals quarterly, at every Board meeting.

In addition to being the main document that showed the Board SP execution progress, they also used it to evaluate the President’s work during the year. In turn, the President used the goals matrix to examine the performance of their Cabinet.

In the physical form the SP monitoring existed in a series of retreats and conversations. The starting point for the academic year was the retreat for the Board and the President’s Cabinet in September to set the goals for the upcoming year by reviewing the goals matrix. As one of the Vice Presidents said of event:

We spent a lot of time looking at the strategic plan and updated the Board where we are with the plan, which areas were meeting our expectations, which areas will be outlined, which areas will exceed it. And then the Board gives us direction in terms of where to place our focus.

In addition, there was a retreat for the President’s Cabinet twice a year. “During the years, most of the retreat time is dedicated toward the Strategic Plan and the achievement of those plans”, the same Vice President explained.

To constantly keep track of the progress the Director of the President’s office had monthly meetings with the President’s Cabinet members. This was done to track their progress and to keep them accountable at every step of the Plan’s execution.

**Strategic Decision-Making in Administrative Units**

At the administrative level, short-terms tactical plans supported the university-wide Strategic Plan and Vision.

Some Vice Presidents and all college deans had corresponding strategic plans for their units of responsibility. In the words of one Vice President, their divisional strategic plan was framing any conversation:

I tend to go back recursively to the plan whenever we want to do something. It's a prominent feature in all of our conversations, and we always try to orient all of
the ... planning against that plan. It became a part of the way we talk about the work that we do.

A senior leader described the way they support the strategic plan was by creating tactical quarterly and annual tactical plans for their units of responsibility, which supported the university-wide plan and, hence, the Strategic Vision. Once the quarterly plan was created and the actions in it were prioritized, the senior leader held monthly meetings to track the progress of those plans.

These several layers of planning for the different periods of time were required by the cross-unit collaboration necessary to the execution of the initiatives in this division.

**Strategic Decision-Making Configuration Benefits and Limitations**

RCU2’s configuration of strategic decision-making was beneficial and at the same time difficult for the university’s senior leaders.

The success of the previous SP campaign, led by the same President and most of the Board and Cabinet members, followed by the completion of the ambitious fundraising goals, allowed the President to mitigate the resistance from some parts of the university community towards the transformative initiative. As the university community had already seen the President finding resources in the past, a major share of the faculty was supportive of the opening of the College of Health. To persuade those who remained hesitant, the President repeated at every State of the University Address, that colleges will not lose external funding. And when the College of Health is fully operational, the university as a whole will benefit from increasing number of incoming students.

The decisiveness of the President in the distribution of decision-making responsibilities during the SP process benefited the university because the strategy was created, agreed upon, and acted on. The President was clear about the recommendatory
role of the faculty in the process and at the same time the Director of the President’s Office was tasked with the organization of the communication scheme to source, analyze, and to deliver those recommendations to the senior leaders for decision-making. This combination of roles and responsibilities created both inclusive and completed on time SP process.

The active role of the Board in the articulation of the strategy and the President’s constant dedication to achieving it significantly benefited strategic decision-making at RCU2. Board members, as practitioners coming from disparate industries, offered their different, but externally relevant perspectives. While all the perspectives were invaluable, the healthcare and educational professionals were crucial for the SP in question. The former helped to identify the need the College of Health and to ratify its creation. The latter helped to carry out the SP in a productive way, particularly by dividing Strategic Vision from Plan. After the approval of the strategy, the Plan served as an evaluation tool both for the Board and the President.

Lastly, the constant communication of the SP progress to the university’s academic and administrative community contributed to the success of the SP process. Materials in progress were published on the website. After the ratification by the Board, the strategy and the progress on the plan was communicated by the President at every State of the University Address.

While RCU2 leaders tried to incorporate every voice into the SP process, they learned that some faculty members thought it was not inclusive enough. The underlying limitation was the subtle art of including the right and enough people into the strategic conversations, as described by an administrative leader:
It is very difficult to get the exact right people at the table, because we want to hear everyone's voice. However, we used to get these huge groups, it becomes unmanageable. So, you have to make decisions somewhere. And that is tricky ... keeping the workgroups manageable, but also including everyone's voice.

Regardless of the various consultations that the Task Force liaisons repeatedly had with the academic community, and the Board retreats to which every Head of the Department was invited, some faculty members chose not to participate and remained excluded from the strategy formation. Their non-participation in the strategic planning resulted in not being nimble enough to support the RCU2’s dynamic Strategic Plan.

Another limitation lay within institutional relationships with the data at the start of the SP process. RCU2 addressed that challenge during the SP iteration by creating the data government structure under the supervision of the Vice President for Enrollment. The units and committees responsible for this project started to work on creating the shared language across the university.

Finite resources were a limitation for the SP process as well. As educational markets were changing, RCU2, as a highly enrollment dependent institution, was susceptible to possible volatility in their financial stability. In the description of one of the senior leaders:

It is always about resources. You want everyone to have the resources they need, so that they can do their job well, whether it is your professor, IT, facilities … The pie is only as big as it is, and we are bringing in a new college, new programs. ... The ambiguity of not knowing what is going to happen to the resources is always hanging over my head, and everybody else's head. So, people say: 'We don't want that new college'. What they're really saying is: 'I am afraid that I am going to lose, if they gain'.

Lastly, after the ratification of the Strategic Vision and Plan, senior leaders reflected that that when evaluating the progress, they did not pay enough attention to evaluation the strategy itself. One of the Board members mentioned that during their meetings, it would have been beneficial to start with a ten-thousand-feet-view at the
beginning, when people are “at their freshest”, discuss the developments in the external environment and then switch to the tactical monitoring of the execution of the Strategic Plan. That way the leaders would have in mind “the future set of challenges and opportunities that we will be presented with, [in order to keep] ahead of that, while still monitoring our current progress”.

**Leaders’ sensemaking of their organizational environment**

Throughout the SP process, RCU2 leaders mostly associated the external organizational environment with their geographical region of service. As one of them explained: “The region [is] the highest priority for me ... [Students] come from our region, they get educated, they go back to the region, and they are part of the "brain remain".” The initial identification of the need for regional healthcare professionals defined the strategy. RCU2 leaders also thought of their region as “local communities” and “students form the region”, adding a human aspect to their definition of the external environment. One of the administrative leaders highlighted: “if something would directly affect our students or influence their behaviors or their decisions, it should be considered within our external environment”.

Though the second SP process started with retrospective analysis of the first SP and its results, the sensemaking by most of RCU2’s leaders during the second iteration was focused on the future of RCU2’s external environment: the region, its communities and industries, and their workforce needs. The President, with their focus on the importance of the future-oriented strategy, drove the creation of the tools RCU2 used in the SP process, such as environmental scanning focused on the future issues in HE, university-wide visioning sessions, and the consultancy report which identified the region’s future workforce needs.
RCU2 leaders routinely made sense of their external organizational environment within and beyond the SP process by using contributing forms of engagement, such as conferences or participation in professional groups. The tools that were used specifically for the SP process were occasional (non-routine) and allowed them to make sense of the external environment during the particular period of study. After the Strategic Vision and Plan were ratified, the leaders did not employ neither a routine tool of evaluation of the Strategic Vision, nor a regular formalized environmental scanning. To routinely understand their university’s internal environment, they used academic and administrative unit reviews.

During the SP process, RCU2’s leaders made sense of their environments from both the micro- and macro-contextual perspective. However, the macro-contextual approach dominated: leaders identified the future healthcare workforce shortage in their larger surroundings, to which RCU2 could potentially respond. The major role was also given to the Health Council, which connected university leadership with the healthcare industry through the expertise of its members. Micro (organizational) perspective had a supportive role; for instance, internal Special Health Committee supplied strategy creation process with university’s operational data.

**Working towards success**

As a general observation of RCU2 senior leaders, having a well-articulated strategy and staying committed to it was itself a successful strategic response, that would have ensured the content of the strategy gets realized.

As the decision to create the College of Health was ratified fairly recently, the senior leaders did not have numeric data to prove that the College was a success or otherwise. However, they were optimistic that it would be successful in the future.
One Vice President explained that RCU2 would not have done it if it was not expected to positively affect organizational performance by increasing enrollment, bringing more tuition dollars, and providing better value to students: “Absolutely! We wouldn’t do it if didn't have a positive impact on our organization”.

