Towards a Creative Leadership Model: A State University's Leadership Labors

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"How do I right this sinking ship?" Jon Larson asked himself this question as he sat in the big, bright administrative office of Lincoln State University in Sunville. It was mid-September 2014, and Larson had just begun his new position as the school's Chancellor.

The new Chancellor definitely had his work cut out for him. Before Larson arrived, Peter Fields, the Interim Chancellor of two years, had aggressively tried to remedy the dire budget situation and to increase the student population, which had been steadily declining in the past five years. Peter Fields had to take the reins in 2012 because the aging Chancellor Ray Graham had lost the trust of the faculty in his leadership capabilities and had to resign. But Fields was not sufficiently able to win the confidence and support of the University stakeholders.

Larson had inherited a state of affairs at Lincoln State University Sunville (LSUS) that involved a declining student population, salary and hiring freezes, faculty development and travel restrictions, low faculty enthusiasm, and the tendency by the administration to reduce faculty involvement in strategic decisions. Larson was convinced that to promote LSUS's growth and continued existence, he not only needed to modernize processes and procedures but also give faculty more power to act.

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However, he was not yet sure if his new initiatives would lead to the right changes of practices. Hoping that faculty involvement in the newly created Strategic Planning Board (SPB) and increased communication with the campus community via weekly newsletters would boost faculty trust and commitment, Larson got ready to lead his first SPB workshop.

University Background

Lincoln State University Sunville opened as a four-year college in 1968. By 2014, it was accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), the regional body for the accreditation of higher education institutions in eleven southern states. LSUS's business degrees were accredited by AACSB-International. The School of Education was NCATE accredited. The university offered over twenty undergraduate programme, about a dozen master's degrees, and one doctoral degree programme. In the last two decades, LSUS was trying to serve primarily the oil and natural gas economy of the South, a focal point of minerals production and petroleum refining.

Close to 140 faculty members taught the nearly 4,000 predominantly undergraduate students enrolled in the school (see Exhibit 1). The majority of the students majored in liberal arts. In 2013, a trend of growing enrollment in the graduate programmes started, which was caused by (1) the newly developed EdD programme, (2) the online master's degree in Health Administration that was developed to serve the health industry in the area, and (3) and the commercial student recruitment for the newly developed online MBA programme.

The online programmes also made it possible for LSUS to attract more out-of-state students. The University used to recruit the overwhelming majority of its students from within the State and particularly from Sunville itself, whose population was approaching 450,000 in 2014. Since LSUS was competing not only against several in-state institutions but also a number of close-by out-of-state schools, this new source of student recruitment was extremely vital for the survival of the institution.

LSUS's Mission and Philosophy

LSUS's mission statement emphasized the fruitful education through Bachelors and select Postgraduate programmes provided in a stimulating learning environment that promoted the creation and exchange of knowledge among students, faculty and staff. Another important aspect of the University's mission was the enhancement of the cultural, technological, social, and economic development of the region.

The University's philosophy was to promote diversity among faculty, staff, and students to enrich the campus environment. Research was to enhance the quality of teaching, the development of faculty, as well as community service. High ethical standards were to guide the decision-making processes.

Restructuring LSUS

In 2009, the school went through a restructuring project and was reorganized and consolidated from four colleges into two, combining liberal arts with the sciences and the business school with the educational unit (see Exhibit 2). The two main reasons for this top-down shakeup were the opportunity to streamline the administration by eliminating two Dean

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positions, as well as to enhance collaboration and cooperative behavior among faculty and between faculty and administration.

Faculty collaboration was expected to focus on research and teaching, involving common goals and outcomes, for which the collaborators shared recognition and responsibility. Administrators hoped that the results of the restructuring efforts would increase productivity and enthusiasm through collaboration. Some believed this consolidation effort could maximize the use of limited resources and inspire creativity and risk-taking to enhance the value of teaching and research. However, the necessary cultural change to overhaul faculty behavior did not happen, and instilling cooperative behavior was almost impossible.

LSUS's Partner: ASU Health Sciences Center Sunville

An independent academic unit and partner was the LSUS Health Sciences Center, which was home to a teaching hospital, several post-graduate medical schools, and centers of excellence in cancer and cardiovascular disease. A strong Health Sciences Center faculty included a number of nationally and internationally-renowned physicians and scientists, who not only led research efforts and educated students, but also provided medical care to patients throughout the region.

