MAKING WAY FOR INNOVATION:
Crafting New Strategies for the Future of Higher Ed

SPONSORED BY: ORACLE
Modern Campus
Modern Cloud

Oracle Cloud for Higher Education

✓ Personalize the student experience
✓ Empower lifelong learning
✓ Promote student success
✓ Foster institutional excellence

Become the Modern Campus Your Students Expect

oracle.com/goto/universities
or call 1.800.633.0738
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>6</td>
</tr>
<tr>
<td>Vision and Direction</td>
<td>7</td>
</tr>
<tr>
<td>Current Priorities</td>
<td>13</td>
</tr>
<tr>
<td>Innovation</td>
<td>20</td>
</tr>
<tr>
<td>Faculty and Staff Recruitment</td>
<td>27</td>
</tr>
<tr>
<td>Public Institution Funding</td>
<td>31</td>
</tr>
<tr>
<td>Conclusion</td>
<td>36</td>
</tr>
<tr>
<td>Methodology</td>
<td>38</td>
</tr>
</tbody>
</table>

For over thirty years, Maguire Associates has provided consulting, modeling, and research to the education market. They have a successful track record partnering with institutions to develop enrollment management practices, institutional marketing, branding, competitive positioning strategies, retention plans, and strategic planning both nationally and abroad. They work with their clients to understand the values, priorities and perceptions of important constituent groups via qualitative and quantitative market research supported by sophisticated modeling and forecasting.

Making Way for Innovation is based on a survey by Maguire Associates, was written by Michael Anft, and is sponsored by Oracle. The Chronicle is fully responsible for the report’s editorial content. Copyright © 2017.
College and university leaders are pressing forward with ways to make their institutions more innovative. They are investing in new technologies, are committed to guiding their institutions through transformative times, and are in search of more effective ways to garner and use resources.

They are under intense pressure to do so. Their work to modernize and improve their institutions comes against a backdrop of declining faith in the quality of U.S. higher education, including from inside the top offices of universities themselves. Administrators believe that the nation is still the leader in quality higher education worldwide, but that number has fallen in the past year. At the same time, parents and politicians continue to ask for more from institutions. They want colleges and universities that are more accountable and can justify their tuition costs—matters that senior academic officers say they are sensitive to.

Ongoing concerns about resources, student retention, and the best use of new technologies continue to dominate the thoughts of senior academic officials, even as they work to make their institutions’ operations as effective and efficient as possible.

Observers see a link between the diminished view of the putative superiority of American colleges and universities and a common agreement to push education in an innovative direction. Higher-ed leaders now regard innovation as a major task that requires fresh thinking, something that is reflected in the results of The Chronicle’s survey.

“For the last five years or more, many institutions have seen innovation mainly as a reflection of the growth of distance learning programs and MOOCs (massive open online courses),” says Michelle Marks, vice president for academic innovation and new ventures at George Mason University. “Now, there’s a dramatic shift as to what institutions think they should be capable of in regards to innovation. There’s a realization that we need to do more and do it better and faster.”

As colleges move forward with transformation, they are increasingly seeking more direction from students. Institutions report continuing efforts to become more accountable, while finding new ways to fund their operations and upgrade their faculty and staff.

The report is based on a survey conducted for The Chronicle of Higher Education in July 2017 of 724 senior academic officers at two-year and four-year private and public institutions. It also draws from expert opinions, Chronicle reporting, and previous studies to discuss how colleges and universities view innovation, the strategies they are using to effect change, the types of investments they are making in new educational technology, and the challenges they face while doing so.
A DECLINING NUMBER OF LEADERS BELIEVE THAT U.S. HIGHER EDUCATION RANKS AT THE TOP

When compared with a survey of college presidents from 2014, significantly fewer survey respondents said they thought the U.S. higher-education system was moving in the right direction, ranks as the best in the world, or will rank as the best or one of the best in 2027.

STUDENTS ARE SEEN AS PRIME DRIVERS OF INNOVATION

In contrast with past surveys, students are seen as the leading agents of change on campus, more so than politicians, university presidents, faculty, the media, or business leaders.

AND YET, FACULTY ARE VIEWED AS THE MOST IMPORTANT FACTOR IN INNOVATION

Educators should have the most input in matters of innovation, a vast majority of respondents said, followed by students, university presidents, and business leaders.

