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SHAPING UNIVERSITY STRATEGY – HOW DO UNIVERSITIES GO ABOUT CREATING THEIR CORPORATE STRATEGIES?

Insight from Communications Management – March 2017

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INTRODUCTION

In the history of the UK's universities, there has rarely been a time when so much change is being thrust upon them. The convergence of Government policy, the fallout from the Brexit referendum, and changing demographics (affecting the traditional undergraduate recruitment 'pipeline') have created what some may call "the perfect storm" in which universities are having to navigate their futures.

At the same time, there has never been such a high turnover at the top table: with more new vice-chancellor appointments than we've seen at any other time. We estimate about a quarter of universities across the UK will have had a change of leadership in the last two years.

Within this context, we at Communications Management set about exploring how universities are going about shaping their 'corporate' (university-wide) strategies. We wanted to get a sense of the common processes and practices that (new and existing) vice-chancellors (and other university leaders) are going through when it comes to scoping future direction, building longer-term vision and setting performance measures.

We interviewed a range of university leaders (mostly the vice-chancellors themselves) and reviewed examples of several university strategy documents – in order to paint a picture of what is happening and what might be missing.

We especially wanted to explore: who leads the strategy development process; what form does the process take (including engagement with staff, students and other important stakeholders); timescales and horizons; contents; governance and approval; target-setting, monitoring and communications.

What we have uncovered is a massive commonality across the sector and hugely similar outputs: even to the point of the number of pages in strategy documents, their contents and their language.

The strategy outputs are incredibly similar – with words such as "opportunity", "impact", "community" and "integrity" liberally being sprinkled around the pages of strategies to paint an inspiring picture of the next (usually) five years.

Indeed, one of our interviewees told me that "universities are universities" and that therefore trying to differentiate is pretty much a worthless task. The implication being that all universities set out to inspire futures, tackle global challenges, and 'create' through knowledge, discovery and innovation.

Despite this – and in a world where 'choice' is the new mantra – we can't help but feel that there needs to be far greater attention on addressing this underlying distinctiveness if future such university strategies are to really make their mark.

What follows is a short summary from our interviews and our strategy document reviews. We've positioned this into particular themes that have emerged.

We hope this piece of professional insight and observation is useful to those involved in university strategy development and we are thankful to all those university leaders who gave their time to help inform this work.

LEADERSHIP AND MANAGEMENT OF THE STRATEGY PROCESS

There are no surprises in that the overall strategy development processes are led by vice-chancellors (or other such appropriate top level titles). This is a critical requirement and expectation of the leadership position, and there is a need for visible ownership particularly in times of change.

One of the key aspects is that these leaders are both passionate and feel personally responsible for the setting of the university vision. This is where the leader should, and is expected to, shape and put their mark on the strategy. Particular, in times of change, the importance of the vision was heavily stressed: it was positioned as their “rallying cry”. It’s also a chance for new such appointees to make their mark and spell out a regime change.

For those universities recruiting for a new leader, the interview process should be the first opportunity to explore thoughts, ideas and potential direction for their university. The realism is that every new vice-chancellor coming into post will review the strategic direction including the vision. No-one wants to be appointed to simply keep the seat warm!

Having said that, at least one of our interviewees pointed out that the vision should last far longer than their own tenure. Our own perspective on this (as strategists) is that vice-chancellors should invest in developing a lasting, unifying, compelling vision that reflects their ambition for their university, but shouldn’t be surprised if that vision adapts and changes once they’ve moved on.

Beyond leadership - the day to day management of the strategy development process is being undertaken by an appropriate mix of the vice-chancellor, the wider senior executive team, and the associated planning and policy teams (usually based in the vice-chancellor’s office or as an adjacent ‘west wing’).

The models that are being used for strategy formation vary across the leaders we spoke to, depending upon a number of factors such as:

- the vice-chancellor’s own desire to be hands on;
- the position that the university was in (e.g. a refresh of previous strategy);
- the need for the executive team to develop and lead priorities/focus areas/supporting strategies;
- the experiences of any previous strategy development processes used.