The Center had strong community support. It raised money for campus initiatives and biomedical research and assisted with research funding. With respect to educational cooperation, it had established partnerships with the main research University in the area via several of their doctorate programmes and with the local community colleges via therapy programmes. With LSUS the center shared only a Master of Community Health programme.

State Funding

State funding to LSUS had been declining drastically in the decade after 2000. The trend was likely to continue. The challenges to the University leadership were compounded by the recently created State legislation that restricted the granting of resources and forced participating institutions to enter into agreements with the Board of Regents regarding meeting specific performance objectives (e.g., student success measured via retention and graduation rate; tracking the performance of baccalaureate completers who began as transfer students or were admitted by exception; the rate of expanding distance education offerings; institutional success measured via the number of remedial course sections offered or the time students take to complete their degree) in exchange for eligibility to participate in certain autonomies and tuition authority.

Since LSUS was unable to meet all of the performance objectives, one of the repercussions the administrators had to deal with was a loss of tuition authority and performance funding. Additionally, not meeting the objectives made them ineligible for autonomies for the next academic year.

Merger Threat

Exacerbating the gloomy outlook was the lack of interest and confidence of the local community in LSUS, which was partly expressed in the spring of 2012 by a bid to make LSUS's campus a branch of Gauss State University (GSU), a Tier 1 national research university whose campus was located seventy miles away. The merger proposal was approved unanimously by the Board of Regents in early 2012. The merger idea was also getting the backing of the State

House Education Committee, the Board of Regents, local businesses, the largest newspapers in the state, and the Chamber of Commerce. However, strong forces of the State's main University system, Lincoln State University (LSU), and a few LSUS administrators prevented the merger. Supporters of the merger said it would have improved higher education in the region. Opponents said that LSUS would have been gobbled up by Gauss State and turned into an insignificant satellite college.

The merger idea was first proposed by a group of business and civic leaders in the Sunville metropolitan area to promote the advancement of a four-year research university and to expand academic course offerings that meet the educational, workforce, and economic development needs of the region. Many stakeholders believed that if the merger had been approved, the Sunville area would have had increased access to GSU's undergraduate and graduate degree offerings, including engineering, and thus would have enhanced Lincoln State's research capabilities and attracted industries to the area for collaboration on economic and scientific development.

While local businesses, civic leaders, newspaper editorial boards, and the mayors of the two cities housing the universities supported the merger idea, opposition was led by the LSUS administrators and the LSU system president, Robert Andrus, who initiated the "Allegiance Plan," a document that outlined some educational goals between LSUS and LSU.

Immediately following the Legislature's shelving of the merger attempt, Roger White, an instructor of leadership and entrepreneurship at LSUS, who had been enormously active in the pro-merger scene and outspoken about his pro-merger attitude, was fired. During the merger heyday, White had gone against the purposes of the most influential people in the LSUS

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administration, circumventing the administrative team while he was developing merger plans with the business elite in the area. White claimed that he had supported the merger to help LSUS reinvent itself. However, the university leaders interpreted his actions differently, and letters of support from the Chamber of Commerce and powerful council members did not change the administration's minds.

Since the rejection of the merger proposal in May 2012, some of the original problems at LSUS had worsened. The University was suffering from ever declining enrollment, a dwindling budget, limited state support, and unmet promises by LSU, such as the commitment to help increase student enrollment. By fall 2014, the enrollment of undergraduate students had declined by 15% to 3,900. And for the second year in a row, LSUS was forced to almost exhaust its reserve funds to cover deficit spending. Additionally, vacant faculty/staff position lines were permanently cut.

On the other hand, GSU and the local community college were thriving and able to meet the educational needs of the nearby military bases and the training and academic needs of the newly established branch of the Cyber Security Enterprise (CSE). It did not help that the LSU system's commitment to develop university-wide programme efficiencies via a consortium of public and private colleges had gone unmet for the most part. Moreover, the commitment agreement had set a target to boost racial and geographic diversity among the LSUS student body. However, the increase in racial diversity was caused by the reduced enrollment of white students. The geographic diversity remained stagnant.

