Southern New Hampshire University: Past, Present, and Future

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Organizational Behavior

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Instituting Change at Every Level

Introduction:

Southern New Hampshire University has undergone a number of changes during the past ten years. This cycle of change began in 1999, when Richard Gustafson, president of New Hampshire College worked with the Board of Trustees on re-branding the institution as a university, more specifically, Southern New Hampshire University (SNHU). This was decided on for the primary purpose of becoming more attractive to international students. International students are considered a valuable commodity because of their ability to pay their full bill without loans or scholarships. These student looked at institutions with the title "college" as being sub-par compared to those with university as part of their name. As the momentum of change started to increase Dick Gustafson announced his retirement as president of the institution. This was a shock to the community, but also presented a great opportunity to move forward with a new president at the helm as the institution embarked on its most ambitious project. During the next ten years the SNHU community experienced change at all levels of the organization.

This institution has grown far beyond its humble beginnings on Hanover Street. It is more than just a local school delivering technical college content to its customers. Southern New Hampshire University in the past few years has been transformed to be competitive with many schools like itself, such as Bentley University, Bryant University, and Merrimack College. It also is competing with institutions like the University of New Hampshire, Plymouth State University, and Keene State College. In many ways SNHU has taken the place of the state

schools in the metropolis of Manchester, New Hampshire because of its location and high

percentage of New Hampshire residents enrolling in classes.

History of SNHU:

H.A.B. Shapiro founded New Hampshire School of Accounting and Secretarial Science in

1932. The school remained relatively small until 1961, when it was incorporated and renamed

New Hampshire College of Accounting and Commerce. In 1963 the State of New Hampshire

granted the institution its charter, which gave it degree-granting authority. In 1972 the institution

moved from its humble home on Hanover Street to 2500 North River Road on the boarder of

Hooksett and Manchester New Hampshire. During the 1970's and 80's the college opened off-

campus centers to better serve adult learners. Programs today are offered in Manchester,

Nashua, Portsmouth, Salem, N.H., and in Brunswick, Maine, as well as internationally, with

expansion in Greece, Malaysia, India, and England (www.snhu.edu).

Coinciding with the introduction of the Netscape web browser (Friedman, 2007, p. 47), the

university extended its reach worldwide with the launch of its internet-based distance-learning

program, now known as SNHU Online, in 1995. This program started out as a regional program,

and has quickly expanded worldwide.

Global Reach:

As a result of these changes, the institution, under new leadership, moved to a flat

organizational structure. The SNHU Online program went global; the university outsourced

development of online technology development to India, and we increase our international

student population.

Higher education, like other industries, is in need of growing the bottom line. In the past

five years SNHU has been trying to expand their global outreach of their program offerings and

offer consistent, quality programming through the online environment. Initially this was attempted through marketing our programs to handlers located in other countries who in turn would encourage students to attend our institution. They also developed articulation agreements with schools that were already established abroad. Both of these delivery methods were on the cutting edge when introduced in the 1970's and 1980's. This growth inspired the tag line for the institution, which was, "Where the World Comes to Mind". With the advent of online course offerings SNHU started to expand even more. The primary focus was to develop a physical headquarters in China. The understanding of what has been the biggest challenge with setting up shop in this country has been the governmental red tape.

Under the leadership and vision of Paul LeBlanc, president of SNHU (2001-), he set the institution on the most ambitious plan to work with China by developing an online partnership, which has led to more students from that country, as well as other Asian countries, to attend classes at the main campus here in New Hampshire. Southern New Hampshire University has developed partnerships with many universities in China and has "full faith and credit" status through the Ministry of Education of the People's Republic of China. This means that credits earned through SNHU can be applied to graduate and Ph.D. programs in China. This was a major accomplishment. As part of the flattening of the university SNHU is now are delivering a consistent product on a global scale.

The benefit of these partnerships goes beyond helping the international students get a quality education. These connections help the institution to grow a diverse student population that provides our domestic students with first-hand contact with students from other countries. Preparing them to transition into a global workforce with no boundaries.

Industry:

In higher education there is a relationship that exists between the institution and the student, also known as the customer. The challenge is to convince the student that the relationship is going to be a great opportunity and experience, while the institution needs to be convinced by the student that they are going to be a strong contributor to the institution. This is the same throughout the industry. In this economy there is a heightened competitive approach with the marketing and recruitment of new students. At Southern New Hampshire University there has been a major influx of new students, which has caused a number of people to scratch their heads and ask, "What is SNHU doing right to recruit such a large class in a struggling economy?"