FINANCES REMAIN A LEADING CHALLENGE

Officials cited the need to tap new sources of money as the most critical issue facing their schools. More than half said that reducing costs was also a major concern. And nearly seven in eight reported a decline in state financial support.

COLEGES ARE TAKING ON THE TASK OF TRANSFORMATION

Seven in 10 respondents reported their institution is in the midst of remaking itself. What’s more, the vast majority said they agree with public emphasis on innovation in higher education. Most report taking on new strategic planning initiatives and discussing them with their boards.

UNIVERSITIES CONTINUE TO INVEST IN NEW TECHNOLOGY

Most schools have made major investments in technology during the past three years, though the number of them doing so is significantly lower than last year. The most numerous investments involved redesigning university websites, expanded branding campaigns via social media, and installing Wi-Fi campuswide.

INNOVATION IS BEING TAKEN SERIOUSLY

Colleges are seen as fostering innovation at a high rate. Seven in 10 respondents said their institution has become more innovative in regard to learning and teaching in the past five years. A similar number of academic officials believe college and universities are innovative in general.

COLLEGES NEED MORE THAN TUITION TO SURVIVE

With two in three institutions facing flat or declining tuition dollars, most respondents said they rely more on other forms of financial support, with a majority reporting that they do so to at least a moderate extent. These forms most regularly include donations from individuals or companies, alumni giving, in-house fund raising, philanthropic gifts, and endowment funds.

AMONG THE KEY FINDINGS OF THE SURVEY:
As the pace of technological discovery and the rollout of new products have snowballed in recent decades, academic officials have often been bowled over by change. Not only have they been expected to maintain educational standards and tend to ever-tightening budgets, they must now determine how to deliver education in many different ways, including concepts that involve so-called cognitive learning models, along with MOOCs and other forms of online education.

The Chronicle survey reflects an ongoing and complex discussion within higher education about how to move forward. IT inventions and cognitive scientists have led to advances in how learning takes place, but have not always led to better teaching institutions. The pace of change and the lack of a way to rapidly measure progress on many fronts have made it difficult to identify best practices, or get all stakeholders at an institution on the same page.

“The field of education does not appear to have an integrated pipeline that promotes the transfer of concepts to reality,” a 2016 report from the MIT Online Education Policy Initiative noted. “A common research agenda that pulls in new findings from all fields of education and better integrates them could lead to powerful insights.”

Alas, no such agenda or mechanism exists. Institutional leaders often must distinguish between what is innovative and what isn’t, but without the best available information. It’s easy to get lost in the fog that surrounds the pace of the tech race, some experts say.

“Colleges often confuse innovation with technology, which doesn’t necessarily improve learning. This is one of the big challenges: How do we change how we teach and then apply the technology? That’s the correct sequence for going about it,” says Bror Saxberg, vice president of learning science for the Chan Zuckerberg Initiative.

The Chronicle survey provides context for the discussion senior officials continue to have about how best to meet the challenges of the future.
Vision and Direction

The vast majority of those who took part in The Chronicle survey—81 percent—said that they agree with current public discussions about the need to transform higher education. Only a quarter of Americans agree that our higher-education system is functioning fine just the way it is.
The American higher-education system is the envy of the world, yet it isn’t in as lofty a position as it was before, and the outlook is cloudy.

While a substantial majority of academic officials see the United States as the world’s leader in higher education, or near the top, the number that does has dropped from 87 percent (as represented in a separate survey of college presidents in 2014) to 67 percent today (see Figure 1).

**FIGURE 1**
WHERE ACADEMIC LEADERS BELIEVE THE U.S. HIGHER-EDUCATION SYSTEM RANKS IN THE WORLD
Similarly, most senior administrators say the United States will remain on top or as one of the leaders worldwide in a decade, but the number believing that has dropped from 78 percent three years ago to 60 percent now (see Figure 2).