Because the idea of the College of Health was conceived to satisfy the growing need for healthcare professionals, and was identified as a” high impact” initiative on the university and its community, RCU2 leaders had no doubts that the new college would positively affect the institution. One of the Vice Presidents expected the new college to succeed for two reasons. One, the academic programs offered by the College of Health would increase local communities’ access to the distinct and relevant educational experiences; this aligned with RCU2’s mission as an educational institution. The second was the positive effect on the communities that RCU2 served through providing workforce for their healthcare needs.

Leadership’s optimism about the future of the new college was catalyzed by the Strategic Enrollment Plan. This plan was expected to financially sustain RCU2 as well as to attract relevant demographic of potential students.

As RCU2 leaders started to develop the measurements of potential success of the College of Health, they focused they attention of several indicators. Leaders were sure they would need to track the employability of college’s graduates as well as how their return to the regional communities as professionals would impact the health of the local populations. Accreditation of the new educational programs would also indicate success. Last, but not least, the wellbeing of the RCU2’s own students would be a meaningful measurement of the College of Health positive impact.
Chapter 6. Analysis of the Findings

The purpose of this study was to learn more about regional comprehensive universities’ (RCUs) strategic responses towards their external organizational environments, strategic decision-making processes leading to those responses, and the influence of the leadership’s understanding of the organizational external environment over the RCUs’ strategic responses.

The study included two universities: RCU1 – a public university, a part of the state higher education system, and RCU2 – a private not-for-profit university. As the sampling strategy outlined in detail in Chapter Three, regardless of the different sectors the universities represent, they are very similar in their missional characteristics: universities are of the same size, located in the same state, serve essentially the same demography of students, focusing on groups underrepresented in higher education, and both are Hispanic-serving institutions.

The following discussion relies on the theoretical guiding perspectives used to design this study. The analysis reveals how the organization of the strategic decision-making in the two cases corresponds with the theoretical models of SP and environmental scanning. While SP models prescribe to think about the organizational environments macro-contextually (seeing the organization included in the larger socio-economic context), prospectively (working towards the future of the organization), and routinely (beyond organizational crises), sensemaking theory suggests that in reality people make sense in the opposite way (for details see Brown et al., 2015; Kotler & Murphy, 1981; Peterson, 1997; Weick, 1995). The chapter discusses how this contradiction influenced the strategic responses in the two RCUs (Weick, 1995).

The two cases revealed that the RCUs’ presidents and their cabinets took very different approaches towards creating their strategies and enacting strategic responses.
What follows is the comparison of those attitudes. The discussion in this chapter is organized deductively: it starts with illustrating the differences in the framing of the strategic responses as a summary of the approaches the two institutions pursued. The discussion further focuses on the structure and procedure of the SP processes the leaders implemented. After that, the discussion turns to the environmental scanning and analysis tools senior leaders used and the influence these techniques had on the leaders sensemaking of their respective organizational environments. The chapter concludes with a discussion on the place of this study's findings in extant knowledge about the SP in HE phenomenon.

The study's theoretical framework and, therefore, the following analysis was based on the guiding perspectives that emphasized the role of the external environment in senior leaders’ sensemaking for the SP process. In other words, extant literature suggested the ideal model of strategy creation, describing what institutions “should” do. The significant restrictions brought by the COVID-19 pandemic on my access to the institutions, data collection, and final sample (discussed in detail in Chapter Three) led to the inclusion of one institution (RCU2) that had fully engaged in the work with the external environment during its SP process, and one institution (RCU1), where leaders did not do such work due to their internal organizational situation. The following analysis scrutinizes both cases through the theoretical framework of the study and reveals that due to RCU1 leaders’ focus on internal issues they produced a strategy irrelevant to the external environment.

In spite of that, it is important to acknowledge that the RCU1 President made a wise strategic choice to use SP to start a shared conversation in organizational circumstances they had. First of all, they were a new President, who had to introduce themselves to the campus community in order to be able to execute strategy creation in
the future. In addition, as RCU1 is a public institution funded mostly by state appropriations, it was not under immediate financial risk even if it did not effectively respond to the challenges presented by the external environment. Finally, the President inherited an institution in a challenging situation of a decade long dysfunctional relationship between the senior administrators and faculty. RCU1’s community was not ready for the discussion about its inclusive into the larger environment future. The President made the best choice in the situation to use SP - that was expected from them as a new leader - to restore relationships with the faculty first.

While from the study’s theoretical framework perspective (please see Figure 3) RCU1 did not organize an environmental scanning and SP process in a way that would produce an externally relevant strategic response, it does not mean that the President did not make an appropriate strategic choice. It is important to highlight that while the following analysis looks at both cases from the perspective of the ideal SP model suggested by extant literature, RCU1’s President chose a different path: they decided to restore the relationship on their campus first, making the focus on externally relevant strategic response less important at this moment for the university. RCU1’s President understood that ideally, SP should be concerned with the organizational future within its external environment and made the effort to make the conversation as prospective and macro-contextual as possible in these circumstances but allowed the process to be dominated by the internal organizational focus.

**The Framing of the Strategic Responses**

The two cases of RCUs included in this study demonstrated different framing of their strategic responses. In particular, the cases showed how differences in leader’s sensemaking during the decision-making process led to disparate strategic loci. RCU1’s senior administrators mostly focused on institutional challenges and aspirations due to
challenging organizational circumstances and as a result employed a strategy that did not give enough attention to the outside world. In contrast, RCU2’s leadership employed a more connected with organization’s external environment strategy.

RCU1’s predominantly internally focused strategic decision-making, informed by micro-contextual sensemaking (focusing on the internal organizational affairs rather than on the external context) obscured the connection between the challenges the university faced, its external organizational environment, and the resulting strategic response. As the case explains, RCU1’s major challenge was its over-enrollment, as the campus was historically committed to accepting all applying students, which was more than it was supposed to enroll. Therefore, the state was only subsidizing the tuition fees, not the full cost of education for those students over the defined enrollment numbers. While the challenge of being over-enrolled was a result of broader environmental conditions, they were not clearly articulated in the strategic documentation or the conversations. The plan offered no data explaining how far into the future over-enrollment was predicted to continue or the reasons for that. The strategy also failed to acknowledge demographic changes, especially the anticipated decrease in the numbers of potential enrollees at the state and national levels, as RCU1’s local high-school graduates pool was not projected to change. There was no discussion on how the competition from other California HEIs and universities from other states, would affect the availability of high-school graduates for RCU1.

RCU1 focused its SP process on institutional aspirations rather than on the external conditions. In other words, the leaders employed micro-contextual sensemaking due to the limitations discussed above, which made RCU1’s major strategic response less targeted towards addressing the surrounding reality. While the decision to stay non-impacted (to prioritize student access over the increase of the admission standards and
to accept all the students who apply) was, in fact, a strategic choice, it was conditioned by the internal organizational aspiration of the university community to remain student-centered, which, as the case explained, was one of the strategic goals. While this was an altruistic and missional choice, it could potentially make it harder for the university to remain relevant to the external environment. Having fewer financial resources and more students simultaneously could potentially strain the university operations and call for more strategic choices. Similarly, regardless that the low ROI on RCU1 degrees was externally conditioned by national trends, the university’s strategic response via launch of the career readiness initiative was still a result of the micro-contextual logic. While the leaders recognized the deficiencies in students’ skills might compromise opportunities to succeed in the labor market after graduating, they responded to this challenge tactically, by launching a set of short courses students were supposed to take. While this tactic response provided students with additional skills to use alongside the existing degrees, it did not strategically question the relevance of the degrees themselves and their alignment with the future external environment. While RCU1’s Strategic Plan mentioned that the university aspired to create new multi-disciplinary academic programs that would be relevant to evolving skill sets, the Plan never explained for which emergent industries or fields these products would be tailored, nor did the document described how the design of the new degrees would be different from the existing ones. In addition, the interviews with the RCU1’s leaders did not reveal any strategic bets on degrees in particular industries or the initiatives that were launched in response to the developments of the new professions. It is possible that it will happen in the future, as the Strategic Plan will be in place for several more years.