Arrow (1985) points out that there are two types of agency problems. They are hidden action and hidden information.

- Hidden action helps the principal make a decision that will be beneficial to both parties.

- Hidden information leads to a decentralized approach, which subsequently keeps important decision-making opportunities from the principal.

In higher education the hidden action approach is applied to the admission process. Institutions continuously are making decisions that convince the perspective students to attend their school. This is achieved through target marketing efforts and sales pitches. As Arrow (1985) states, "The agents effort has an economic value to the principal in the sense that such effort increases the likelihood of a favorable outcome" (Mahoney, p. 150).

The hidden information in higher education is things like poor facilities or substandard faculty and staff. If the principal doesn't know the facts about the institution, than they will be

dissatisfied with the school and leave for home or another school. The challenge for higher

education is developing a strategy that is transparent with recruiting students.

Levinthal (1988) discusses how agency theory can be applied to the relationship between

two (or more) parties. In his example on page 156 he relates the relationship between the owner

and the manager, and how compensation is affected by output (Mahoney, 2005). When

reflecting on where I work and how this theory could be applied, at first I struggled with finding

a connection. Higher education doesn't always provide pay based on an incentive structure. But

then I realized that our Admission program does use this formula as a way to promote results.

This is especially prevalent in today's economy. If there is an unexpected increase of applicants,

then the staff member will be compensated for their work.

Being competitive in this market is not something that should be taken lightly. It is

imperative that the hidden information be kept to a minimum. Institutions need to become even

more transparent in what they say about themselves to their prospective students. SNHU seems

to have convinced a lot of perspective students that they have the product that the principal

wants. The biggest challenge will be when the students arrive on campus in the fall and they will

hopefully see that the sales pitch is close to what they are experiencing.

Regional Competitiveness:

In higher education there are relational systems that exist in the academic community.

There is a governance system, known at many institutions as a board of trustees or regents. In

addition to these top oversight groups, there is a hierarchical structure in place with a president,

vice presidents, faculty, directors, and operational staff. This structure supports a structural

isomorphism, where there is an understanding of each person's role. In higher education this

leads to there being silos, where there is disjointed communication and power struggles.

In higher education there are a number of institutions that matter. In many ways colleges and universities are steeped in tradition where the word institution is part of the academic community. Institutions that are an integral part of the higher educational organization are:

- Regulatory Institutions: These are necessary because they help to maintain a standard of practice that is acceptable for both our customers and the college community.

- Funding Institutions: Without these institutions, such as federal work-study programs, parent and student loans, scholarships and grants colleges would be hard pressed to survive. These institutions make it possible for almost 75% of our students to attend college.

Local Issues:

In higher education, historically there are many tensions that exist between the executive management and staff. Mostly these tensions have been issues relating to pedagogy, raises, and benefits. Since the recent economic recession began over two year's ago these tensions have been magnified. Also an unprecedented number of institutions have had to resort to drastic cuts in staffing. Historically, staffing was usually the last thing to be sacrificed, but today that is not the case. Arrow (Mahoney, p. 57) discusses the tension between the individual and society, which in theory illustrates these tensions. These questions by Rabbi Hillel (Mahoney, p.57) help to illustrate this tension where he says, "If I am not for myself, then who is for me? And if I am not for others, then who am I? And if not now, when?" In higher education faculty and staff are now posing the question "If I am not for myself, then who is for me?" In the past faculty and staff believed that the institution they worked for was for them. Now it is important to think of

their own interests, because the institution is more likely interested in focusing on the bottom line and not the employee.

This has led to departments and programs looking at ways to transcend their silos, with the ultimate outcome being the overcoming of their disconnected feeling. In the department that I work, and the department that my office shares space with in the Student Center we have numerous processes in place that require a consistent approach. Before this past academic year we were two separate offices that shared a common space, but there was confusion with the messages we would pass on to our students, which resulted in dissatisfaction and misinformation being passed on to them.