**FIGURE 2**
WHERE ACADEMIC LEADERS BELIEVE THE U.S. HIGHER-EDUCATION SYSTEM WILL RANK IN THE WORLD IN 2027

<table>
<thead>
<tr>
<th>2017</th>
<th>13%</th>
<th>25%</th>
<th>50%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Survey of Faculty</td>
<td>7%</td>
<td>14%</td>
<td>30%</td>
<td>43%</td>
</tr>
<tr>
<td>2014 Survey of Presidents</td>
<td>5%</td>
<td>16%</td>
<td>61%</td>
<td>17%</td>
</tr>
</tbody>
</table>

- **BELOW AVERAGE**
- **AVERAGE**
- **ABOVE AVERAGE**
- **ONE OF THE BEST IN THE WORLD**
- **THE BEST IN THE WORLD**
“There’s been a consistent drumbeat that has put institutions on their heels,” says Bridget Burns, executive director of the University Innovation Alliance, a consortium of 11 colleges and universities that works to increase graduation rates, particularly among underrepresented groups. “American higher education is still the gold standard, but we’ve had a few bad years in the media, with sexual assault and student service issues and higher costs. It’s a hard moment.”

While a considerable majority of university presidents said that American higher education was going in the right direction three years ago, only slightly more than half do presently (see Figure 3).
The vast majority of those who took part in The Chronicle survey—81 percent—said that they agree with current public discussions about the need to transform higher education (see Figure 4). Only a quarter of Americans say that our higher-education system is functioning fine as it is, according to a recent survey conducted by New America, a prominent think tank.

In response to public concerns and other outside pressures, including improvements in the educational systems in other countries, such as China, universities continue to ramp up campuswide transformation efforts. But the rate at which they’re doing it appears to be slowing (see Figure 5).
Colleges are planning to roll out new methods for remaking themselves. About half say they are likely to launch more online or hybrid programs, as well as others based on the demands of employers, within the next five years (see Figure 6).

Experts say the survey shows varied approaches toward transformation—perhaps too varied, and with not enough focus. “Everyone wants to find new ways to deliver higher education, but are they using the right tools to get there?” asks Phil Komarny, chief digital officer for the University of Texas system. “There’s a real lack of understanding of how technology can transform an institution. There’s very little that is holistic that is being done, and colleges often confuse ‘transformation’ with ‘activity.’ To really be transformative, universities need to take a hard look at what they’re delivering, measure that against what is possible, and develop a solid plan.”
Current Priorities

Institutional leaders evinced concerns about declining sources of revenue, retaining students, and competing for them.
Institutions continue to look forward, consulting their boards about how they will change the way they operate in the years to come. Some experts question why so many institutions—three in four—emphasize strategic planning when discussing the future with their boards (see Figure 7).

### Figure 7

**Topics Academic Leaders Say Have Been Discussed at Their Board Meetings This Year**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New strategic planning</td>
<td>75%</td>
</tr>
<tr>
<td>Curriculum revisions</td>
<td>57%</td>
</tr>
<tr>
<td>Addition of new school, college or programs</td>
<td>54%</td>
</tr>
<tr>
<td>Transition of senior leadership</td>
<td>41%</td>
</tr>
<tr>
<td>Succession planning</td>
<td>41%</td>
</tr>
<tr>
<td>Revision of institution mission, vision and/or goals</td>
<td>35%</td>
</tr>
<tr>
<td>Significant change to tuition</td>
<td>31%</td>
</tr>
<tr>
<td>Significant increase in part-time or distance learners</td>
<td>26%</td>
</tr>
<tr>
<td>Merging programs within the institution</td>
<td>22%</td>
</tr>
<tr>
<td>Closing of a school, college, or program</td>
<td>21%</td>
</tr>
<tr>
<td>Significant decrease in graduate enrollment</td>
<td>15%</td>
</tr>
<tr>
<td>Merging with another higher-education institution</td>
<td>8%</td>
</tr>
<tr>
<td>Termination of undergraduate ‘core’ curriculum/courses</td>
<td>8%</td>
</tr>
<tr>
<td>Change to gender composition of student body</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
</tbody>
</table>
“Strategic planning can yield great results or exhaust finite capacity with little to show for the effort,” says James DeVaney, associate vice provost for academic innovation at the University of Michigan. “The approach should fit the culture. Some institutions will respond far more positively to empowering university leaders to adopt more persistent approaches to agile development and data-driven decision making.”

In addition to developing more strategic plans, more than half of institutions are talking about revising curriculum or adding new schools or academic programs. The past year has brought some significant changes. Many have greatly increased the numbers of discussions they have had on the future of leadership, making significant changes to their tuition, and merging programs within the institution (see Figure 8).
“The change in numbers from year to year in those categories is dramatic,” says Michelle Marks, the vice president for academic innovation and new ventures at George Mason University. “It shows the growing concern with financial stability.” Institutional leaders evinced concerns about developing new sources of revenue, retaining students, and competing for them (see Figure 9).