As the university’s Strategic Plan had many priorities, senior leaders struggled to identify a dominant challenge, initiative, and strategic focus. There was no evidence on
their shared opinion to which challenge in RCU’1 external environment their strategy was predominantly responding.

The connection between challenges RCU2 faced, its external organizational environment and its strategic response was, in contrast, obvious, representing *more macro-contextual and prospectively focused sensemaking* which informed the strategic decision-making. RCU2’s leaders involved in the SP process clearly identified the approaching decrease in the numbers of high-school graduates, the cost of HE in the US, and the future regional workforce needs as three external challenges which framed their strategic response. They paid attention to the future place of RCU2 in its larger context when developing strategy which supported the production of a response more targeted towards the particular issue in their external environment. As the case explains, RCU2 saw a future need of the regional workforce in its larger environment, which led the leaders of the SP process to conclude that they should create a College of Health in response. Together with smaller initiatives the College of Health supported the realization of the RCU2’s mission of providing relevant and distinct educational experience.

During the interviews, RCU2 leaders readily described the same challenges their university had, suggesting a mutually developed conversation on difficulties faced by the institution.

**Strategic Decision-Making Configuration**

Functionally, the universities used their SP processes in two different ways. RCU1 deviated towards having SP process as a means of starting a shared conversation with the university community after a long-standing conflict between faculty and management and agree on the strategic direction (SP process as a buy-in tool). RCU2 utilized the SP process to gain a better fit with external environment, organizing it closer
to the model that extant literature suggests. Both universities used upcoming accreditation as catalysts for their SP processes.

Instead of achieving strategic fit with the external environment, in RCU1 strategic planning was predominantly a means to achieve buy-in from the university community, which could have been an appropriate choice at the time. A possible reason for this was the history of dysfunction between administrators and faculty, which had lasted through the administrations of the past two university presidents. This type of SP usage is consistent with existing literature on the deviated use of strategic planning as a result of institutional forces of shorter presidential tenures and corporatization of the academia (for details see Ginsberg, 2011; Selingo et al., 2017). It is possible to assume RCU1’s new President saw the limitations of their campus community to engage in the SP process and decided to use the process to build trust between faculty and administration first. This conflict and the use of micro-contextual sensemaking led RCU1 to a more internally focused, reactive, and retrospective strategy. Similar to the framing of strategic responses, it was evident that RCU1’s strategy focused more on the internal affairs of the university (faculty aspiration to remain a student-focused institution) and was reacting to the previously existed condition of being overenrolled, rather than proactively looking for new opportunities.

In contrast, RCU2 used its SP process to achieve a better fit with the future of its organizational external environment. In other words, senior leadership employed contextually focused, proactive, and prospective strategic decision-making processes. They envisioned their institution within the larger region and proactively sought opportunities to support local industries and communities. When the potential need for healthcare professionals was identified, RCU2 leaders acted upon this projected future environment. In keeping with literature on the subject (for details see Kotler & Murphy,
RCU2 used its SP process in a way optimized to increase organizational performance and chances of survival. In addition, RCU2’s leaders proactive approach towards their external environment is consistent with the current theoretical developments of the new institutional theory, that suggests that leaders are the subjects of change and are capable of influencing their surroundings, not succumbing to them (for details see Peterson, 1997; Scott & Kirst, 2017).

Both universities employed a two-stage process to create their strategies, which consisted of 1) SP and 2) monitoring the execution of the Strategic Plan. In both cases the SP processes resulted in successful ratification of the Strategic Plans. The RCUs differed somewhat in the connection of their respective SP processes with other scopes of strategic decision-making. In RCU1, a comprehensive description of the strategic decision-making beyond the SP process was not evident; there was no clarity on how the Strategic Plan correlated to the previously existing Campus Master Plan. The Academic Master Plan was not yet developed, so its role in the Strategic Plan was likewise not established. In contrast, RCU2 included its Strategic Enrollment Plan to work with the changing demography in support of the SP process. The previously established Campus Master Plan and Fundraising Plan served as foundational parts for the new Strategic Plan. However, similarly to the RCU1, RCU2 has not yet developed an Academic Master Plan.

**Strategic Planning Leadership’s Continuity, Organization, and Role**

In both universities the SP process was led by the President and their executive team. The difference was in the relationship of the leadership tenure durations and the continuity of strategy. The Presidents’ predispositions for the SP process were different and indicative of the administration and faculty relationship. In RCU1, the President
started the SP process shortly after assuming office; it was their first iteration of strategy creation in this institution. While the President was very experienced in leading the SP process from their previous jobs in HE leadership, they had to do it amidst the existing conflict between faculty and administration. In addition to the new President, almost all members of the cabinet were new to RCU1.

On the contrary, the President at RCU2 led the second SP process during their tenure in this university, after successfully completing the first SP process as well as delivering results promised by it. In addition, the Cabinet and the Board (which was very influential in RCU2’s SP process) members remained largely the same. This leadership team previously gained approval from the campus community by demonstrating its capability for creating the strategy. It allowed them not to spend time on persuading the campus to participate in the SP process, but to focus on the development of the strategy.

This discrepancy in tenures defined in part the continuity of RCUs’ strategies. RCU1’s previous strategy was associated with the existing conflict between the administration and faculty and was sitting on the shelf. Once the new President arrived, they had to “hit the reset button” and could not use the previous strategy for political reasons. Hence, the new SP did not continue the strategic work of previous leaders. In contrast, the RCU2 leadership started their SP by analyzing its previous iteration and deciding what must continue or be abandoned. The second SP crystallized RCU2’s decision to invest in the creation of the College of Health. Before becoming a strategic choice, the conversation about participating in the healthcare industry had existed for many years, as a vague idea during the first SP process and as a topic of discussion between the President and the Board. It took RCU2 approximately six years to arrive at this level of clarity regarding their future. This amount of time is less than the average presidential tenure duration in universities focusing on bachelor’s degrees production (for details see
(Gagliardi et al., 2017). Logically, the current average length of the presidential term might be just long enough to articulate a relevant strategic response, but not to execute it and see the results.

**The Role of the President**

Both Presidents were essential drivers for their respective SP processes. Experienced in strategic leadership processes, they clearly owned the agenda for the strategy creation. However, the Presidents had very different campuses to operate in, and were at different points in their tenures at those universities. This partially conditioned how they distributed their energy during the process.

RCU1’s President spent a significant amount of energy on persuading the campus community to engage in SP; as the case notes, the university leader received a campus “frozen in time”, which was a significant obstacle for starting the future-oriented, envisioning conversation. In RCU2, the President already had the buy-in from the campus community and could concentrate more on the content of the strategy. It also allowed the RCU2’s leader to suggest a bolder move – the opening of the new college. Even with the support of the campus, the President had to work with some faculty members who were apprehensive that the new college would reroute the financial resources away from them.

In addition, RCU1’s President had to spend time building the collaborative strength and shared knowledge of their recently formed Cabinet; most of the members took Vice Presidents roles for the first time in their careers. This necessity took away the time that could have been spent developing strategic content. RCU2’s President had already spent time forming their Cabinet and during the SP process had a more mature leadership team so the President could fully rely on their strategic expertise.
Lastly, the role of the personal knowledge of both Presidents played a noticeable role. RCU1’s President recognized the importance of the shared across-campus conversation in moving the institution forward and saw that as an essential step in resolving the existing conflict. The role of the RCU2’s President started from the very beginning of their tenure by bringing the very definition of strategy to the university: they were clearly articulating that if only to survive RCU2 should work with the future.

**The Role of the Governing Body**

While the influence of the universities’ governing bodies was evident, it differed significantly in its intensity and content. RCU1 had full autonomy over its strategy. The university’s governing body influenced SP process indirectly. The system's office expected RCU1 to participate and succeed in broad system-wide initiatives, such as one designed to increase the graduation rates across all campuses. The initiative was tactical in nature, aiming to increase the levels of one of the key operational indicators, therefore it did not influence the RCU1’s strategic direction in any way. On the other hand, the scope of these initiatives might have been an influence on the resulting RCU1’s Strategic Plan to have such broad strategic goals that they were able to incorporate the mentioned initiatives.