Our perspective is that there is no “one size fits all” so vice-chancellors must adopt a strategy development process that is tailored for the particular make-up and setting of their university.

STAKEHOLDER CONSULTATION AND ENGAGEMENT

Having an open and highly consultative process (certainly internally – among staff) was said to be vital to generating a mood of support and belief for the final strategy, according to our interviewees.

Most strategy development processes were said to be open and consultative throughout the process. There was an enormous investment in consultation with a broad range of stakeholders including:

- Governors
- Staff
- Students
- Local business and community leaders
- Partners (local, national and international)

A small number of universities interviewed also consulted with other constituents – such as:

- Alumni
- Honorary graduates or fellows
- National government advisors
- Other vice-chancellors or peers across the higher education sector

Our perspective on this is that a broad level of consultation and engagement is required. However, we stress that this is a strand of the strategy development process that requires careful management and iteration to engage, process and communicate with stakeholders. Each stakeholder group or segment needs its own approach for consultation – rather than a broadly uniform method.

Various methods were mentioned as part of the consultation plan – including: surveys, workshops, 1-2-1 meetings, and “speed dating with the executive”. Vice-chancellors said they felt that the consultation process was generally seen as a success. This was observed by the level of “uplift” or engagement of the stakeholders. There is a fine balance, to keep stakeholders (especially staff) engaged and interested in the process without “over-communicating”.

The approaches taken towards strategy development across those universities that we interviewed were far from “top down” (as is often portrayed!). There was some reference to an old style approach that university strategy used to be “done to you”, however, there was acceptance that top down strategy can have its place in the appropriate circumstances (e.g. strategy to address new funding arrangements).

STAKEHOLDER CONSULTATION AND ENGAGEMENT

The use of external partners to support the strategy development process was limited. Most universities ran the strategy process using internal teams – although there was an example of an ‘interim programme manager’ brought in to run the process. Other examples include: the review of the strategy process by a management consultancy, an external market review to aid disruptive thinking provided by a management consultancy, and the definition of the future organisation (its design and culture) by a specialist adviser in the field.

In our own experience, it is the vice-chancellors themselves that should be developing a stakeholder engagement plan as part of their everyday business (which would incorporate the strategy development process as required). This is an easy thing to suggest, but we appreciate that this requires significant investment of time and effort. We expect that universities will need to invest more in their active stakeholder management as they become even more open and accountable institutions (in the more competitive arena).

A key example of this relates to the current industrial strategy which will require collaboration between business, universities and government. This collaboration was highlighted by one vice-chancellor as something that is hard with “lots of dinners and talking, but little action”. The industrial strategy may be an impetus for change but it will take investment in full time resources to ensure universities are strengthening their strategic capability at a regional level.

THE STRATEGY FORMATION PROCESS

The strategic development process varied across those universities we spoke to. However, there were some key steps mentioned by most of the leaders:

- Vision & values drafted
- Evidence base of current performance review and key market trends
- Senior stakeholder input
- Principles of the strategic plan developed
- Broad stakeholder consultation
- Iterations to develop strategic detail, objectives and impacts
- 'What if' scenarios modelled
- Draft plan developed
- Plan formally approved

The innovation and disruptive thinking was mostly managed internally. Examples include: the vice-chancellor being responsible for bring new and challenging thinking to the process, and the use of 'what if' scenarios.

The strategy development process generally takes six to nine months from start to approval. This was felt to be too slow by some vice-chancellors, especially when compared to other industry examples. However, the need for "deep" stakeholder engagement was widely accepted, especially among university staff and most specifically within the academic community.

Our perspective is that a six month timeline, including the approval process, is appropriate for the development of a university strategy. We also believe that a vice-chancellor's "follow on strategy" can be undertaken quicker if there has been an appropriate strategy review (e.g. a mid-way review).

