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Leading effectively in higher education: Overcoming challenges in a new fiscal reality

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**Abstract**

The current challenges in the new fiscal reality have placed higher education under significant pressures to perform. Yet, the contextual systems of education designed in the industrial revolution focuses on producing employees as laborers. While the content of education reflects some of the new demands of business, the context of education remains to practice behaviorist principles that lack a cognitive understanding. Furthermore, the lack of understanding in educational psychology continues to allow conformist evaluations limit meaningful learning. For higher education to make the needed shift that produces business leaders, five leadership foundations offers a basis of contextual transformation: 1) move beyond mediocrity, 2) limit the amount of reductionism, categorization and behaviorism within the context of learning, 3) adopt an action orientation, 4) implement the knowledge creation spiral within the organization and 5) wrap the entire process of education within a systemic learning guide. To achieve sustainable profitability and world impact beyond the walls of a university, this concept paper challenges educational leaders to embody systemic thought within these five foundations.

### **Leading effectively in higher education: Overcoming challenges in a new fiscal reality**

The new fiscal reality within the global economic crisis has placed education under new pressures. Even with the leading economic power of the United States, the nation's school system is not producing leaders at the level required by a global economy (Abbeduto, 2006; Caboni & Sdisu, 2004; Guthrie & Springer, 2004). A major challenge in adult education is the abundant focus on behaviorism and a lack of understanding of cognitive factors (Ormrod, 2006; Sun 2010). According to Bosworth (2008), the United States has to make fundamental strategic shifts in adult education; otherwise, the stagnate labor force along with limited productivity and innovation will further degrade economic growth. While scholars agree on this fact, the means of addressing the issue vary greatly, from more control (Resnick as cited in Abbeduto, 2006) to a focus on contextual redesign based on human understanding (Sheldon as cited in Abbeduto, 2006; Sun, 2005). Effective education cannot occur with an expert at the front of the class, providing knowledge to learners and measuring outcomes by tests, papers and some 'smile face' surveys (Jacques, 1996; Keene, 2005; Rossi, 1988; Sheldon as cited in Abbeduto, 2006). While the traditional system of education is similar for all levels of education, the focus of this paper is primarily at the business level (including higher education with professionals taking evening/weekend/accelerated courses). In order for adult education to meet the needs of a global economy under financial crisis, going beyond the typical changes in behavior or strategies toward seeking the reinvention of belief systems creates an adoptable and flexible contextual system that transcends current boundaries of

organizations. A review of teaching and evaluation issues reveals a lack of focus on the underlying beliefs that govern behaviors (Balvister & Vickers, 2004; Sun, 2007).

### **Theoretical Background**

According to Watkins (as cited in Merriam & Cunningham, 1989), “workplace learning accounted for 85 percent of the variation in lifetime earnings, while formal education accounts for only 15 percent of this variance” (p. 427). People spend between 12 to 16 years in formal education, only learning 15% of what they need to be successful. Something is not working within the educational system (Caboni & Sdisu, 2004). In the business world, taking a training course represents an attempt to address a problem. For example, the huge attention on ethical practices has forced many companies to take on ethics training (Sausser, 2004). Yet, these training programs have failed to reduce legal violations (McKendall, DeMarr & Jones-Ridders, 2002). Measures of success are often “smile face” surveys or attendance numbers (Keene, 2005; Rossi, 1988). They fail to provide a feedback loop that creates permanent changes in behaviors or thinking. The concept of a honeymoon effect describes the lack of permanent change, as newly acquired behaviors fades within days or weeks (Goleman, Boyatzis & McKee, 2002; Sun, 2007).

To attempt to “fix” this issue, a conceptual understanding in the birth of the current education system provides insight into the root cause. The seed that gave birth to the college/university educational system was the industrial revolution (Jacques, 1996; Sun, 2005). Before that era, education was mostly informal apprenticeships where the apprentice departed the apprenticeship within a few years to start their own business. Such a mentality of entrepreneurship did not align with the needs of the industrial

revolution. The industrial revolution required workers who were controllable by management, not entrepreneurs who had ideas of their own. The need for skilled and controllable labor in factories helped drive the formation of higher education systems for learners. With a heavy influence by Taylor's scientific principles of management, the integrated experiential learning in the apprenticeship model perished. In order to match the needs of industry, the division of technical knowledge aligned with the division of labor (Jacques, 1996). Based on the needs of the economy and the lack of a formal education system, the vocational movement in the early 1900's created a system that produced controllable workers who contained segregated knowledge that lacked interconnectedness of knowledge and multiple intelligences (Gardner, 1993; Jacques, 1996).