This past year we began to develop a collaborative plan. In *Overcoming Organizational Defenses* (Argyris, 1990, p. 95) it is suggested to develop an Action Plan for our area. The first step was to bring both departments together to find where we can share common information with our students, providing a one-stop solution. This required us to talk about what responsibilities could be shared that were not specific to each area. The ultimate goal was to develop a policies and procedures manual that each staff member could use that would help us communicate a consistent message.

As our offices began to delve into the documentation and review the impact these forms and procedures had on the operation of the departments, as well as on the students, we realized the importance of focusing on our organizational structure. "To discover how ideas carried in texts (policies, procedures, job descriptions, and organizational charts) actually affect people's lives. Smith wants us to understand that people participate in discursive everyday lives" (Campbell & Gregor, 2004, p. 41).

Another area we focused on was the job responsibilities associated with each position. There seemed to be incompatible job responsibilities lumped into a single job description for positions in both departments. Our task was to take a fresh-eyes approach at the responsibilities of each position and find a balance and harmony by grouping like responsibilities together. This has resulted in a more streamlined approach for each position, and the departments.

These are the diagrams of the office structure changes. The first diagram illustrates a very confused hierarchy. Because of our proximity the students, our clients, were confused and uncertain who to talk to when they needed help.
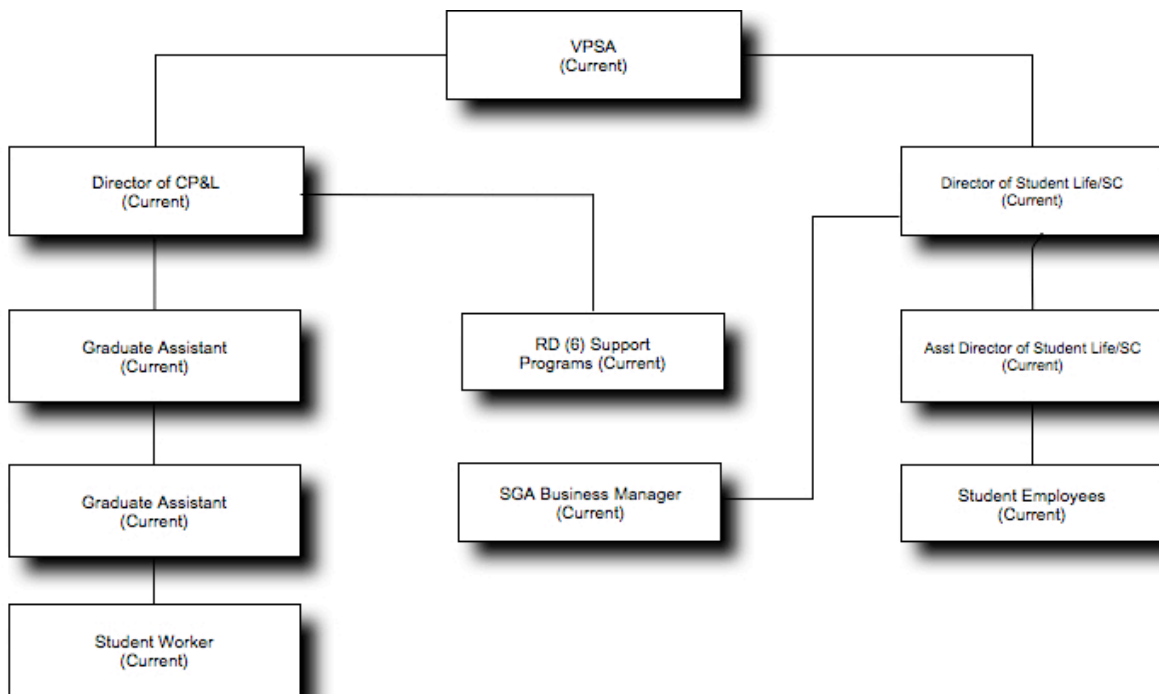
1.1 Campus Programming & Leadership and Student Life Student Center Organization Charts.