**FIGURE 9**
**TOP CHALLENGES FACING THE INSTITUTION**

- Developing new sources of revenue: 79%
- Retaining students: 69%
- Competing for students: 69%
- Improving graduation rates: 62%
- Expanding/adapting academic program offerings: 61%
- Continuing or reducing cost: 57%
- Upgrading technology systems and business processes: 50%
- Retaining faculty and staff: 39%
- Eliminating siloed or incompatible technology systems: 29%
- Other: 4%
More than three quarters of respondents said their institution should significantly modify or optimize its business practices in the near future (see Figure 10). Officials overwhelmingly listed efficiently allocating resources, competing for students, and declining or flat tuition revenue as challenges (see Figure 11).

**FIGURE 10**
PERCENTAGE OF RESPONDENTS WHO THINK THEIR INSTITUTION SHOULD SIGNIFICANTLY MODIFY AND/OR OPTIMIZE ITS BUSINESS PROCESSES

- **4%** NOT IMPORTANT
- **18%** SOMEWHAT IMPORTANT
- **37%** IMPORTANT
- **41%** VERY IMPORTANT

**FIGURE 11**
TOP CHALLENGES FACED BY ACADEMIC LEADERS, RANKED BY FREQUENCY

- Decline in state financial support: 87%
- Allocating resources efficiently: 72%
- Competing for students: 70%
- State or federal legislation and mandates: 68%
- Declining (or flat) net tuition revenue: 67%
- Supporting students’ financial needs: 67%
Even as most reported making significant investments in technology during the past three years (see Figure 12), the vast majority said their institution spent less than $200,000 on technology consultants during the past year (see Figure 13). Colleges are much more likely to hire consultants for branding and positioning work, or marketing and communications, than technology (see Figure 14).

FIGURE 12
ACADEMIC LEADERS REPORT MAKING SIGNIFICANT INVESTMENTS IN TECHNOLOGY DURING THE PAST THREE YEARS

FIGURE 13
AMOUNT OF MONEY ACADEMIC LEADERS SAY THEIR INSTITUTION HAS SPENT ON CONSULTANTS IN THE PAST YEAR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessing or implementing new technology</td>
<td>21%</td>
<td>20%</td>
<td>18%</td>
<td>18%</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>Managing operational costs</td>
<td>30%</td>
<td>23%</td>
<td>19%</td>
<td>17%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Branding and positioning</td>
<td>30%</td>
<td>21%</td>
<td>20%</td>
<td>16%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Developing tactical recruitment strategies</td>
<td>31%</td>
<td>23%</td>
<td>25%</td>
<td>12%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Marketing and communications planning</td>
<td>30%</td>
<td>15%</td>
<td>27%</td>
<td>17%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Developing strategic enrollment plans</td>
<td>35%</td>
<td>25%</td>
<td>17%</td>
<td>13%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Market research</td>
<td>31%</td>
<td>29%</td>
<td>28%</td>
<td>6%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Assessing academic program demand</td>
<td>39%</td>
<td>33%</td>
<td>14%</td>
<td>12%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Retention research and support</td>
<td>44%</td>
<td>20%</td>
<td>21%</td>
<td>11%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Strategic use of financial aid</td>
<td>27%</td>
<td>22%</td>
<td>36%</td>
<td>11%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Pricing strategies</td>
<td>38%</td>
<td>25%</td>
<td>29%</td>
<td>6%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>33%</td>
<td>21%</td>
<td>29%</td>
<td>8%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>
“It’s striking that so many institutions are concerned about branding or winning people over to their schools, instead of really investing time and thought in innovation,” says Gordon Jones, dean of the College of Innovation and Design at Boise State University. “That’s a sign that there needs to be a deeper re-imagining as to what change should be.”
The survey results “are a sign that institutions are pivoting toward student concerns. It looks like they are playing offense, as opposed to being reactive like they were when politicians or the media were seen as the drivers of change.”
While the survey showed that most institutions are using many forward-looking methods of education—distance programs, entrepreneurship competitions, experiential and hybrid learning, and online courses, for example—most senior academic officials believed that their institution has only moderately become more innovative in its teaching and learning practices in the past five years (see Figures 15, 16).

