

# Can Higher Education “Evolve?”

## Mastering the Challenges of Change

*The Henry Luce Foundation Lecture on Leadership*

The Internet and its associated network technologies represent opportunity for some, an enormous threat for others. The World Wide Web is both the stimulus for a new organizational culture—making it necessary—and a facilitator of that same culture—making it possible. No matter where they are on the continuum of Internet use, people and organizations everywhere would do well to evolve and embrace the e-culture of tomorrow. Rosabeth Moss Kanter, Ernest L. Arbuckle Professor of Business Administration at the Harvard Business School, focuses on the challenges facing institutions as they strive to adapt and undergo systemic change, with a deep emphasis on the human skills that build meaningful community out of mere connections.

### **Change Journeys**

During 2000, my research team and I conducted a vast e-culture research project that entailed nearly 800 survey responses, over 300 in-depth interviews, and dozens of richly detailed case studies involving organizations of all sizes and types from four continents. Our hope was to understand how the advent of a powerful new communications technology—not computing power, but communications power—was going to change the life of organizations, and to find out who was ahead of the pack in terms of embracing the possibilities and why.

Our analysis shows that established companies can be sorted into two main groups—laggards and pace-setters—that describe how they do or don't evolve with respect to Internet use.

### **Laggards**

Laggard organizations reported feeling that they were not making progress toward meeting their goals, that they were behind their peer group or competitor institutions, and that they were not applying technology as effectively as they might. Often, too, they re-

ported spending more on technology than the pacesetters but getting less out of it.

The first stage laggards pass through is denial. Instead of asking questions about the potential of new technology, they dismiss its importance, certain they can ignore it or do the minimum to use it. Instead of exhibiting organizational curiosity about what might be different about the new environment, they let past successes blind them into believing that they can approach it the same way they do everything else. Such “arrogance of success” was a primary reason for denial. Indeed, our analysis showed that in the business world, companies that had been profitable in the last two years were less likely to be among the innovators. These companies had what they considered to be a success formula and were determined to stick with it.

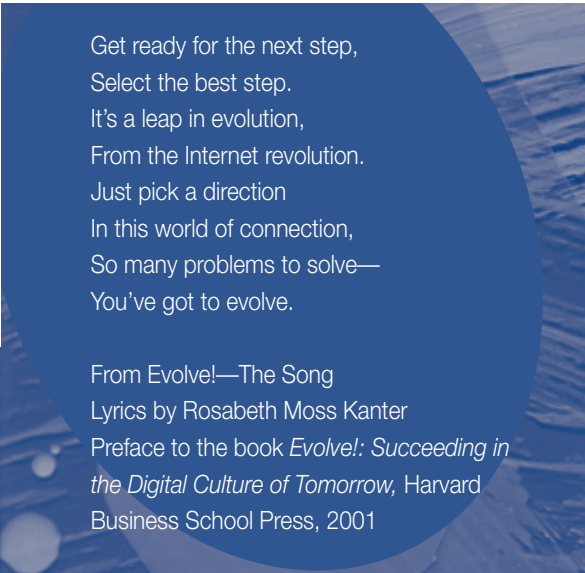
Another reason for denial was uncertainty and a lack of clear direction. In some organizations, strategic planning was so tight that anything that didn’t have a clear outcome was paralyzing. Thus, while such organizations may have set up groups to address new issues, they generally did as little as possible to challenge the prevailing model and were bound by wanting complete certainty about the outcome.

The second stage for laggards is anger and blame. They are convinced that external forces are to blame for their problems and that competitors getting ahead of them are doing something unfair. This antagonistic response does nothing to challenge the laggards’ model or assumptions.

In the third stage of the laggards’ journey, they finally decide that they must do something and so often they mount a costly, but merely cosmetic, response. They make superficial changes that amount to add-on patches rather than looking at what they might do to fundamentally alter their existing model. In the end they may change the look, but not the nature, of the beast. I liken this response to putting lipstick on a bulldog.

### **Pacesetters**

Pacesetter organizations reported feeling satisfied with their progress toward accomplishing clear goals and felt that they were ahead of competitors in their peer group. They reported a wider array of technological applications



Get ready for the next step,  
Select the best step.  
It’s a leap in evolution,  
From the Internet revolution.  
Just pick a direction  
In this world of connection,  
So many problems to solve—  
You’ve got to evolve.

From *Evolve!*—The Song  
Lyrics by Rosabeth Moss Kanter  
Preface to the book *Evolve!: Succeeding in  
the Digital Culture of Tomorrow*, Harvard  
Business School Press, 2001

and believed they were deriving value from them.

Pacesetters go through a very different set of stages on their change journey than do laggards. Their first stage is characterized by dialogue: recognizing the same uncertainty as laggards, their reaction is to open up conversations about the issue. A theme is established and as many people as possible in the organization are engaged in discussion about it, thinking about the implications of the theme, how their work can contribute to it, and how the theme will change their work. The dialogue is both formal, within cross-sectional groups established for that purpose, and informal, by, for example, constantly having the theme on the agenda and open for discussion.

Pacesetters throw open a widespread conversation that challenges beliefs and assumptions about the models being used to deliver whatever it is of value that the organization delivers. People are free to imagine and anticipate what might or could happen under various scenarios; likewise, should one come to pass—even if imposed upon them—they are not taken by surprise but instead have been prepared for change.