Another aspect of the commitment strategy that did not lead to a satisfactory outcome was the planned development of new and restructured academic programmes to meet the

learning needs of the state. Although the university was able to turn several graduate degree programmes into online offerings and also add two new degree programmes, the addition of the proposed joint degree programmes was still up in the air. In general, the idea to identify areas of significant educational need that could be fulfilled via an active partnership with LSU was still difficult to materialize.

Strategic Innovation Task Force

In spring 2014, Nicky Garcia, who passionately taught graduate leadership and strategy classes at LSUS, had been selected by the administration to chair the recently formed Strategic Innovation Task Force (SITF). The purpose of the task force was to solicit and analyze the opinions of key university stakeholders about the University's current situation and its potential to innovate. Nicky worked with five task force members, including three faculty colleagues, the Provost Ryan Satterla, and the Student Affairs Director Julie Stanford.

The task force solicited focus groups made up of the external campus community, staff, faculty, alumni, and students to represent the opinions of key stakeholders of the institution. Formal interviews and discussions with the focus groups were to provide material for a rigorous content analysis that would lend itself to a proposal containing recommendations for innovation. Two days before Thanksgiving, Nicky's team had finished examining, analyzing, and synthesizing the raw data of the stakeholders' responses. The task force had spent considerable time analyzing the rich and voluminous feedback. Thirty-two themes emerged from the analysis, and now the task force was working on putting the results of the opinion poll into a presentable format to deliver their work to the Chancellor and the Faculty Senate in December. They wanted to discuss mainly those themes that showed a gap in the content analysis between current

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perceptions of stakeholders and where the university should be and would like to be (see Exhibit 3).

Themes from the SITF Content Analysis

The task force summarized and explained in their presentation those themes that showed the biggest gap between what appeared to be current problems and the goals to fix them (see Exhibit 4). Their report indicated that Lincoln State University Sunville was not seen as very open to diversity. In fact, the mix of stakeholders from the focus groups perceived LSUS as a closed society that appeared immune to community commitment and external collaboration. Its reputation was that it was elitist and standoffish instead of open and inclusive. Some stakeholders saw the university as an impenetrable organizational block whose members did not seem to be open to creative collaborative arrangements and community involvement. Favoritism and cronyism instead of a transparent meritocracy appeared to dictate the university's strategic moves. The organizational structure was perceived as stove-piped, with too many levels and no transparency.

According to the focus groups, faculty did not have the reputation of being top class, and many professors were considered to not have any real-world experience. On top of that, professors were not believed to be approachable and responsive. Long tenure and people hanging on until retirement seemed to make the infusion of new blood into the system impossible. Instead of tenure, renewable contracts were seen as options to revive the university.

With respect to modernization, transformation, and reinventing itself, LSUS was considered a slow follower with no innovation capabilities. The University was not known for something distinctive and had not been able to create a brand from its identity. For most students, Lincoln State was not the school of choice but only a fallback school.

Programmes and degrees educated the students but did not seem to guarantee good jobs or some specific career focus. Stakeholders felt that the university was overly emphasizing academic purity instead of career opportunities. Additionally, programmes were delivered only on campus, even though the student population was demanding a more flexible delivery method that would include more online and hybrid courses. There was a consensus among the participants of the focus groups that students were not the university's number one priority and the drivers of new programmes. The participants assumed that specifically administrators and to a lesser extent tenured faculty were the driving forces.

The campus community represented by the focus groups opined that campus life was not community oriented. Their view was that neither traditional nor non-traditional students' needs were met. Lecture halls, for example, did not serve the needs of the modern student anymore and were old, ugly, and falling apart. Alumni said that LSUS had always been considered a key university for business and economic development of the area because it supplied professionals to the area who would be able to solve community problems, determine the future of the region, and be a mediator for economic growth. However, to make sure LSUS would be able to fulfill this role in the future, collaboration with external entities for knowledge exchange and fund raising would be necessary.