**FIGURE 15**
INSTITUTIONS OFFER OR ENGAGE IN THESE EDUCATION METHODS AND/OR OPPORTUNITIES

- **Internship/co-op opportunities**: 90%
- **Engagement with business community**: 83%
- **Blended or hybrid learning**: 82%
- **Courses taught entirely online**: 82%
- **Experiential learning**: 74%
- **Enrolling remote or ‘distance’ students**: 68%
- **Engagement with alumni to focus on career and job placement strategies**: 66%
- **Learning management systems to track student learning/mastery**: 57%
- **Innovation or entrepreneurship competitions**: 53%
- **Prior learning assessment**: 50%
- **Assessments of prior student achievement**: 45%
- **Awarding credit for work/life experience**: 37%
- **Free or open educational resources**: 30%
- **Using student self-reports**: 23%
- **Self-pacing/self-directed learning**: 21%
- **Competency-based education**: 20%
- **Adaptive learning to personalize education**: 18%
- **Using computerized grading (such as automated essay scoring)**: 17%
- **Nontraditional credentials**: 15%
- **Three-year bachelor's degrees**: 9%
- **MOOCs**: 7%

**FIGURE 16**
ACADEMIC LEADERS RATE THE PERCENT TO WHICH THEIR ORGANIZATION HAS BECOME A MORE INNOVATIVE TEACHING AND LEARNING INSTITUTION IN THE PAST FIVE YEARS

- **Not at all**: 3%
- **To a small extent**: 27%
- **To a moderate extent**: 50%
- **To a great extent**: 20%
As a whole, American colleges and universities foster innovation at a moderate level, half of the respondents said, while nearly one in three said they promote a large or very large amount of innovation (see Figure 17).

Experts expressed surprise that students are now seen as a top driving force behind change in higher education—more so than college presidents, politicians, and the media, all of which figured prominently in a 2014 survey of college presidents. Most observers see this as encouraging news, but offered some caveats (see Figures 18,19).
FIGURE 18
ACADEMIC LEADERS REPORT THE TOP DRIVING FORCES BEHIND INNOVATION

- Students: 55%
- Politicians: 45%
- Presidents: 35%
- Faculty: 34%
- Business leaders: 33%
- General public: 29%
- Media: 17%
- Parents: 16%
- Trustees: 15%
- Foundations: 8%
- Other: 8%

FIGURE 19
COMPARISON OF HOW PRESIDENTS RATED TOP DRIVING FORCES BEHIND CHANGE IN HIGHER EDUCATION IN 2017 AND 2014

- Students: 2017 31%, 2014 49%
- Presidents: 2017 40%, 2014 45%
- Politicians: 2017 44%, 2014 56%
- Business leaders: 2017 36%, 2014 33%
- Faculty: 2017 10%, 2014 34%
- General public: 2017 10%, 2014 31%
- Trustees: 2017 16%, 2014 22%
- Media: 2017 16%, 2014 35%
- Parents: 2017 12%, 2014 14%
- Foundations: 2017 7%, 2014 19%
- Other: 2017 6%, 2014 0%
“You want to listen to your customers, but how exactly do you listen?” says Saxberg of the Chan Zuckerberg Initiative. “Higher education shouldn’t expect its customers to tell it how to solve its problems any more than a physician should expect his or her patients to manage their care. But you want to listen, observe, and learn as much as you can from them.”

Others saw the recognition of students as innovators as evidence of fresh thinking and an acknowledgment of the lead students are taking in the formation of some courses and programs. At Michigan, students designed a MOOC on climate change, while another group formed a “civil rights academy” for pre-college learners. “Students are becoming learning-experience creators, a signal of engagement that goes well beyond content consumption,” says the university’s DeVaney.

“Institutions are thinking about how to work in the context of achieving student success,” adds Burns, the executive director of the University Innovation Alliance. The survey results “are a sign that institutions are pivoting toward student concerns. It looks like they are playing offense, as opposed to being reactive like they were when politicians or the media were seen as the drivers of change.”

Students are likely spurring innovation because of changing demographics, notes Marks of George Mason University. Four in 10 students are now 22 or older, about half are the first collegians in their families, and half are minority members. Institutions may view the student body in a new light because of it. “We’re seeing a lot more adult learning and international students. Among many of these groups, the graduation rate is traditionally lower. They present a challenge, such as in whether they’re receiving enough from support systems,” she says.