The role of RCU2’s Board of Trustees was direct and manifested in two ways. First, via its authority, the Board of Trustees assumed a very active role in every step of creating strategy. Its members advised and eventually ratified every piece of the strategy: vision, mission, themes, goals, and, finally, the plan. In addition, via the expertise of its members, healthcare industry professionals, the Board directed the organizational strategy towards the creation of the College of Health. The strong and direct influence of the Board was crucial for RCU2’s strategic focus on a particular need in the external environment. However, it could have directed the senior leaders’ attention away from
other industries as the healthcare profession was represented by the majority of the board members.

**The Role of Organizational Structure**

In both cases, the presidents made changes in their organizational structure to support the SP process: they hired a new upper-management leader and created corresponding organizational units. However, their choices assigned different types of authority and responsibility.

RCU1’s President chose to create a new Vice President for SP position with full authority over the SP process. In addition to the SP process, the new Vice President was charged with leading the enrollment management, innovation, and institutional research. In contrast, RCU2 hired a Director of the President’s office, who’s primary task was to lead the SP process via collaboration across the senior leaders, the President, the Board, and the organizational units instead of having authority over the participants. Later in the SP process, a new Vice President for Enrollment was hired and charged with the creation of the Strategic Enrollment Plan.

While both SP processes were finished successfully, the concentration of several crucial to the SP process functions in the hands of a new Vice President in RCU1 could have produced the workload too big for a single leader, a common problem referenced in the extant literature (for details see Birnbaum & Eckel, 2005; Montez et al., 2002; Selingo et al., 2017). In contrast, the fragmentation of leadership functions in RCU2 allowed the creation of a full Strategic Enrollment Plan to support the Strategic Plan. Functionally separating the Vice President for the Enrollment from the leadership of the SP process also allowed RCU2 to invest more resources in working with institutional data. RCU2 leaders created the data governance structure to develop shared data
language across the university and to take the traditional institutional research function to the next level of predictive data modelling and analysis and intensive market research.

**Strategic Planning Process Inclusivity**

The senior leadership’s efforts to make their SP processes as inclusive as possible were very visible in both cases. The striking difference was in the Presidents’ and, consequently, the Cabinets’ approaches to the distribution of responsibility, which influenced the scope of strategic focus. Nevertheless, both campuses received complaints from faculty about not being heard.

As the case makes clear, RCU1 leaders needed to involve as many university representatives as possible to start a shared conversation after years of disagreement, and productively envision a commonly supported organizational future. The new President and their Cabinet did not want “to rock the boat” and tried to include everyone’s idea in the new plan. The crowdsourced ideas at the heart of the SP process were likely one of the reasons RCU1 ended up with an unfocused Strategic Plan, creating too many strategic priorities, which Vice Presidents were unable to execute.

On the contrary, having already executed the first iteration of the SP process and built the relationships with the university community, the RCU2’s seasoned President did not need to focus on starting the strategic conversation and could be more proactive. The leaders drafted initial strategic ideas that would increase organizational survival and sought the opinions of the university community about those choices. The President clearly stated that they and the Board would make decisions and that the campus community should provide as many recommendations as they could. The trust already earned from the university community and placing the identification and response to the external condition at the foundation of the process helped to create a focused strategy.
Strategic Bets vs. Organizational Aspirations

Another crucial difference that influenced the level of strategic focus lay within the framing and articulation of the main SP process question, either internal or contextual. RCU1’s strategic planning leaders started the process with crowdsourcing and designed the question for their community through internal organizational lenses. Due to their organizational challenges, leaders possibly meant this question as an “icebreaker”. Faculty and staff were asked to describe their aspirations for the university, as if there were no constraints of any sort. As a result, RCU1 leaders received a list of personal ideas to choose from. In an attempt to carry out an inclusive SP process, they had to be careful about including all the voices and in turn ended up with a less focused Strategic Plan.

RCU2 leaders started the SP process with analysis of their previous Strategic Plan and identification of the external factors that could shape the university’s strategy. The President hired a consultancy company to articulate potential development for the university by asking the question: “What will the region’s workforce needs be 30 years from now?” Collectively with the Board, they strategically bet on the healthcare industry’s future needs, and only after that the SP Task Force shared the drafts of the strategic vision and themes with the university community seeking their opinions, after developing initial concepts. Having identified the potential strategic bet before asking for recommendations from the university wider community, RCU2 achieved a more targeted and focused strategy connected to the external environment.

As a result of different approaches that the universities took along the way, the documents containing their strategies were representative of their levels of strategic foci. RCU1’s strategic plan is twice as long, listing unprioritized strategic goals, objectives and more than a hundred strategies (in fact tactical actions), that the university planned to
execute. RCU2’s document - Strategic Vision - contained strategic goals and some examples of prioritized initiatives to realize them. The document also had examples of tactical actions that the university planned to take for each type of the initiative.

**Strategy vs. Planning**

The cases revealed disparities in the way leaders understood and defined their strategic work, which was clearly represented in the language they used. In RCU1’s leaders statements planning dominated over strategy and was conflated with it. Leaders mostly used planning terminology instead of strategic terms. When talking about the SP process or the resulting document, the word “strategic” was often skipped, leaving “planning” and “plan” used the most. The separation of the “strategy” and “plan” in the speech was not evident. This conflation was partially conditioned by the fact the senior leaders did not have a clear definition of “strategy”, or at least a shared language about it. When asked to define “strategic”, RCU1’s leaders offered technical explanations of internal planning issues, such as of the process of how goals were operationalized and how targets, baselines, and timelines were assigned. Another way they understood strategy was by seeing it as a collection of institutionalized organizational policies. The absence of clear definition of strategy in the leadership team could have been the reason to opt for the more common practice in HE SP processes. In particular RCU1’s leaders decided to crowdsource the aspirations from the university community, to choose strategic goals from the emerging themes, and to focus more on the planning and execution of the plan instead of creating the targeted strategy that fits the external environment better.

RCU2 dedicated more attention to the strategy and supported it with planning. In particular, its senior leaders employed a clear distinction between strategic levels. They produced a Strategic Vision document, which included strategic vision, high-level
aggregated themes, goals, and initiatives. Later, the Strategic Plan was placed in a separate document, assigning tactical actions to responsible parties in order to achieve the Strategic Vision. While the expertise of the Board was very influential in defining strategy as a multi-level endeavor, RCU2’s President had a clear idea how to define “strategic” from the beginning of their tenure. They communicated to the university for many years that, in order to survive, the university had to be distinctive, relevant, and competitive. This approach largely defined the leadership team’s understanding of the strategic work. Over the years, one of the leaders took the conversation on to the next reflective level. They started to wonder about the distinction between the “strategic” and the “opportunistic”, which is not only indicative of the ongoing discussion on the subject among the senior leaders, but importantly its evolution.

The behavior patterns expressed by RCU1 regarding the strategic terminology and definition are consistent with extant research on HE practices, which describes HEIs substituting planning for strategy (for details see Eckel & Trower, 2019). RCU2, in turn, suggests a definition of strategy developed from the theoretical literature on SP models in HE (for details see Kotler & Murphy, 1981; Morrison et al., 1984; Peterson, 1997).

**Strategic Planning Processes and the Conceptual Logic of the Study**

When strategic decision-making processes implemented by both universities were compared with the overall conceptual logic of the study (please see Figure 3), the differences in how well each case fit into the theoretical framework were clear. RCU2 incorporated most of the features suggested by literature as leading to the successful strategic response. As discussed in Chapter Five, RCU2 leaders made sense about their environment macro-contextually and prospectively, and the President was personally committed to the thorough environmental scanning. This allowed RCU2 to produce a Strategic Plan that responded to the real problem in the external environment of the
university and had all the necessary components that literature suggests, such as a clear timeline and responsible parties.