While the vocational movement created an automobile that launched the United States toward a world power, this automobile will not run on the information superhighway or reach space. The typical content changes to the existing system such as standardization fails to consider neither the various intelligences of the human being (Gardner, 1993) nor the interconnectedness of knowledge and people (Capra, 1996; Checkland, 1999). Furthermore, blaming teachers/trainers for the issues in the system is a band aid approach to a systemic problem (Resnick as cited in Abbeduto, 2006). No amount of fixing or blame will ever create a new *educational vehicle* that launches humanity into a global knowledge-based economy (Drucker, 1993; "Harvard Business Review on Knowledge Management," 1998; Sun, 2005).

Currently, an enormous amount of research has shown the validity of new methods of education, such as constructivism and meaningful learning (Ormrod, 2006; Sun, 2005).

Especially for adult learners, the definition of learning as a permanent change in both behavior and thought needs to be at the foundation of educational systems, along with andragogical beliefs (Ormrod, 2006; Smith, 2002). Most of these methods call for a contextual focus in the system. This would be a complete redesign of adult education, including the structure of educational institutions and training organizations. The new *educational vehicle* would encompass fundamentals of knowledge creation spirals (Nonaka & Takeuchi, 1995; Sun, 2007, 2010) as well as variations of constructivism and meaningful learning methodologies (Abbeduto, 2006; Ormrod, 2006; Sun, 2005). At the foundations of this new *educational vehicle*, the principles of andragogy offer a flexible framework that transcends the content of a fast paced environment, which is constantly changing (Drucker, 1993). Leaders in the classroom, including professors and trainers, need to believe that learners are naturally creative and innovative who possess self-direction, rather than the traditional pedagogical/industrial belief that learners are child-like and require direction (Jacques, 1996; Smith, 2002).

Unfortunately, many training programs fail to address the fundamental value and belief systems required for contemporary theories and methods (Sun, 2007, 2010). Regardless of the brilliance of theories and methods, the lack of congruence between one's beliefs/values and theories/methods creates the honeymoon effect in both educators and adult learners (Goleman, Boyatzis & McKee, 2002; Sun, 2010). Furthermore, little research exists for individual application of values and beliefs within the organizational and educational context (Hofstede, Neuijen, Ohayv, & Sanders, 1990; Priem, 1994; Priem & Rosenstein, 2000; Sun, 2010). On one hand, recent research illustrate a strong relationship between leadership abilities and a multidimensional self-construct such as

high self-confidence (e.g. Clawson, 2006; Hannah, Woolfolk, & Lord, 2009; Sun, 2007; Sun, 2010). On the other hand, many leadership development programs continue to preach behaviors with limited focus on self-constructs (Ormrod, 2006). Too many organizations focus on content driven needs such as immediate performance, rather than focus on the process of learning or challenging the basic assumptions in beliefs (Seijts & Latham, 2005). These factors are a major roadblock to learning.

Another key foundation of the new *educational vehicle* is a self-correction mechanism based on the true impact of learning, clearly not exhibited by the typical ‘smile faces’ in survey (Keene, 2005; Rossi, 1988). One possibility in creating such a feedback loop may entail Kirkpatrick’s (1976, 1998) four levels of learning outcomes: reaction, learning, behavior, and results or Nonaka & Takeuchi’s (1995) knowledge creation spiral. This would create a sustainable system that would take on the characteristics of a living system (Capra, 1996; Checkland, 1999). A system that is self-correcting, self-programming and self-healing, similar to a human being.

### **Teaching Issues**

Values and beliefs are the fundamental building blocks of an individual. They affect all aspects of decision-making and behaviors (Balvister & Vickers, 2004; Ormrod, 2006; Sun, 2006, 2010). While ignoring the beliefs and values of learners and teachers, the majority of adult education focuses on behaviors. Especially in the business training environment, firms often exploit training as a tool to enforce rules and policies (McKendall, DeMarr & Jones-Rikkens, 2002; Sun, 2005). While the focus on content may be worthy, management often dictates the context of education. One may be required to attend a training session, while most have little to no time to take action based

on new information (Goleman, Boyatzis & McKee, 2002). Within such an environment, common business practices confirms to behaviorist beliefs that assume that learners require external motivation (Ormrod, 2006). Therefore, the role of management is to provide that motivation and create a dependent, child-like workforce that is easily controlled (Jacques, 1996).