While respondents viewed students as prime sources of innovation, faculty members were overwhelmingly seen as the group that should have the most input into discussions on innovation (see Figures 20, 21).
**FIGURE 20**

*Academic Leaders Rank Which Groups Should Have the Most Input into the Discussions About Innovation*

<table>
<thead>
<tr>
<th>Group</th>
<th>2017</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Presidents</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>Business leaders</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Trustees</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>General public</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Parents</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Foundations</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Politicians</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Media</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

**FIGURE 21**

*Comparison of How Presidents Rated the Top Groups That Should Have Input into Discussions About Innovation in Higher Education in 2017 and 2014*

<table>
<thead>
<tr>
<th>Group</th>
<th>2017</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>78%</td>
<td>84%</td>
</tr>
<tr>
<td>Students</td>
<td>62%</td>
<td>42%</td>
</tr>
<tr>
<td>Presidents</td>
<td>57%</td>
<td>12%</td>
</tr>
<tr>
<td>Business leaders</td>
<td>40%</td>
<td>19%</td>
</tr>
<tr>
<td>Trustees</td>
<td>53%</td>
<td>28%</td>
</tr>
<tr>
<td>General public</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Parents</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Foundations</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Media</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Politicians</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Institutions have become moderately or greatly more accountable, effective, and efficient during the past five years, respondents said (see Figures 22, 23). Some observers cautioned academic leaders from conflating such measures with innovation. “The answer to achieving real change isn’t in becoming more efficient,” says Jones of Boise State University.

![FIGURE 22](image)

**FIGURE 22**
**ACADEMIC LEADERS RATE THE EXTENT TO WHICH THEIR INSTITUTION HAS BECOME A MORE EFFICIENT TEACHING AND LEARNING ORGANIZATION IN THE PAST FIVE YEARS**

- Not at all: 4%
- To a small extent: 18%
- To a moderate extent: 47%
- To a great extent: 31%

![FIGURE 23](image)

**FIGURE 23**
**ACADEMIC LEADERS REPORT THE EXTENT TO WHICH THEY ATTRIBUTE EFFECTIVENESS EFFORTS TO CROSS-FUNCTION/CROSS-DEPARTMENT COLLABORATIONS**

- Not at all: 2%
- To a small extent: 16%
- To a moderate extent: 38%
- To a great extent: 44%
Faculty and Staff Recruitment

“The ideal balance is a mix of faculty members who are at different stages of their careers.”
Aging among faculty members is an issue in higher education, though not necessarily front and center in the concerns of its leaders. Academic officials cited relatively high levels of concern, when measured against other faculty-centered criteria, about the costs of health care for retirees and the numbers of faculty members who work past retirement age (see Figure 24). They especially see young faculty members as crucial to innovation, particularly when compared with the productivity of retirement-age faculty (see Figure 25).

**FIGURE 24**
**TOP CONCERNS OF ACADEMIC LEADERS**

- Growing health-care cost for retirees: 33%
- Faculty members working past traditional retirement age: 25%
- Ability to succession plan for administrative staff: 19%
- Inability to continue current level of retirement benefits due to institutional financial issues: 18%
- Ability to succession plan for academic departments: 17%
- Inability to hire for tenure-track positions because of lack of retirements: 13%
- Losing younger faculty due to lack of retirement in departments: 10%
- Losing younger staff due to lack of retirements: 8%
- Administrative staff working past traditional retirement age: 8%

**FIGURE 25**
**PERCENTAGE OF ACADEMIC LEADERS WHO AGREE OR STRONGLY AGREE WITH THE FOLLOWING STATEMENTS**

- Young faculty members are crucial for advancing and innovating knowledge in departments: 90%
- Faculty older than traditional retirement age are very important for maintaining institutional knowledge and history within academic departments: 40%
- Faculty older than traditional retirement age have a mastery of teaching that they can pass on to younger generations: 36%
- Faculty older than traditional retirement age are very productive members of academic departments: 26%
- Faculty non-retirement is discouraging the younger generations from pursuing an academic career: 19%
Such concerns reflect the need for institutions to draw in younger faculty while holding on to talented older educators. “The ideal balance is a mix of faculty members who are at different stages in their careers,” says Marks. “Early retirement programs often don’t produce financial gains for universities for a long time. Plus, there’s always a worry about a brain drain.”