Pacesetters’ second stage reflects their organizational flexibility, as they form partnerships to accomplish what they can’t do alone. Pacesetters group and regroup people and form creative new alliances that help them evolve. Turf is the enemy of change: Pacesetters overcome that mindset by creating a variety of structural overlays that

start people working together in different ways and going in new directions to solve new kinds of problems. In effect, pacesetters free people from the assumptions that get built into organizational structures.

Pacesetters have no hard and fast strategic plan for change. Rather, I compare their strategy to improvisational theatre: it's very disciplined but there's no script. They start with a theme and a talented group of actors who know how to interact with each other and then keep reshaping and refining their experiments and projects, which keep getting better and better. In the high-technology world, this process is called *rapid prototyping*.

Thus, in their third stage, pacesetters find themselves with an array of experimental prototypes or incremental innovations—all of which create the potential for systemic change that truly reshapes their organization. Pacesetters are able to transform themselves not because they started with a road map or a complete plan, but because they identified a set of themes that became the basis for open dialogue, sparking myriad possible change models that such organizations are willing to embrace.

## **Building Community**

Laggards and pacesetters described no differences in how *hard* they work, but they are very different in how *collaboratively* they work. An appropriate organizational model for success in the Internet age is the connected community, in which collaboration is the norm. A community makes people feel like members—not just employees, but members who care about contributing to something not on their immediate list of responsibilities. Community means having something in common, a range of shared understandings transcending specific fields. Shared understandings permit relatively seamless processes, interchangeability among people, smooth formation of teams that know how to work together even if they have never previously met, and rapid transmission of information.

Universities generally do a good job of building community for their students. Possibilities for connecting faculty include having the entire faculty meet and discuss various issues and topics together, and instituting informal reward and

recognition programs that allow faculty to become more aware of each other's work. Common vocabulary and common language, too, contribute to collaboration and a sense of shared purpose. Technology is a powerful tool for building commonalities and making people feel more connected and more aware of what's happening in their institution.

Community is not inherent in technology, though. Indeed, the Internet has the potential to become an isolating force. Community stems from the organizational decisions and choices we make to put technology to use. All of us who teach students, for example, ought to be able to connect and compare notes and know what else our students are learning. If we could collaborate in that way, we would add value for students and create a compelling reason for them to enroll in our institutions as opposed to taking courses independently. One of my favorite examples of the use of technology to build a connected community greater than its parts is the collaboration of 15 institutions from the Associated Colleges of the South. Together they have built a virtual classics consortium that offers students at each college a much richer opportunity to study classics than if they were confined to taking courses at their own institutions.

Another way to build cooperation and a shared identity is through establishing overarching projects that connect people because they care. Community service is a wonderful example: universities that make a point of being good citizens in their neighborhood benefit by engaging people in looking at the resources they have and how they can contribute to something larger that they all have in common. Community service can also help build a connected community by pulling people together from their separate disciplines. At my institution, for example, initiatives have begun between the Business School and the Kennedy School of Government to attempt to address world problems, such as HIV/AIDS, and between the Business School and the School of Education to work on public education reform.

## **Mastery, Membership, and Meaning**

One of the key differences my e-culture research found between laggards and pacesetters was in how they treat

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people. The essence of motivation and morale can be captured by what I call the 3Ms: mastery, membership, and meaning. How organizations and institutions measure up on these three broad qualities largely determines the level of commitment people feel toward them. That in turn directly affects the strength and connectedness of the larger community.

The opportunity through work for people to continuously learn, stay on the leading edge of their field, and make substantive contributions imparts a sense of *mastery*.

Knowledge workers, in particular, want to build their human capital—their individual package of skills and accomplishments—as much as their financial capital (recognizing that the former is also seen as a route to the latter). In higher education, the key questions are, What are the opportunities for the educators to be educated? Are the best and the latest tools available? and What’s the quality of the work environment? Good training and the chance to learn, challenging work, paths to greater success, and a stake in the future are all components of mastery.

The second dimension of commitment is *membership*, or how much a part of the community people feel. It derives from warm, strong relationships, and also from respect for individuals and their differences, so that everyone feels included and welcome. A sense of nurturing community can be built in a number of ways—for example, through mentoring or recognition programs, which are abundant in high-commitment settings. Colleges and universities have an advantage in terms of membership, in that faculty are a key part of their governance structures. Identity with something larger than themselves is an important component of motivation for knowledge workers in particular.

The third dimension is *meaning*, where people feel

that they’re serving a higher purpose. Higher education has all the advantages in this realm, as teaching and creating knowledge are a deep source of ultimate meaning and are inherent in the mission of colleges and universities. Institutions can build quality environments that stimulate people to do better work, where they feel that their work is really making a difference. Yet in the rush to technology and the commercialization of knowledge, it is critical that education’s higher purpose not be forgotten.

## Conclusion

Are we on the verge of the next stage of social evolution—a great leap forward to shared consciousness? The advent of the Internet, if guided by leaders who understand its full potential and deeper implications, can help connect people in powerful ways that build human community. The nature of knowledge is such that you have to keep evolving, keep moving to the next thing, as knowledge constantly moves ahead. Good leaders are always ready for the next development because they are constantly encouraging people to innovate and offering them the tools they need to do so.

It’s not necessary to plan every step toward change ahead of time. You can’t predict the future, but by building a connected community, you can put your institution in a better position to not just be ready for the future, but to create it.

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