In contrast, while RCU1’s President had an understanding what an SP process should ideally deliver, they were constrained by the internal organizational situation at the university. The long-standing conflict between faculty and senior administration as well as limited mid-level management skillset of the administration and academic community to engage in such an exercise, catalyzed the Presidents’ choice to use SP differently. Instead of implementing the strategic decision-making process that would conform to the theoretical framework derived from the extant literature and deliver an externally relevant strategic response, they chose to utilize the SP process to repair broken relationships on campus first. While RCU1’s President did not do what extant literature suggests, it could have been a wise strategic choice for RCU1. Without solving a long-standing conflict, it probably was not possible to have an honest conversation about building the future together. This finding from RCU1 highlighted an important disconnect between the institutional forces in higher education and organizational realities in some cases. Incoming university presidents are expected to own and create a new strategy for the institution; it is one of the major indicators these leaders are evaluated upon. The reality of the RCU1 showed that instead of putting the strategy creation on hold and solving the internal conflict first through means disparate from SP, the President had to combine the two processes together, which partially helped to resolve the existing conflict but did not deliver an externally relevant strategy. This, in turn, raised concerns about how reasonable it is to put pressure on educational leaders to create a new strategy every time they assume office. As the average presidential tenure might not be long enough to create, execute, and see the results of the SP, the case of RCU1 underscores the need of tailoring this process to work in large organizations with
complex governance structures and often conflicting purposes of faculty and administrators.

**Making Sense of the Organizational Environment During Strategic Planning Process**

While both universities organized two part SP process starting by performing an environmental scan and then switching to the articulation of strategy via conversations with the university’s community, they developed different tools to do it.

**Concept of the Organizational Environment**

On the conceptual level, the leaders in both universities mostly saw their external environments through geographical lenses. There were differences in details, however. RCU1’s leaders generally envisioned their geographic region as a catchment area: the surrounding geography providing the most of their incoming students. Their focus was on the point where the “region” flows into the “university”. They also saw the university as a partner to the local community. Leaders desired the exclusion of factors, which could endanger RCU1’s ability to carry out its mission, to be the student-oriented university. In addition, some leaders mentioned that the external environment was not a part of their everyday thinking due to their workload. RCU2’s understanding of their geographic region was based on the “brain remain” idea. This meant that university expected its graduates to return to their communities with new knowledge, instead of leaving the area. RCU2’s leaders’ focal point opposed RCU1’s in direction and was on how “university” flows to the “region”. RCU2’s leaders similarly wanted to exclude from their external environment conditions that were not pertinent to the university’s mission.

While geographic regionality was the dominant component of the universities’ understanding of the external environments, RCU2 leaders demonstrated a more
proactive agenda towards their surroundings. Their actions were consistent with the extant New Institutional theory literature suggesting that organizational leaders must shape their environments through strategic responses in order to be successful (for details see Doyle, 2018; Oliver, 1991; Peterson, 1997; Scott, 1995).

**Tools That Shaped Leaders’ Sensemaking During the Strategic Decision-Making**

The study used two theoretical perspectives to understand how leaders make sense of their environments to create strategy: strategic planning models (for details see Kotler & Murphy, 1981; Morrison et al., 1984) and sensemaking theory (Brown et al., 2015; Smerek, 2013; Weick, 1976). The simultaneous use of the two perspectives revealed that the approach productive for the strategic decision-making: prospective, macro-contextual, and routine opposed the way people usually make sense of their surroundings. The findings from both cases showed that the tools leaders used during their respective processes of strategy creation partially conditioned their sensemaking about their organizational environments. In turn, the ways in which leaders thought about their environments affected the resulting strategies and organizational responses. RCU1’s leadership employed retrospective micro-contextual sensemaking which led to an internally oriented reactive Strategic Plan. In contrast, prospective and macro-contextual sensemaking allowed RCU2 leaders to create the strategy, which increased the fit between the university and its external environment.

**Retrospective and prospective sensemaking dichotomy.** The two universities’ senior leaders used different tools that influenced their sensemaking in terms of relationship to the future (please see Appendix B for the full list of tools universities used to engage with the environments). RCU1’s leaders leaned towards retrospective sensemaking, as the university community did not want to engage in
organizational change due to the existing conflict and preferred to continue as is. Certainly, leaders experienced difficulties with engaging the employees in a future-oriented conversation. While the leadership team understood the importance of prospective thinking, they crowdsourced the community aspirations using a very broad prompt question as a tool to scan their environment. It was a reason that leaders mostly made sense about their environment retrospectively.

RCU2 leaders leaned more towards prospective sensemaking via the environmental scanning tools they chose as they operated the campus where they were already trusted by faculty. They used a report on the future of the regional workforce needs, conducted the literature review on the future issues in HE, and carried out visioning sessions with the university community.

**Micro-contextual and macro-contextual sensemaking dichotomy.** RCU1 leaders’ consideration of their environment was dominated by micro-contextual perspective. They used a SWOT analysis, a traditional tool for SP. Even though opportunities and threats in this analytic tool are supposed to represent the external (macro-contextual) perspective, it has a strong internal organizational framework. In other words, people articulate opportunities for the university, relying on the strengths and weaknesses of the organization, which limits the understanding of the external conditions. As micro-contextual sensemaking dominated, not surprisingly the share of tools university had to look at the internal environment constituted a larger share of all the environmental tools used in strategic decision-making.

In contrast, RCU2’ leaders tried to use tools that allowed them to look outside first. The consultancy report focused on the future of the region - an object larger and beyond the university itself. Similarly, the literature review explored issues pertinent to the nation, not specifically to California or even a smaller scope, highlighting their
intention to make sense macro-contextually. Even after the decision to create the College of Health was made, leaders heavily relied on the opinion of the Health Council, consisting of people external to the university.

**Occasional and routine sensemaking dichotomy.** This dichotomy was the only case of both universities making sense in a similar way through the environmental tools they used. First, both leadership teams used similar routine tools to constantly make sense of their respective internal organizational conditions, such as academic and organizational unit review. In addition, both teams employed occasional tools to understand their external environment at a particular moment of time during the SP process: the SWOT analysis and literature review. Interestingly, they used routine tools for the external environment beyond their SP processes, a part of RCU1’s academic program review on competition from other universities and predictive modelling in RCU2. Lastly, in both cases leadership teams developed a variety of very similar occasional tools to contribute to their understanding of the external environments, such as conferences or participation in professional groups. RCU2 here took a more proactive approach. For instance, they purchased high-quality data reports and requested employees returning from conferences to report on their learnings.

While extant literature suggests it is beneficial to have a formalized routine environmental scanning (for details see Hearn & Heydinger, 1985; Morrison et al., 1984) neither university did it. The authors stated that having a routine scanning of the external environment installed into the institutional structure of an HEI is essential for the SP process. They suggested to carry out this activity through a permanently existing interdisciplinary group of high-level leaders representing key university’s functions and delivering actionable datasets to the HEI’s executives (for details see Hearn & Heydinger, 1985; Morrison et al., 1984). Environmental scanning was performed within particular
SP processes and was not institutionalized into a formal, repeated practice. Nor did the universities formalize the contributing forms they developed to make sense of the external environment, which could have served as a foundation for formalized routine environmental scanning.

**Monitoring of the Execution of the Strategic Plan**

Both RCUs had a variety of periodic meetings as a form to discuss their progress on the Strategic Plan in the case of RCU1 and Strategic Vision for the RCU2. In both cases the Presidents’ Cabinets met regularly to track the progress. The only difference in format was that RCU2’s Presidential Cabinet had its own regular meetings, and also participated in quarterly meeting with the Board of Trustees, strengthening the process through the participation of external experts. In the case of RCU1 the governing body was not a part of regular monitoring meetings.

While the format for monitoring the strategic plan was similar, the documents to keep track of the plans differed in their effectiveness. As cases represented, RCU1 had a somewhat unmanageable “clunky spreadsheet” as a result of having many non-prioritized strategic directions. On the contrary, RCU2 had their initiatives prioritized by the impact level in the matrix with corresponding actions, responsible parties, progress made to date, and progress towards the Strategic Vision.

Importantly, although the monitoring of the Strategic Plan or Vision was present in both cases, the routine evaluation of the strategy itself was missing. After ratifying the strategy, senior leaders concentrated on its implementation and did not establish formalized mechanisms for routine scanning for changes in the larger organizational external environment and evaluation of the current strategy against those factors.
Working Towards Success

The implementation of the strategic responses was in different stages across the two cases at the time of the study. RCU1 had already seen positive results from the decisions they made, while RCU2 was still in process of launching the new College of Health. While the results were satisfactory for the leaders, the level of confidence they expressed was different. RCU1’s leaders were less sure that their initiatives would lead to the results they wanted, possibly because their response was reactive and less focused. Their decision to remain a student-centered university was a very broad goal, and could be affected by many unpredictable factors. RCU2 leaders were absolutely sure of future positive results, as they were responding to a very particular external condition, were aware of their potential competition, and knew they had enough operational resources to support the strategic response. This knowledge limited their exposure to unpredictable influences.