HORIZONS

The time horizon for the strategy can vary – but:

- Most vice-chancellors say they take a five year view - as this allows planning to be both strategic and operational. It is usual for the previous such strategy period to simply be repeated.
- There was one example of a three year shorter-term focus where turnaround and financial sustainability was said to be key.
- There are also examples of longer-term horizons (e.g. ten or fifteen years). The rationale for this longer-term view included capital investment planning (e.g. estate development and expansion) as well as the need to take a longer-term view due to the fundamental changes in the higher education sector.

Our perspective is that universities must think longer term (beyond a five year horizon) due to market and technological factors that will change the higher education market. Our view - based on these interviews - is that this maybe an area to focus in on in the next round of strategy development. The vision must be longer- term, and the underpinning strategy (or strategies) should be split into workable “sub horizons” (with more planned detail for the nearer-term horizon).

PRESENTATION AND COMMUNICATIONS

In reviewing the formal strategy documents associated with those universities we talked to, we recognised a remarkable level of commonality. Structurally – they all set out a sense of the vision, the values they attribute to their community, the bold mission and purpose they want to achieve and the strategic intent or roadmap.

Many have defined particular concepts by which they want their strategy to be recognised for. Examples are: the University of Reading's 'Limitless' approach ("limitless ambition, limitless potential, limitless impact"); the University of Salford's 'Industrial Collaboration Zones' (bring staff, students, industry and leaders together around specific zones); Sheffield Hallam University is about "transforming lives".

The average length of strategies appears to be 20 pages – and the most common phrases and themes are about impact, opportunity, community and integrity.

One noticeable issue is the mixed level of inclusion of key performance indicators – some are very detailed, some have broad targets but no specific metrics, and many simply avoid the use of publicly-available targets altogether.

Our discussions with vice-chancellors also focused on the communications medium of the strategy. The need for clarity of communication was critical and signalled a move away from weighty strategy documents. Two comments summarised this well: "We had to get the summary on one page" and "We've moved away from producing a thick glossy brochure."

The need for the strategy to be distinctive was not seen as paramount. "We're a university.. like other universities, we need to become more student-focussed." Instead, there was a desire to have impactful (and potentially distinctive) communication of the strategy – such as audio or video content, infographics and simple diagrams.

IMPLEMENTATION

The strategy development and strategy monitoring process allows the flexibility to come in to the process. For example, most universities outlined that they had reviewed the impact of Brexit after the result of the vote, and where necessary “tweaked” their strategies - e.g. looking to industry for funding as opposed to relying on 2020 research funding.

The approach to strategy implementation across the universities was similar with key projects being set up to support key strategic priorities. The strategies were monitored through a number of formal reviews such as:

- KPIs leading & lag indicators
- Quarterly review
- Annual review
- Major projects reviewed regularly internally (as required e.g. every two weeks) and quality assured by external parties.

The vice-chancellors stressed the need for themselves and their executives to review their strategy implementation objectively, and to ask themselves the “hard, searching” questions about delivery.

Although implementation wasn't the focus of our VC discussions, our perspective is that one of the biggest strategic challenges for universities isn't strategic thinking but is strategic implementation or “making strategy happen”.

NEXT STEPS

Our aim is to provide useful insight to university leaders in the area of strategy development, engagement and communications. This has been an interesting first exercise for us in scanning and sharing the indicative nature of university strategies in the UK – and we're always interested in exploring these themes further. We'd be delighted to hear about the experience of others and to explore more with those university leaders who feel they are really innovating in their strategy creation.

Our intention is to go further and to start exploring the ‘receiver’ views of university strategies – in the coming months we're planning to take a look at how others see these strategies impacting on their areas of the university or how they are directly benefitting.

Please do send me your comments on the points we've addressed through this work and also let me know if you'd like to be involved in our next study: lal@communicationsmanagement.co.uk