College and university leaders surveyed generally haven’t made substantial and innovative efforts to draw in new faculty during the past five years (see Figure 26), though a majority reported offering tuition payments for faculty partners and family members (see Figure 27). Less than half said they offered leadership training programs and flexible course loads, among other inducements.

**FIGURE 26**
**ACADEMIC LEADERS RATE THE EXTENT TO WHICH THEIR INSTITUTION HAS IMPLEMENTED CREATIVE AND INNOVATIVE METHODS TO ATTRACT NEW FACULTY AND STAFF IN THE PAST FIVE YEARS**

- **18%** Not at all
- **41%** To a small extent
- **31%** To a moderate extent
- **10%** To a great extent

**FIGURE 27**
**METHODS ACADEMIC LEADERS SAY THEIR INSTITUTIONS HAVE ENGAGED IN OR IMPLEMENTED TO ATTRACT NEW FACULTY AND STAFF**

- Tuition remission for faculty/staff partners and family members: 63%
- Leadership training programs for current faculty/staff: 41%
- Flexible course loads: 32%
- Increased budgets for training/conferences: 30%
- Hired executive/faculty search consultants: 28%
- Flexible research/publishing expectations: 23%
- Revised promotion and tenure process: 21%
- Flexible service expectations: 20%
- On-site early education programming/daycare: 13%
- Performance incentives/bonuses: 10%
- Other: 9%
Institutions see an almost-even split between the numbers of faculty who at least frequently redesign their courses, lectures, or syllabi with an eye toward innovation, and those who sometimes or rarely do (see Figure 28).

**FIGURE 28**
FREQUENCY AT WHICH ACADEMIC LEADERS REPORT HOW OFTEN FACULTY AT THEIR INSTITUTION REDESIGN THEIR SYLLABI, COURSE STRUCTURE, AND/OR LECTURES TO INCORPORATE NEW INNOVATIONS IN TEACHING AND LEARNING

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rarely</td>
<td>3%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>45%</td>
</tr>
<tr>
<td>Frequently</td>
<td>45%</td>
</tr>
<tr>
<td>Constantly</td>
<td>7%</td>
</tr>
</tbody>
</table>
“There’s a limit as to how much tuition money an institution can raise. The cost of health benefits are putting virtually every university in a position where they have to be thinking about efficiencies that they’ve rarely thought of in the past.”
Respondents noted a number of financial challenges. Nearly nine in 10 cited declining support from the state, while two in three noted declining or flat tuition revenue. Another two in three cited problems supporting students’ financial needs (see Figure 29). All these issues can cause major problems for continuity and growth at institutions, which have few options for reversing budget cuts.

**FIGURE 29**
**ACADEMIC LEADERS RATE TOP CHALLENGES**

- Declining state financial support: 87%
- Allocating resources efficiently: 72%
- Competing for students: 70%
- State or federal legislation and mandates: 68%
- Declining (or flat) net tuition revenue: 67%
- Supporting students’ financial needs: 67%
Despite growing concerns among parents and students about higher-education costs, most have opted to increase their tuition and student fees (see Figure 30). “There’s a limit as to how much tuition money an institution can raise,” says George Mason University’s Marks. “The cost of health benefits are putting virtually every university in a position where they have to be thinking about efficiencies that they’ve rarely thought of in the past.”

**FIGURE 30**

**ACADEMIC LEADERS REPORT ON SOURCES USED TO FILL BUDGET GAPS AT THEIR INSTITUTIONS**

- Increasing tuition: 68%
- Increasing student fees (including room and board): 67%
- Grants from private organizations or philanthropies: 65%
- Donations from individuals or companies: 63%
- Alumni giving: 54%
- Reduction in faculty/staff: 52%
- Fundraising by academic leaders (chairs/deans): 50%
- Use of endowment funds: 45%
- Fundraising by students/student groups: 13%
- Reduction in financial aid: 5%
- Other: 4%
Most institutions have come to rely on alternate forms of financial support, at least to a moderate extent, during the past five years (see Figure 31). Leaders report using philanthropic grants and donations and alumni gifts to fill the gaps and project that they will use those sources much more in the future (see Figure 32). Around half of their institutions have reduced faculty or staff (see Figure 30).
According to the survey, colleges are stepping up efforts to draw more students, but some wonder whether such efforts are misguided. “The idea of recruiting more students or improving financial aid is based on the notion that we have a sturdy model,” says Jones, the dean of the College of Innovation and Design at Boise State University. “But we’ll be operating differently in the future. You’ll have to do better than just be better than the other guy to survive.”
Conclusion

The higher-education landscape is in constant flux. Rapid and accelerating change is being met by a realization among senior officials that colleges and universities need to be innovative and transformative.