As the two universities had articulated challenges with different foci, logically their leaders ended up using different indicators to measure success. RCU1’s leaders looked at internal measurements such as retention and graduation rates as their strategic response was conditioned by micro-contextual sensemaking. RCU2’s leadership planned to measure the success of the new college by a combination of indicators, including macro-contextual ones: for instance, the impact of the graduates to work on the community health as particular kinds of healthcare professionals.

Was it Enough to Produce an Externally Relevant Strategy That Moves the University, Higher Education, and the Nation Forward?

While both leadership teams succeeded in producing strategic responses through executing the SP process, they both had further opportunities to increase the effectiveness of the strategy creation.
RCU1’s leaders did all they could to start the conversation with the university community in the organizational conditions in which they operated. However, RCU1 might have been in a need for another iteration of the SP process if the leaders wanted more focused and fitted with the external environment strategy. If the institutional forces would affect RCU1 in a way that the President would change before the current one started the second iteration of SP, the leaders would have to find mechanisms to allow strategic continuity into the future.

RCU2’s strategy might benefit from the leaders evaluating two issues. First, as healthcare industry will continue to demand labor in the foreseeable future, it was possible that many other HEIs would have a healthcare-related educational product. While this factor did not affect RCU2’s strategic relevance or competitiveness in the short term, it might compromise the institution’s distinctiveness in the future. Therefore, the leadership might need to describe or develop mechanisms allowing them to reproduce the “distinct, relevant, competitive” strategy creation process without having the Board expertise as they did with the healthcare industry. Importantly, as RCU2 leaders had already developed an externally relevant and future-oriented strategy, they could take it to another level: from responding to a future need to enacting one. To accomplish that, the university would need to switch from a “service” position of helping industry, the community, and the region to a position of “leading the regional future”. This could be done through forecasting new potential industries or cross-industrial collaborations and trigger their development in the area by creating educational products for them.

The two cases demonstrated disparate strategic responses and demonstrated how far into developing an externally relevant strategy each university was. The study showed that by using an internal SWOT during the SP process and “on-demand” environmental
scanning as issues arose was not enough to produce a comprehensive yet focused and externally relevant strategic response. In contrast, this attitude resulted in a reactive response towards the environment. For instance, the decision to stay non-impacted came more from the internal aspirations of the university to be a student-focused institution, than from the reality of the outside world of changing demography, economy, and industry.

RCU2 benefited significantly from the leadership continuity and President’s focus on the future, which resulted in more developed environmental scanning set of tools the leaders used and, therefore, the more externally relevant strategic response they produced. RCU2 demonstrated that having an externally and future oriented process to make sense of the organizational environment paid off in having a more focused, externally relevant strategy. While RCU2 had potential for improving their SP process, it showcased that making strategy creation a macro-contextual and prospective process through available environmental scanning and analysis tools was the beneficial way to think about the organization’s strategy, its future survival, and its role in the regional, state, and national development.

**Study Findings in the Broader Context of Strategic Decision-Making in Higher Education**

The study’s findings revealed that the environmental scanning and analysis tools and techniques university leaders used during the SP process partially influenced the way they made sense about their respective organizational environments, which, in turn, modulated the scope and direction of the strategic responses. RCU1’s choice of internally oriented environmental tools, such as the SWOT analysis and crowdsourcing from the university community, which was conditioned by the challenging internal organizational situation, made micro-contextual sensemaking more influential during the SP process.
In the same vein, RCU2’s choices to use an industry report, literature review, and a committee of external experts brought the macro-contextual sensemaking to the fore. The different scopes of the leaders’ sensemaking explained some of the differences in how resulting strategic responses were connected to the universities’ external environment. When micro-contextual sensemaking dominated, the response was more insular, focusing on the university itself. In the case of RCU2’s macro-contextual sensemaking, the resulting strategy was targeted towards a particular condition in the external environment.

The study helped to shed light on the fact that the types of senior leaders’ sensemaking during the SP process, their tenure durations, and relationships with the university community partially influenced the overall use of the SP process in HE. A combination of a new leadership team and existing conflict between the administrators and faculty triggered the use of internally focused environmental tools and allowed RCU1 to partially resolve the conflict by starting a shared strategic conversation. However, the SP process was not utilized in its original theoretical function to gain organizational fit with the external environment and deviated to the “buy-in” usage. In contrast, RCU2 had a leadership team, which had served at the university through two SP processes and already gained trust from the university community and was able to use the SP process as recommended by the literature. This finding also demonstrated that organizational strategy is a “long” endeavor, taking up to 10 years to articulate a single strategic bet. This study contributes to extant literature by demonstrating the ways in which shortening university presidential tenures could be the reason why senior leaders avoid long-term initiatives in favor of the speedy results in the organizational strategies (for details see Gagliardi et al., 2017; Selingo et al., 2017). While researchers still debate the negative consequences of longer presidential tenures, this study showed a case in which
the enduring tenure of the president and their cabinet allowed the university to develop a strategy relevant to the external environment, potentially increasing the institution's chances of survival.

The findings provided partial evidence on the occasional (crisis) use of SP as described in extant literature (for details see Kotler & Murphy, 1981). While both Presidents started a new SP process after assuming offices, the study’s finding on the RCU1’s are not representative on the crisis use of the SP phenomenon. This is because at the time of the study, the current RCU1’s strategy was still in place and President did not launch a new iteration, neither RCU1 got a new President to begin their SP process. RCU2’s President started the second iteration of the SP process outside of the crisis, as a logical continuation of strategic work.

From the two models discussed in the literature review, both universities employed SP processes according to the linear model (for details see Kotler & Murphy, 1981), starting from environmental scanning and resulting in the creation of an operational plan. While similar in general design, the use of different tools during the environmental scanning step led to significantly different strategies, suggesting that it does matter how exactly the leaders designed the mentioned tools. The findings did not reveal the use of the circular (continuous) SP model (for details see Morrison et al., 1984), which suggests that having a routine formalized monitoring of both external and internal environments is more effective. While both universities had developed formalized monitoring of the internal environment, no evidence was found of routine formalized scanning and analysis of the external surroundings.

As there were no formalized external environment scanning processes in either case, Presidents’ and senior leaders’ knowledge played a significant role in organizing them. The study revealed that both leadership teams chose different tools to scan and
analyze their external environment; they did not follow a particular pattern, suggesting leaders were using their own understanding of how this process could be done. This, in turn, suggests that HE as an industry lacks a deeper discussion on which tools are effective to scan and analyze the external environment. This is also manifested in extant SP literature, as studies on environmental scanning are dated and rare. While HE practitioners understand the importance of ES, the extant SP practice-oriented literature offers a number of well-known tools, such as SWOT analysis, without more detailed conversation on what environmental scanning can deliver.

In addition, as college presidential tenures are shortening (for details see Gagliardi et al., 2017; Selingo et al., 2017) and environmental scanning processes are not formalized, every new President and their subordinates start designing scanning tools from scratch. This could result in a loss of productivity, organizational knowledge, and lack of continuation of strategy. In addition, as the external scanning processes were not formalized in either case, the study did not provide enough evidence to attribute championship for those actions and establish possible effect of these processes over the strategy formation (for details see Morrison et al., 1984).

The study confirmed that the personal commitment of the university President was crucial to strategy creation, which is consistent with extant literature (for details see Seltzer, 2018). Both presidents were very experienced in HE strategic management and defined major characteristics of the SP process at their respective institutions. RCU1’s President brought a team capable of communicating and creating a strategy and persuaded the campus to participate. RCU2’s President brought the very definition of strategy and the focus on the future to the university’s operation. The Presidents were clearly the drivers of the SP process in these cases, but similarly they relied on a single
senior leader to administrate the SP process, which in one case acted through authority and in the other through cooperation.