The new structure provides more opportunities for collaboration, and will hopefully lead to less confusion and more satisfied students.
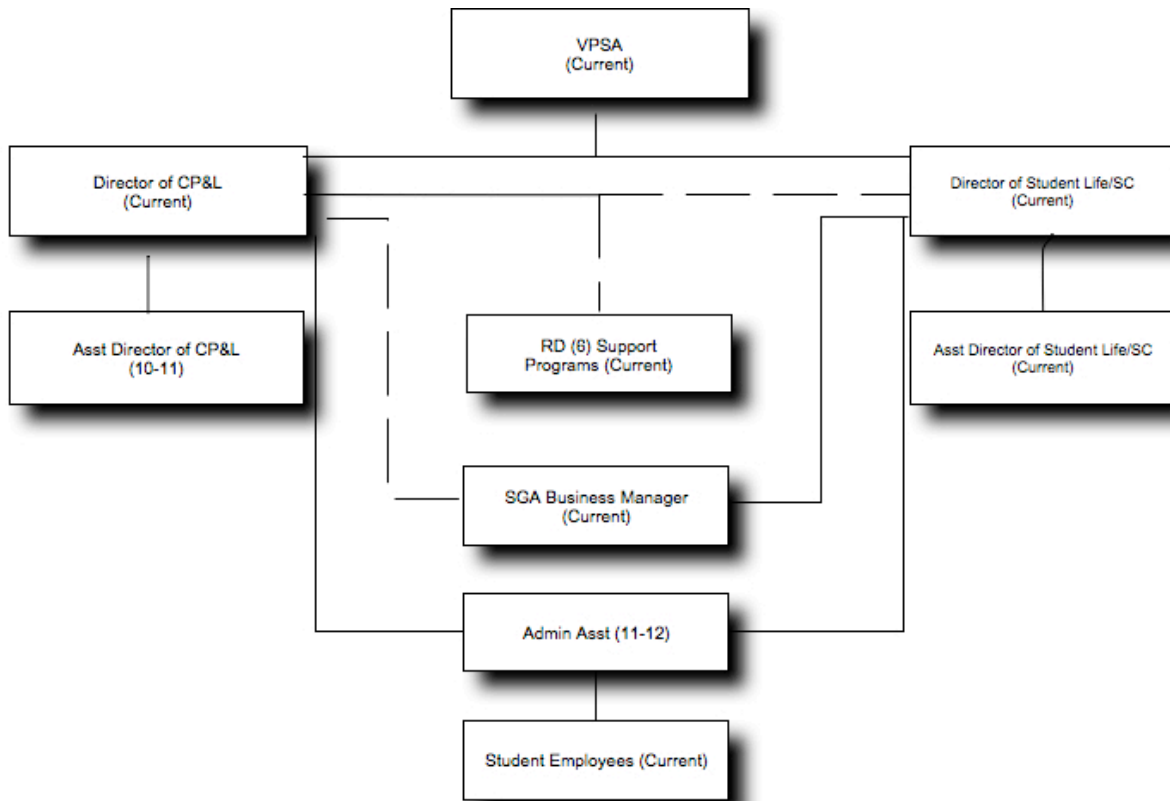
1.2 This is the new structure, which supports better communication and service.

All of these changes are in direct support of the strategic plan of the University, specifically

Goal 2. Which is written as follows, " Create a high level of service for all students to make

navigation through the university's policies and systems friendly, easy, and flexible. Base that

environment on policies and systems that are efficient and scalable and that allow us to compete

with best-of-class providers as we expand programs and increase enrollments" (SNHU Strategic

Plan, 2008).

Summary:

As an institution, SNHU has embarked on a very aggressive strategic planning initiative,

which will propel the organization to the next level of its development. Since the decision was

made to re-brand the institution in 1999 under the leadership of Dick Gustafson, SNHU has

created a brand that is changing how people think of the institution. Where other institutions in

the region are struggling to attract and keep students, this institution is bursting at the seams with new students. SNHU has transformed itself from a small local school, to a global organization, where decisions are made on a much broader scale. These changes have resulted in greater enrollments and a positive move into the future. On the other hand these changes have also resulted in staff feeling more disconnected and valued less by the administrative structure of the institution. Many of these feelings are a knee-jerk reaction to a difficult financial situation the institution, and the country, has been faced with over the past year.

The hope is that the faculty and staff will embrace the universities global expansion, new competitive position domestically with the large influx of new students, and the strategic initiatives happening on a local level, which will move the institution to a new 'normal'. The biggest challenge is going to be how SNHU will be in five or ten years. The ideal is to be an organization that is more stable, while experiencing measured growth, and having satisfied faculty, staff, and students. Only time will tell how this transformation will be accepted.

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