In order to create effective learning for adults, learners and teachers need to redefine their beliefs concerning their roles and the relationship between learners and teachers. As studies have shown, learners with a high sense of self and a belief in their abilities are more likely to succeed in many areas of life such as academic and social success (Guay, Marsh, & Boivin, 2003; Ormrod, 2006). Rather than an unbalanced focus on the specific content, educators can focus on the development of self-esteem with every class or session. Yet, to focus on such developments, the individual leading the class must embody an andragogical perspective on learning. In order to do that, these leaders can reflect on their beliefs about their role as teachers as well as their own personal fears and ego. Such an examination would reveal many hidden and potentially ugly reflections. In order to authentically practice new methods of education such as constructivism that reside on andragogical foundations, examination and reinvention of one's fundamental beliefs can pave the way for sustainable and authentic changes in educational leaders (Ormrod, 2006). These new reinvented beliefs form the basic building blocks of the new *educational vehicle*.

### **Evaluation Issues**

The evaluation of individuals in most companies is performance based. Although this is not conducive to learning, companies often judge individual performance without a

balanced consideration for the process or environmental conditions (Seijts & Latham, 2005). Such performance evaluations drive learners to be fearful of mistakes within the educational context, as they see failure as a sign of incompetence. To make the environment more toxic, organizations sometimes see failures as a predictor of future failures (Argyris, 2002; Ormrod, 2006). These judgments and predictions have resulted in managers hiding the truth by misrepresenting the performance to gain a perception of protection, which ultimately destroyed many companies such as Adelphia, Tyco and WorldCom (Sausser, 2004).

In higher education, the focus on getting good grades challenges learners to conform to the desires of the professor with limited ability to think critically concerning the value traditional assessments within the real world. The limiting assessments of papers and exams often only assess the initial levels of Bloom's taxonomy (Ormrod, 2006). One common outcome is the lack of ability to utilize the theoretical knowledge effectively, such as lead an effective team; and with the experienced older workers departing the workforce, the need for practical and proven skills is much greater (Bosworth, 2008). Similarly in the workplace, performance evaluation limits the learner from learning, since there is a duality of success or failure. Within such a duality, politics often influence learners to conform to the "right" answers while ignoring the truth (Perry, 2006). None of the above behaviors promotes learning. The common focus on performance and exams in both the workplace and classroom communicate a belief that those in charge do not care about the development of its people nor are they willing to provide an environment for learning to occur. Although this may not be an explicit policy in any organization, common practices articulate such beliefs.

Another evaluation issue rests in many training workshops where ‘smile sheets’ evaluate the success of a particular course (Keene, 1988; Rossi, 2005). Often, the entertainment value of a training session is valued over the actual adoption of content. Even within many reputable leadership development organizations studied within central Ohio, most still use ‘smile sheets’ and fail to illustrate the actual effectiveness of their programs. One interpretation of such practices is an underlying fear of going out of business. If leadership organizations and training programs truly functioned on a contextual level that developed learners into capable individuals with high self-esteem who are capable of self-directed learning, training organizations would not be required for learning to occur. Thus, a self-serving motive of survival supersedes the development of independent learners.

Nonaka and Takeuchi (1995) and Kirkpatrick (1976; 1998) presented profound evaluation of learning systems. While learning may initiate within the classroom setting, the bulk of the learning happens when learners apply new knowledge within the context of their environment and measure its impact. The knowledge creation spiral is a perfect example of such an evaluation system that creates meaningful learning (Nonaka & Takeuchi, 1995). The third and fourth levels (behavior and impact) of Kirkpatrick’s (1976; 1998) learning outcomes highlights the need to measure long term impact. In order to implement such models, educators must step away from the traditional powerbase of dependence. Educators need to see their roles as guides and resources, rather than the center of attention (Abbeduto, 2006; Ormrod, 2006). If evaluation systems are to be holistic, a focus on learning and process must balance process measure

and performance measures (Seijts & Latham, 2005). This balance allows competence to develop within a learning spiral over time (Nonaka & Takeuchi, 1995; Ormrod, 2006).

The fundamental beliefs drive many choices from teaching methods to evaluation methods. As educators examine their beliefs concerning their role as teachers, an updated belief could encompass a partnering model, rather than a rigid hierarchical structure. The enhanced beliefs concerning the relationship between learners and teachers would add the enthusiasm to learning. The reflection process for educators to challenge their assumptions and beliefs can yield the critical thought required for building the new *educational vehicle* (Ormrod, 2006).