The study showed that while the Presidents had similar professional experiences - extensive careers in HE without taking senior management positions outside of it – the choices they made to organize both ES and of SP were different. While extant literature implies that the dichotomy of “inside-outside” HE experiences results in different leadership practices (for details see Gagliardi et al., 2017), important differences might also lie in leaders’ experiences within HE.

Another finding consistent with extant literature demonstrated that data-driven decision-making was the priority for both the Presidents and their Cabinets. However, the sole use of traditional institutional research might not be enough to support prospective, macro-contextual sensemaking, and hence strategic decision-making. Universities might benefit from employing a proactive approach to institutional relationships with data by creating data management systems to supply the institutional research function, such as shared data language, predictive modelling, intensive market research, active acquiring, and the use of the external datasets.

The study also revealed the disparate challenges of thinking strategically for public vs. private institutions. The challenge of being highly tuition-dependent institution catalyzed the strategy creation in RCU2, a private university. Accepting the need to be proactive in order to survive made leaders incorporate all the external experts available and made them work for the university. Once the leaders had the Strategic Vision, they were faced with the challenge of persuading the campus that while the new college would be created, this decision would not negatively affect other units. If not for the very experienced and trustworthy President, this might have been much harder to do. While private universities are more business oriented in terms of their work with
students’ markets to stay financially viable, they still have traditional HE governance structures and academic culture. While challenging, those two worlds need to be connected through the charismatic leadership for the university to act strategically.

The public university in the study, RCU1, historically relied on state financial support and its academic community had a common in public HE less proactive attitude towards organizational future. The new leaders had to persuade their campus to engage with strategy creation. Another challenge is that public universities usually have more stakeholders to attend to and have more expectations from the public as providers of the public good. The pressure to satisfy everyone puts universities’ leaders in a difficult situation in regard to their strategies. Responding to all the aspirations of the university community, the local regional communities, the governing body of the university and city/state governments can be challenging for public institutions’ leaders and can prevent them from creating a focused strategy.
Chapter 7. Conclusion

The Summary of the Findings

Environmental scanning and analysis tools partially conditioned leader’s sensemaking of their organizational environment and, in turn, their universities’ strategic responses. Macro-contextual and prospective sensemaking helped to shape strategy, which delivered a proactive university plan to fit with the future of the external environment. Logically, micro-contextual retrospective sensemaking catalyzed a more insular and reactive strategic response.

Leaders’ work with the internal organizational environment was mostly formalized, while engagement with the external one was informal and occasional. The dominant institutionalization of processes looking at the internal organizational environment might be an underlying factor for HEIs leaders to mostly make sense of their surroundings micro-contextually.

While the SP processes in the institutions included in this study resemble a similar linear model, starting from environmental scanning, articulating goals, and making an operational plan, the crucial difference is in the tools and mechanisms leaders designed to scan the environment, discuss it with the community, and make decisions.

The university leaders’ tenure durations and the relationships between the faculty and the administration partially affected the level of strategic focus. RCU1’s President chose to start their tenure with internally focused SP process first in an attempt to build the relationship with the campus community. In RCU2, the trust earned by the leaders during the previous SP process helped to distribute responsibilities across participants, prioritize strategic goals, and focus the strategy on a particular external issue. Strategic focus was also affected by the design of the environmental scanning tools.
Creation of organizational strategy is a “long” endeavor and its continuation is important for successful strategic response. Diminishing presidential tenures might have an interrupting effect on an organization’s ability to continue the strategic conversation. Institutionalization of the tools, methods, and processes utilized in strategic decision-making could be useful for retaining and using organizational strategic knowledge.

University leaders’ definition of “strategy” and its separation from “planning” was a crucial factor in producing an externally relevant organizational strategy. Having the ten-thousand-foot view of strategic vision, goals, themes and - separate from the strategic plan - a list of tactical actions, provided clarity and helped prioritize initiatives in the resulting strategic documentation.

While literature suggests that many HE practitioners use the SP processes in the times of organizational crises, the study showed that having an opportunity to perform SP routinely, as a logical continuation of the strategic work, did deliver a strategy that creates the better fit with the external environment.

Despite the excessive workload and support of the administrative leaders of the SP process, the presidents’ knowledge, experience, and authority over the process of creating the definition, prospective and macro-contextual orientation, as well as distributing the responsibilities during the SP remains crucial.

**Implications for Higher Education Practice**

Regardless of the general decentralization of authority in the US and the absence of a national HE system in an organizational sense, it is important to remember that all the country’s HEIs are interdependent from a systems theory perspective. Changes in behavior of one institution can affect others. For instance, if there is no direct effect on an institution from the changing demography in its region of service, it does not mean that this market will not be affected by other institutions from different administrative
divisions as their own markets are changing. To create a successful strategy, it is critical that leaders pay attention to the external organizational environment and treat the HE industry as a system across institutional and administrative borders.

It is futile to only look within the university to create a relevant strategy that increases organizational fit with the external environment. Should the internal organizational conditions allow, university leaders need to scan and analyze a larger object outside of their own organization, such as region (geographical, industrial, administrative, demographic, or economy based, whichever way leaders will define it.

HEIs will benefit if senior leaders develop a definition of strategy through macro-contextual, prospective, and ongoing sensemaking. It might help to avoid widespread substitution of “planning” for “strategy” and prevent from failed SP processes or non-executable strategic plans. Doing the hard defining work in the beginning of the SP process can move the SP from something everyone does to be socially acceptable, to an honest conversation between the senior leaders and their community members regarding a way to survive and be relevant to the world.

The macro-contextual, prospective, and ongoing approach could be also useful in designing tools to scan and analyze the environment within and beyond the SP process. While traditional SWOT analysis might be useful, adding specific ways of work tailored to understand the larger organizational context and its potential future, such as foresight work and scenarios forecasting, could be particularly useful.

A single contemporary presidential tenure of just a few years might not be enough to carry out the SP process, execute the strategy, and see its results. To mitigate potential disruption from leadership change, it might be useful to start developing tools, processes, and policies for transferring strategic decision-making from the current president and cabinet to the next ones and allow for the continuation of strategy. The
study provided evidence that there are many tools already available in universities that could be formalized and could contribute to organizational data management.

**Potential for future research**

While the study added to our collective knowledge on the strategic responses in regional comprehensive universities, the organization and leadership of the strategic decision-making that lead to those responses, and how leaders make sense of their organizational environment, it also raised questions for future research.

**Systemic level of higher education as an industry**

The study reiterated findings from previous research that college presidents are overloaded, and that operating and financial issues take their energy away from strategy. In both cases presidents relied on their cabinets and/or special committees and both created a position to lead the SP process administratively. While the study revealed differences in authority and the responsibilities given to these leaders, we need more research to study the relationship between the functionalization of responsibilities among senior leadership and the effectiveness of SP. The HE academic community might also benefit from learning about SP administrative leaders themselves, their professional backgrounds, and what enables them to carry out the SP process successfully.

The academic community will also benefit from learning more about the relationship between leadership continuity and organizational strategy. This study demonstrated one case where unusually long tenures of president and cabinet catalyzed an increase in the focus of a previously existing strategic plan and produced an even more externally relevant strategy. Future research on the state and national levels is needed to understand the interruptive effect of the average presidential and cabinet tenures on the creation and continuation of strategy.
Importantly, the study’s findings on the influence of leaders’ sensemaking during the SP process and resulting strategies creates a possibility for further conversation on how external relevancy of the US universities’ strategies could affect US HE and the nation altogether.

**Organizational level of HEIs**

The study demonstrated difficulties leaders faced when carrying out SP processes amidst conflict between administrators and faculty. More research will benefit higher education’s academic and practice communities if it delivers studies connecting the relationships on campus with organizational strategy.

As this qualitative study was limited to two cases and the results are only partially theoretically generalizable, more research is needed on what conditions help implement successful SP that produces strategic fit with the environment at other RCUs and other HEI types.

Organizational strategy is often one of the work aspects on which the president and other strategic leaders are evaluated, so these questions remain highly sensitive in the eyes of the leadership, which significantly limits access of researchers to sites. More research is needed to demystify SP as an evaluation tool and to help HE practitioners have a relevant definition, process designs, and tools to successfully create relevant to the world strategies. These studies will increase practitioners’ understanding of strategic work as necessary for any organization, but not because it is customary in the industry and professionally beneficial. Creating strategy is difficult, but it delivers a fit with the external environment which drives the development of the university, the region, and the country.