The University's leadership was considered reactionary, provincial, and inwardly focused, and decision making was considered top-down and seldom distributed. The administrators and many faculty members appeared to be intent on preserving the status quo at

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any cost and seemed to be extremely resistant to change. Communication among faculty and between faculty and leaders was considered to be ineffective and collaboration not desired, which led to a lack of agility and innovation. A majority of the stakeholder representatives believed that a clear lack of key strategic leadership skills was evident. Students felt that accessible, well-rounded leaders were needed and that student leaders should be consulted for strategic curriculum decisions. More should be done to understand the modern student, not the least of which would be that students participate in faculty research. Given the small size of the school, the small-class-size aspect should be exploited.

Overall, the focus group participants concluded that faculty, staff, and administrators considered themselves victims of the economic downturn and the disruptive change of the higher education environment who therefore squandered growth and innovation opportunities. Given that land and other strategic resources were available, nothing happened, because planning, budgeting, and resource allocation seemed to be poorly managed.

Culture and Climate at LSUS

Walter Rubens, a Professor of Strategy who served on the Innovation Task Force with Nicky Garcia, stopped by Nicky's office to discuss some of the results of the focus group research and possible recommendations. He was concerned about the current climate that he thought had developed from the top-down leadership and negative campus culture. Walter lamented, "We have people in power with no leadership experience. All they know is top-down control. Of course, the people who enjoy top-down control are fine with the culture. And leaders tend to hire those who are like themselves. It's almost like inbreeding, with a majority of our colleagues having received their degrees from the same institution. Where's the desired diversity?"

Both Walter and Nicky were very concerned about the backward-looking culture and somewhat lukewarm climate at LSUS, and they were painfully aware of the fact that tackling a climate change might be a difficult leadership task. Would Larson be able to transform the school's culture?

Their major concerns were directed towards three aspects that had turned the current culture in some departments into an unwelcoming environment that some faculty members deliberately avoided. First, LSUS suffered from an "I gotcha culture" that involved mainly corrective criticism and negative feedback instead of constructive communication before mistakes were made. Second, the gossip culture was thriving and people liked to talk behind other people's backs. Third, the top-down command and control culture reduced transparency, trust in fair processes, and academic citizenship behavior. It also created position-power problems, specifically between tenured and non-tenured faculty. Walter and Nicky were wondering if Larson's decision to put only administrators and senate members on the strategic planning board could be a continuation of the old culture.

With respect to faculty commitment, the institution expected a seven to two balance of teaching and research from its faculty with teaching loads of three to four courses a semester. That kind of teaching schedule prevented many faculty members from carrying out cutting-edge research activities. Faculty members who were responsible for 150 to 200 students a semester were aware that the number of students they taught influenced the kinds of courses and assignments they were able to offer. Although LSUS administrators seemed to be supportive of

any kind of research activity, they used relatively narrow metrics to evaluate faculty research and creativity.

Appreciating faculty members' impact with metrics that went beyond counting publications in scholarly journals seemed to be far from the administrators' minds. Performance appraisals did not seem to appreciate the many of the other contributions faculty brought to the table and did not take into account that research productivity was foiled by increased demands linked to teaching and other school-related needs. Not enough credit appeared to be given, for instance, for non-academic presentations, trade journal articles, or consulting. Because the merit system did not appreciate engaging in nontraditional forms of scholarly activity or writing for popular audiences, faculty members were not encouraged to make an impact in areas that were not strictly academic.

Considering that the institution's strategy was merely aligned with the standards of the accreditors, the strategic plan and mission statement appeared to be relatively hollow. Alignment also meant that instead of innovating the institution was simply emulating. Another obstacle for diversity and reinvention was the fact that mostly tenured faculty members were the opinion leaders.

SITF Recommendations

The Strategic Innovation Task Force was expected to provide a recommendation paper that was to focus on a creative approach to University innovation and reinvention of the curriculum, based on the research group's content analysis. Nicky Garcia pondered how the innovation goal of drastically changing the curriculum could go hand in hand with the initiation of a cultural change supported by the University leaders.

Nicky's leadership philosophy was based on modern leadership theories and paradigms, including the transformational, shared, and adaptive leadership approaches. To begin the process of developing a shared leadership vision, a sense of common identity and practices would have to be established. The shared vision would be motivating the stakeholders, keeping them involved by making it clear that leadership is a process of mutual influence between leaders and followers, as opposed to a position or title.