### **Five Leadership Foundations**

Under economic pressures from the global financial crisis, higher education has to be accountable for the investments of its stakeholders. Like any other business with scarce resources, the value of the investments in higher education is under a microscope of scrutiny. As a result, higher education can no longer reside within the comforts of its past accomplishments. The following five leadership foundations offer insights to higher education. While these foundations are strategic initiatives with an underpinning of systemic leadership philosophy, the implementation yields profound changes in learners and community impact, not to mention the active referral system that brings in many new learners (Sun, 2005).

First, higher education has the opportunity to teach learners to break out of their box of limitations, whether it is a cultural limitation or a limiting theory. For example, the choice to perpetuate agency theory in management courses teaches learners to assume the worst in humanity, while create a fear-based mentality (Ghoshal, 2005). The resulting

system is one of tight control that limits innovative thought required for today's organizations. Other theories such as theories of change by Kotter (1996) and Lewin (1974) both promote a freezing or institutionalizing of change that is debilitating in a business world with constant change (Sun, 2009). These theories form the underpinnings of mediocrity. While the intrinsic value of these theories within a dynamic business environment has expired for well over a decade, many business schools continue to perpetuate these principles with limited critical thought on practicality. Instead of promoting old theories, higher education has the opportunity to call on the higher order thought processes of their learners to go beyond this mediocrity.

To accomplish the goal of effective higher order thought, the second foundation targets the cognitive development of learners. Many studies illustrate the relationship between cognitive development, such as enhancement of self-constructs like core self-awareness and self-confidence, and effective leadership (e.g. Clawson, 2006; Hannah, Woolfolk, & Lord, 2009; Sun, 2007). Yet, many schools are stuck within the context of behaviorism with very limited understanding of cognition (Ormrod, 2006). Especially with the pressures to produce, the quick fix mentality drives some educators to use out-of-date principles in business like pills to push down the throats of learners. Whether it is the reductionist perspective to break problems into its parts and lose crucial relational content between the parts or the categorization that limits people into simple categories, higher education has the potential to apply systems thinking throughout the context of every program. Especially from a learning perspective, systemic thought promotes the understanding of the interconnectedness of humanity as well as sub-systems of learning often lacking in business education. Empowering faculty members to acquire practical

knowledge on educational psychology along with basic tactics such as embedding emotional hooks into course materials enables learners to remember the materials and to be able to apply them (Checkland, 1999; Ormrod, 2006; Sun, 2007).

The third and fourth foundations further the systemic thought by connecting the real world to education. The action orientation provides an innovative avenue for faculty to make each lesson meaningful with application for learners. Sun (2005) conducted a study where learners mastered their course materials through the proactive engagement with their community (as project clients). As a result, the engagements brought many solutions to local businesses which created a positive image for the university; furthermore, some of the business owners saw the value of the practical education and enrolled in the graduate program shortly after the engagement. Using the action orientation as a basis for learning, a knowledge creation spiral encompassed the system of learning that closed the loop through application (Nonaka & Takeuchi, 1995; Sun, 2007).

The final foundation that ties the new system of learning together is what is traditionally known as performance management. While the principles of performance management has merit, most systems have fundamental challenges that limit learning such as an annual appraisal (Sun, 2009). To further engage the core of any higher educational institution, transformation of faculty into systemic learners calls for a different approach. The traditional publication requirement as the primary means of faculty evaluation in many traditional universities fails to encourage a constant attention to profound student learning beyond papers and exams. The system of performance metrics in higher education can also include various dimensions such as learner impact on the community, relational measures between faculty and learners such as trust and

respect, systemic thought capabilities and emotional intelligence of learners. A holistic system with frequent feedback for faculty guides every member towards greatness. The systemic learning guide encompasses these elements to help higher education create more value during the educational process and not stuck in producing employees with a piece of paper (Jacques, 1996).

### **Conclusions**

Time has come to let go of the content-based system that has served the industrial era well. It is futile to attempt to fix the educational automobile, since its tires will never run on the information superhighway. The knowledge-based economy requires adults with a new way of thinking and a different set of beliefs (Clawson, 2006; Drucker, 1993; Goleman, Boyatzis & McKee, 2002; “Harvard Business Review on Knowledge Management,” 1998; Sun, 2010). The five leadership foundations call for a proactive engagement of learning by faculty members. Furthermore, it will pave the road for contemporary methods such as constructivism to flourish so that systemic leaders are the products of higher education ready to take on the new fiscal reality.

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