In both cases universities did not formalize external environmental scanning or analysis processes, while extant literature describes its benefits to strategic work.
Therefore, we need studies of HEIs that employed their version of a formalized environmental scanning and analysis process to establish its effect on strategic decision-making.

The two cases demonstrated a different distribution of administrative responsibilities among leaders, showing one case where the SP leader was also in charge of enrollment management and institutional research and another where these functions were assigned to several people. We would benefit from a more detailed understanding of the connection between distribution of responsibilities and effectiveness of SP process.

**Individual characteristics of HEIs leaders level**

The cases in this study presented different definitions of strategy and ways of communicating it to other senior leaders and campus communities. However, we need more research looking at a larger number of HEIs to develop a better understanding on a variety of ways leaders define strategy and which factors influence this work.

This study showed two presidents with long standing careers in HE, and the different SP approaches they chose. We need to explore in more detail the connection between previous professional experiences and strategic decision-making models, processes, and tools in larger populations of senior HE leaders.

While this study focused exclusively on the RCUs as an institutional type, the questions for strategy creation and making sense of the external environment are relevant topics across the HE industry. Therefore, extant research could be developed by adding more studies on strategy creation for other institutional types.
Interview protocol

Thank you very much for taking the time to speak with me. I am doing a study trying to understand how university leaders are making sense of their external environment in order to make strategic decisions. This is a time of great uncertainty with shifting demographics and challenges around funding. On top of that, the pandemic is making the environment even more uncertain. So, I am interested to know how your institution has found its way during this challenging time.

I am sure that COVID-related issues have very much dominated your thinking recently and I would like to learn how you made sense of this changing environment—but, in general, I want to get your perspective on how strategic decision making typically works (not in a time of crisis.)

With your permission, I would like to record our call. I will be transcribing the interview and will remove any identifying information but no one other than me will listen to the voice file. I will not be using any quotes for attribution without getting people’s permission. Most quotes will be anonymous. Would it be OK if I record this? You are also welcome to tell me to stop recording at any time.

[I will press “record” button, then say: “Thank you for agreeing to participate and allowing me to record this interview” to have the consent of the participant on the record.]

1. Could you begin by telling me a bit about yourself—what is your current role and how long have you been at the institution?
2. What would you say are the most important challenges your institution is currently facing?
   o Probe – if not mentioned:
     ▪ What are the /are there any other economic challenges present in the environment, that affect your university?
     ▪ COVID affected much of the operation of course, but to open the conversation a little: how did you make sense of the wider environment, challenges presented by economic and demographic trends before the pandemic?
     ▪ How did the institution come to know this was a challenge?
     ▪ What [strategic] actions are you taking to address financial concerns?
3. As you think about the challenges you just described, walk me through how your institution has gone about responding to them. What does the strategic decision-making process look like?
   o Probe – if not mentioned:
     ▪ In addition to the emergency response, is university working strategically, towards the long-term goals?
     ▪ How do you define that the action you are taking is strategic?
• Is this action characterized by one of the following: allocation of resources, ratification by the governing body, is a long-term initiative?
  ▪ How is this process organized and what is your and your organizational unit role in it? Walk me through the steps.
  ▪ Is this a routine DM process?
  ▪ Who is involved/leads the process?
  ▪ Has the DM process evolved in order to respond to this challenge (if yes – how)?
  ▪ Are there differences in the organization and functioning the process pre/post COVID-19 pandemic?
  ▪ What do you think are the limitations of the process?
  ▪ Any other formal or informal decision-making process that you think was important in producing the action?

4. What information about the external environment does the institution pay attention to when determining the action to pursue?
   o Probe – if not mentioned:
     ▪ How is environmental scanning and analysis organized, if extant? How frequent is it?
     ▪ How external environment is scanned and analyzed?
     ▪ What forms does it take: is it a tool (a set of KPIs, a dashboard, SWOT, PEST), a process, an organizational unit, etc.?
     ▪ How far into the future the data about external environment is looked at?
     ▪ What are the results of environmental scanning/analysis? Is this a documented dataset?
     ▪ Do you see room for improvement? What would you change?
     ▪ If there is no formal process that could be described, think of the “space”, where you engage with the knowledge on the external environment (consultants, though partners, educational programs, etc.)

5. Once you’ve set in place a plan of action, how is progress monitored?

6. In what way has this initiative influenced organizational performance (success/legitimacy/survival)? How do you know if you’ve been successful?

7. Are there some challenges that the institution has had a hard time responding to adequately in your view?

[As we are closing the interview, I have a couple of questions to summarize the way you conceptualize the external environment for the purposes of decision-making.]

8. When you think of your university’s external environment, how do you envision or set its boundaries? How do you decide that something is included or not? How did your thinking about this matter change during your time on the job?

9. If you were to use an analogy (metaphor) describe your external environment, what would it be? [probing for geography, industry, something else]; what is the main principle that you use to decide what is external environment for you?

Closure:
Thank you so much for finding the time for this interview; it was very interesting and helpful. Is there anything we did not address that you think is important to this conversation? Who would you suggest I talk to next? Are there any documents on the decision-making processes we discussed apart from those available on the website that I should look at? Thank you for your time.
# APPENDIX B

## Environmental scanning and analysis tools used for the strategic decision-making in both cases

<table>
<thead>
<tr>
<th></th>
<th>RCU1</th>
<th>RCU2</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal environment tools</strong></td>
<td>Academic Program Review</td>
<td>Academic Program Review</td>
<td>Internal, formalized, retrospective, routine</td>
</tr>
<tr>
<td></td>
<td>Administrative Unit Review</td>
<td>Administrative Unit Review</td>
<td>Tools used to support the strategic DM, but not designed for it specifically</td>
</tr>
<tr>
<td></td>
<td>Surveys (student, faculty, etc.)</td>
<td>Surveys (student, faculty, etc.)</td>
<td></td>
</tr>
<tr>
<td><strong>External environment tools</strong></td>
<td>Crowdsourcing aspirations for the institution via conversations with the community aggregated into strategic goals</td>
<td>Continuation of the first SP iteration (retrospective)</td>
<td>During the SP</td>
</tr>
<tr>
<td></td>
<td>ES as a SWOT by Council (broad strokes, no specificity)</td>
<td>Initial consultancy company report</td>
<td>Non-formalized, occasional, internally focused in RCU1 and externally focused in RCU2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ES as literature review</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>University-wide visioning sessions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Choice matrix with focus on community impact</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health Advisory Council</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Institutional research function</td>
<td>Predictive modelling function within institutional research</td>
<td>Outside of SP</td>
</tr>
<tr>
<td></td>
<td>One question about competition in Academic Program Review</td>
<td></td>
<td>Formalized</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Retrospectively focused in RCU1 and more prospectively focused in RCU2</td>
</tr>
<tr>
<td><strong>Contributing forms of engagement with the external environment</strong></td>
<td>Personal knowledge of the President and the Cabinet</td>
<td>Personal knowledge of the President and the Cabinet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Professional groups</td>
<td>Professional groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public data</td>
<td>Public and purchased data services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td>Research</td>
<td></td>
</tr>
<tr>
<td></td>
<td>System’s office influence</td>
<td>Conferences</td>
<td></td>
</tr>
</tbody>
</table>

175
- Board of Trustees as the access to regional environment knowledge
BIBLIOGRAPHY

5-100 – Russian academic excellence project. (2019, May 9). https://www.5top100.ru/en


https://www.insidehighered.com/views/2019/02/14/colleges-need-rethink-strategic-planning-opinion


https://lib.dr.iastate.edu/cgi/viewcontent.cgi?article=7906&context=rtd


Merriam, S. B. (2009). *Qualitative research: A guide to design and implementation*. Jossey-Bass. [https://doi.org/10.1017/CBO9781107415324.004](https://doi.org/10.1017/CBO9781107415324.004)


Orphan, C. M. (2015). “Democracy’s colleges” under pressure: Examining the effects of neoliberal public policy on regional comprehensive universities [Doctoral