To effectively innovate and change, Heifetz' "Adaptive Leadership" concepts would be particularly helpful in creating a new initiative toward cultural transformations. The initiative would ask for and encourage the active involvement and collective citizenship of faculty and staff, where administrators would motivate and demonstrate ongoing and relentless experimentation, accept a high failure rate as the cost of innovation, and would make sure that they could keep the level of distress or angst within a productive range through strong leader endorsement and support.

Nicky was aware of the fact that stakeholder perceptions were and would be an important part of the innovation plan even though some of the views might not completely reflect the reality of the LSUS campus. She also knew that effective collaboration with the new Chancellor would be essential.

Larson's Comeback

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Jon Larson had a rich career in academia and brought to LSUS valuable administrative experience from various higher education institutions, including LSUS, where he had been the Dean of the School of Business in the early 90s. When he was named Chancellor of Lincoln State in winter 2013, he was the Dean of the Braque School of Business in Virginia. "It is an honor to return to LSUS as Chancellor," Larson said. "I respect the University's – and the region's – mission and culture. I am ready to begin creating powerful, innovative teams to enhance and transform the university into a place that is able to more effectively serve both students and the communities."

Larson was able to spark optimistic anticipation in the community about his upcoming chancellorship as expressed in one business leader's words, "I am excited to work with the new Chancellor. He appreciates the needs of the students and faculty. And he recognizes the important role higher education plays in meeting the needs of our workforce." Some stakeholders called Larson, the innovative visionary LSUS needed to move the University into an important growth phase.

Larson had earned a Juris Doctor from the John Oliver Law School in Minneapolis and a Bachelor of Arts in Business Administration from Allan Hancock University. Under Larson's leadership as dean of three universities, executive and stakeholder networks flourished. At his former workplaces, he brought about a lot of positive change in part because he was able to work with and persuade skeptical faculty to embrace innovation, including launching innovative business programmes that reflected the local industries, introducing school accreditations, and strengthening the campus culture toward more collegiality and collaboration. Larson's leadership style was greatly influenced by the philosophy and practices of "servant leadership", a term coined by Robert Greenleaf to manifest non-traditional, more participative values. Servant leaders share power, are empathetic and good listeners, are aware of their own strengths and weaknesses, and are committed to the growth of their followers. Larson was aware that his servant leadership style would be "a big change for the LSUS community", which he characterized as very "formal and top-down." "We'll need to build a new faculty culture", he said when asked about his new approach to change and transformation.

Challenges to Tackle

The new Chancellor's initial observations, conversations with stakeholders, and research left no doubt in him that many hurdles and challenges lay before him. Almost every aspect of the school he was going to lead had its problems. But his values as an educator and leader shaped his determination to overhaul the school's culture to create a more agile, innovative learning institution.

In the past, many an external or internal consultant had tried to revamp LSUS, with little success. Larson was convinced that his approach was different and that he was asking the right questions. How could the current culture be renewed to open it up for change? How would creativity and experimentation be encouraged? How would faculty be inspired to look for new challenges and opportunities? Was it possible to increase risk-taking and make failure a less shameful experience? Could stakeholders be made responsible to look for problems and needs?

Jon Larson's first meeting of the Strategic Planning Board he had initiated lay an hour ahead of him. He was wondering how many ideas he would be able to obtain from the Volume VII

participants (mainly faculty senators and administrators) about the topics developed for the board. And he was asking himself if the goals set forth in his LSUS 2020 Plan might help the institution to more effectively innovate, capture the uniqueness of the University, develop strategic enrollment management goals, achieve success for LSUS students, and bring new revenues and resources to the campus. His number one goal was to create a culture of collaboration and promote organizational citizenship behavior.

Exhibit 1: Student Enrollment Statistics 2011 – 2013 (Source: University Documents)