Institutions are being asked to do more with less, and to do much better, leading some to worry that they may be hamstrung when it comes to innovation. “Leaders should be concerned about the pace of change, if they have fallen into the all-too-common trap of starting from constraints,” says University of Michigan’s DeVaney. They should instead “organize around the pursuit of mission-aligned opportunities,” he adds.

Experts who reviewed survey results at the request of The Chronicle saw a disconnect between what institutions say they are doing and what is actually happening on their campuses. Some held a particularly dim view of universities’ capacity to transform themselves.

The concerns expressed by officials regarding accountability, effectiveness, and efficiency do not reflect transformative thinking generally, says Komarny, the chief digital officer at the University of Texas system. “I get the sense that people just want to do what everybody else is doing,” he says.

“Leaders should be concerned about the pace of change, if they have fallen into the all-too-common trap of starting from constraints,” says University of Michigan’s DeVaney. They should instead “organize around the pursuit of mission-aligned opportunities,” he adds.

Experts who reviewed survey results at the request of The Chronicle saw a disconnect between what institutions say they are doing and what is actually happening on their campuses. Some held a particularly dim view of universities’ capacity to transform themselves.

The concerns expressed by officials regarding accountability, effectiveness, and efficiency do not reflect transformative thinking generally, says Komarny, the chief digital officer at the University of Texas system. “I get the sense that people just want to do what everybody else is doing,” he says.

But others saw some glints of hope. The survey’s responses showed that institutions are prioritizing the use of new technology, data-informed decisions, and the measurement of student outcomes—things that could lead the way toward real transformation. “There’s some evidence there that people are catching up with the need to look at what works in learning,” says the Chan Zuckerberg Initiative’s Saxberg. “The work of cognitive scientists and learning engineers should not go by the wayside. It represents 90 percent of the context of higher education.”

Several observers said the results show that universities need to get more specific about what they are looking to change. They also would do well to choose a well-considered path that merges technology with innovative management practices and learning programs. They warn that not all technologies, such as MOOCs, have lived up to their perceived potential.
Innovations that have been made elsewhere, such as the advent of corporate boot camps that offer high-intensity learning environments, could provide guides to improving how colleges reach students. “We need to find a way to fit those very effective ways of learning into the college environment,” says Komarny.

For others, the survey reflected a lack of alignment around priorities, vision, and the rate of change throughout the stakeholders at institutions. “We should not be surprised that an industry whose leadership has no experience with the kind of transformation that is needed would struggle to deliver it,” says Denna.

Finally, some called for colleges and universities to freely share what they are learning about learning and to mutually uncover the most innovative practices. “One thing we need to remember is we’re not alone,” says Burns, the executive director of the University Innovation Alliance. “Everyone has their head down and is focusing on running in their lane. But no one’s experience is unique. To get to where we’re both more innovative and efficient, we’ll need to work together.”
Methodology

The results of *Making Way for Innovation* are based on a survey of academic officers working at colleges and universities. Maguire Associates, of Concord, Mass., conducted the online survey for The Chronicle. Five percent of those invited—comprising a group of 724 officers and including presidents, provosts, academic officers, chief financial officers, and human resources officers—completed the survey. The data collection took place in July 2017.

For over thirty years, Maguire Associates has provided consulting, modeling, and research to the education market. They have a successful track record partnering with institutions to develop enrollment management practices, institutional marketing, branding, competitive positioning strategies, retention plans, and strategic planning both nationally and abroad. They work with their clients to understand the values, priorities and perceptions of important constituent groups via qualitative and quantitative market research supported by sophisticated modeling and forecasting.

*Making Way for Innovation* is based on a survey by Maguire Associates, was written by Michael Anft, and is sponsored by Oracle. The Chronicle is fully responsible for the report’s editorial content. Copyright © 2017.
20 of the 20 Top Universities
Get Better Results

oracle.com/goto/universities
or call 1.800.633.0584