HIGHER EDUCATION COVID-19 RESPONSE: ENHANCING ORGANIZATIONAL EFFECTIVENESS

Faced with the operational and financial pressures created by COVID-19, many colleges, universities and academic health centers are reevaluating and resetting their strategy. The more immediate impacts on teaching, research and clinical care are now more apparent, and institutions are shifting to rethink their objectives for the mid- and long-term.

In addition, these shifts create an opportunity for institutions to evaluate their overall organizational effectiveness — i.e., their ability to achieve these new objectives that they set for themselves. Undoubtedly, the COVID-19 crisis has highlighted issues in organizational effectiveness, from the way decisions are made and approved to whether existing human resources or financial systems support the institution and its people. With increasing strain on capacity coupled with the need to be responsive to changing demands going forward, institutions can no longer risk inefficient decision making or the deferral of projects that can significantly improve organizational effectiveness.

Ensuring effectiveness requires leaders to consider all four components of the institution's operating model: organizational design and structure, management processes, metrics and incentives, and culture and values.

When properly aligned, these components reinforce one another and empower a more effective team. Because the operating model crosses all functions and levels within the organization, it requires strong governance to guide its evolution and its alignment in the context of changing strategy. While enhancing the operating model requires a holistic approach, institutions do not need to change everything at once. Investments in organizational effectiveness, however, should not be considered discretionary.

In a <u>recent white paper</u>, Huron outlined a three-phase framework for higher education's evolution through this pandemic and impending recession. In this framework, the sector enters first into a triage phase, then transitions to a period of stabilization while it begins to explore opportunities for fundamental transformation. The following table outlines both near- and long-term methods for improving organizational effectiveness aligned to the three phases of this crisis response.

TRIAGE

Rapid response to urgent pandemic-related needs

- Enhance communication and collaboration to reinforce culture and values
- Streamline governance and decision making to allow agility
- Sustain the workforce

STABILIZE

Shift resources to midterm stabilization

- Reset strategic and operational priorities
- Reset metrics and incentives for the short- and mid-term
- Reaffirm culture and values

TRANSFORM

Implement change to ensure long-term success

- Evaluate organizational design
- Realign management processes
- Reevaluate metrics and incentives
- Reinforce culture and values
- Redesign governance
- Reestablish decision-making authority

Triage: Enhance Communication, Collaboration and Processes

In the short term, organizations must focus on coordinating their COVID-19 responses on a day-to-day basis. To enhance communication and collaboration, many are leveraging technology and social media to share information. Maintaining a consolidated source of information reduces noise and ensures that teams are working on shared priorities with the same information. It also enables cross-functional collaboration, a capability required by this unprecedented challenge.



Coordinating action also requires developing processes for quick escalation and effective decision-making authority. While some urgent decisions should continue to come through a central executive team, many institutions have been prompted to delegate operational decisions to a greater extent, allowing institutions to act faster.

Perhaps most importantly during the triage phase, institutions must continue to <u>support their workforces</u> during this time of stress and uncertainty, while reinforcing their culture and values. Creative programming has already started, with work-from-home webinars, childcare resources and wellness support.

Stabilize: Reset Strategic and Operational Priorities

When mechanisms are in place to address ongoing COVID-19 challenges, institutions must take the opportunity to reset their strategic and operational priorities. Re-envisioning strategy means evaluating the institution's portfolio of activities and deciding which to sustain going forward while also assessing the talent and capabilities required to support those endeavors.

In parallel with this strategic reset, institutions should create and reinforce cross-functional collaboration, identifying and prioritizing projects and initiatives that align with and enhance the operating model. Core metrics and incentives should be identified, aligned and monitored.

Achieving both strategic and operating priorities may also require redefining or reinforcing culture and values in order to mobilize people. To that end, leaders must set clear, measurable expectations that are aligned to the institution's culture and values and linked to rewards and incentives that demonstrate their importance.

Transform: Achieve New Strategic Priorities

Through the stabilization process, institutions will each develop unique portfolios of newly prioritized projects and initiatives. Over the long term, redesigning organizational effectiveness around new priorities will touch all four components of the institution's operating model.

In the transformation stage, success will require ongoing attention to whether the operating model is effectively helping the institution fulfill its strategic and operating priorities. New performance expectations and metrics should be set relative to promoting collaboration and delivering the required changes.

An enhanced operating model provides the mechanisms to define a new vision, translate it into action, and enable and reinforce change. While the components of the operating model work together as a system, the whole model does not need to transform at once. Institutions, however, should view the current disruption as an opportunity to make targeted investments in those areas which will have the greatest impact.

Organizational Design and Structure	Role and job classificationTeam design and managementCollaborationAccountability
Management Processes	 Performance management Governance Budget Decision authority Workforce planning Compensation practices
Performance Metrics	 Key performance indicators (KPIs) Reward and incentives Monitoring and reporting processes
Culture and Values	Mission, vision and valuesWorkforce engagementEmployee support services

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