	Fall	Fall	Fall	% Increase/Decrease 12
University Statistics	2011	2012	2013	to 13
Total Enrollment	4562	4535	4132	-8.89%
Total SCH's	44990	44088	40545	-8.04%
Full Time Equivalent	3045	2984	2752	-7.79%
Undergraduate Enrollment	4134	4124	3680	-10.77%
Graduate Enrollment	428	411	452	9.98%
Continuing Undergraduate & Graduate	2518	2346	2143	-8.65%
Undergraduate Statistics	Fall 2011	Fall 2012	Fall 2013	% Increase/Decrease 12 to 13
Undergraduate SCH's	42238	41387	37629	-9.08%
Undergraduate FTE	2816	2759	2509	-9.08%
First-Time, Full-Time (FTFT) Freshmen	315	364	312	-14.29%
Total First-Time Freshmen	332	376	345	-8.24%
Continuing Undergraduate	2216	2088	1891	-9.43%
New Transfer Undergraduate	461	371	364	-1.89%
Reentry Undergraduate	229	234	202	-13.68%
Other/Visiting/Dual Enrollment				
Undergraduate	896	1055	878	-16.78%
Crandwate Statistics	Fall	Fall	Fall	% Increase/Decrease 12
Graduate Statistics Graduate SCH's	2011 2752	2012 2701	2013 2916	to 13
Graduate FTE	2732	2701	2910	7.96% 7.96%
Continuing Graduate	302	223	243	-2.33%
New Graduate	98	112	154	37.50%
Reentry Graduate	26	39	40	2.56%
Other/Visiting Graduate	20	2	6	200.00%
	Fall	Fall	Fall	% Increase/Decrease 12
Undergraduate Performance Measures	2011	2012	2013	to 13
Average Composite ACT - FTFT				
Freshmen	22.30	22.70	22.45	-1.10%
Average Math ACT - FTFT Freshmen	21.10	21.49	21.02	-2.19%
Average English ACT - FTFT Freshmen	23.00	23.35	23.33	-0.09%
Average High School GPA - FTFT				
Freshmen	3.26	3.25	3.23	-0.62%
TOPS Eligible Students	651	702	672	-4.27%
Retention - First-Time, Full-Time (FTFT) Freshmen				2012-13 = 66.48%

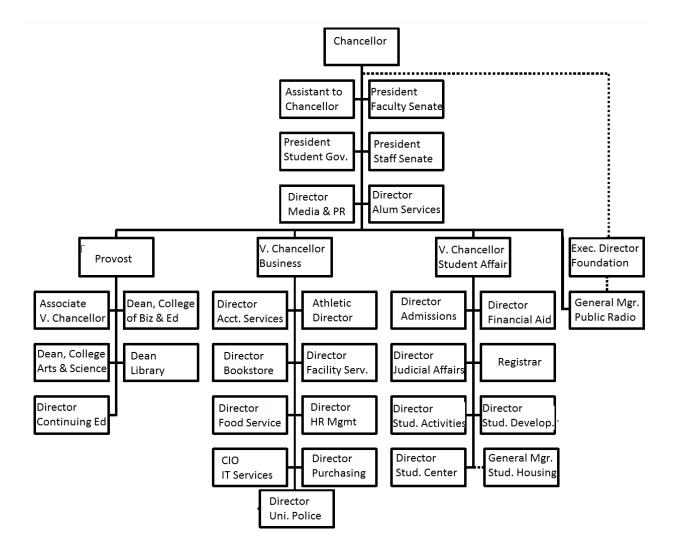


Exhibit 2: Lincoln State - Organizational Chart (Source: Public University Documents)

Exhibit 3 : Example of Themes (Source: LSUS Strategic Plan Ideas)



Category	Current perceptions of stakeholders	Aspirations and goals of stakeholders
University climate and structure	 Closed society Elitist, impenetrable block Stove-pipe structure 	 Open to diversity Inclusive, creative collaboration with community Flatter structure & transparent meritocracy
University Characteristics	Slow followerNo distinctive brand	 Open to transformation Creating brand from identity
Faculty	 Long tenure No real-world experience Ineffective communication with leaders 	 Renewable contracts Collaboration with practitioners Effective collaboration and cooperation with leaders
Student Experience	 Not School of Choice Too much academic purity taught Only on-campus classes offered 	 School of Choice Teaching to create career opportunities Offering flexible delivery methods
Campus Life	 Not community- oriented Facilities and equipment not up to par 	 Meet traditional and non-traditional students' needs Consider demands of modern students
Alumni	No effective collaboration with school	• Effective collaboration to supply professionals to the community
Leadership	 Reactionary & provincial Top-down decision making Resistant to change 	 Accessible, strategic leaders Adaptive leadership style Initiating transformation

Exhibit 4: Summary and Categorization of Themes from the SITF Presentation