

Using a Change Management Model to Drive an Online MBA Program — A Case Study

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Abstract: Using a case study methodology, this paper provides a road map for developing an online graduate program utilizing a well-known change management model. By incorporating the eight-steps of the model, this university was able to transform many of the long-held university processes and procedures which resulted in the implementation of a large-scale, successful online program. This approach to the development and launch of the online program drove change throughout the university. The processes used were replicated in the development of other online programs and became the model to enable the university to quickly switch to online delivery during the COVID crisis.

Key words: change management, online education, MBA

JEL codes: I230, O310

1. Introduction

Prior to the recent COVID pandemic, colleges and universities had been criticized for their slow pace of change (Dedman, 2018). Many had been reluctant to embrace online courses or programs (Lederman, 2019). This paper uses the case study method to show how a well-known change management model was applied to an Online MBA program and drove change throughout the university. The Online MBA program became part of the culture of the university. Due to its successful launch and integrated processes, the Online MBA became the model to enable the university to quickly switch to online delivery during the COVID crisis.

2. Literature Review

In order to develop and deliver the online program, the university utilized John Kotter's Change Management Model as a blueprint for a successful online program launch. Kotter detailed an eight-step model for change management (Kotter, 1995). This approach has been used as a framework for speeding up the transformation process in an increasingly fast-paced world. The model has been used in higher education settings (Wentworth, et. al. 2020).

Kotter's Change Management model incorporates the following steps which are detailed below: 1) create a sense of urgency, 2) build a guiding coalition, 3) form a strategic vision, 4) communicate the vision, 5) empower others to act, 6) create short term wins, 7) accelerate change, and 8) institutionalize changes in the organization's culture.

2.1 Create a Sense of Urgency

For organizational change to occur Kotter points out that there needs to be a sense of urgency. This sense of urgency will unfreeze the organization from its current way of doing things. Kotter suggests the organization look for potential crises as a means for establishing urgency. He states, “Most successful change efforts begin when some individuals or some groups start to look hard at a company’s competitive situation, market position, technological trends, and financial performance.” (Kotter, 1995, p. 60). He estimates that at least 75% of managers need to be on board with any major changes.

2.2 Build a Guiding Coalition

Organizations need a small, dedicated team to lead the change effort. The team must have enough power (e.g., titles, experience, reputation, etc.) to lead the effort. The team need not, and probably will not, include all of the senior management as some people will not want to change. If the coalition does not have enough power it may make some progress, but will likely run into too much opposition to be successful in the long run.

2.3 Form a Strategic Vision

The strategic vision should create, “a picture of the future that is relatively easy to communicate and appeals to customers, stockholders, and employees... A vision says something that helps clarify the direction in which an organization needs to move (Kotter, 1995, p. 63).” The vision may take some time to fully develop — going through a number of drafts. However, without a strong strategic vision, the change effort will likely devolve into just a list of projects.

2.4 Communicate the Vision

For the change effort to succeed it must expand beyond the guiding coalition. Therefore, Kotter emphasizes the need to communicate the strategic vision throughout the organization. He says (Kotter, 1995, p. 63), “Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, and a lot of it, the hearts and minds of the troops are never captured.” Kotter suggests communicating often and using multiple channels. In addition, he points out that the guiding coalition needs to “walk the talk” by symbolizing the new way of doing things.

2.5 Empower Others to Act

Any major change effort needs most of the organization to embrace it. Employees might want to embrace the change, but organizational obstacles stand in their way. Examples of these obstacles include, but are not limited to; narrow job categories, compensation and promotion systems that reward the old thinking, and managers who are not supportive of the changes.

2.6 Create Short Term Wins

Kotter (1995, p. 65) points out, “Real transformation takes time, and a renewal effort risks losing momentum if there are no short-term goals to meet and celebrate.”. Basically, if people do not see major progress within 12-24 months they will give up (note that Kotter wrote this in 1995 and it is likely that this time frame has decreased since then). Worse, they might become resistant to the change. Kotter (1995, p. 65) states, “Creating short-term wins is different from hoping for short-term wins.” The guiding coalition needs to actively engineer these short term wins

to keep people on board and keep the momentum going.

2.7 Accelerate Change

It can take a long time, often years, for change to really sink into the culture. Declaring victory in the change effort too soon can lead to changes regressing to their initial state. As Kotter (1995, p. 66) says, “managers may be tempted to declare victory with the first clear performance improvement. While celebrating a win is fine, declaring the war won can be catastrophic. Instead of declaring victory, leaders of successful efforts use the credibility afforded by short-term wins to tackle even bigger problems.”

2.8 Institutionalizing the Change

Kotter states, “change sticks when it becomes “the way we do things around here,” when it seeps into the bloodstream of the corporate body. Until new behaviors are rooted in social norms and shared values, they are subject to degradation as soon as the pressure for change is removed.” (Kotter, 1995, p. 67). There are two main factors that are important in making the changes part of the corporate culture. First, it needs to be made clear how the changes have improved the organization. People should not be left to figure this out on their own as they might not see it. Second, criteria for success at the organization (for example who gets promoted) need to be tied to embracing the changes. This way a new generation of managers embodies the change and is also likely to hire new people who also embrace the new way of doing things.

3. Case Study

Prior to the pandemic, the Feliciano School of Business at Montclair State University embarked on the development of a fully asynchronous online MBA program. This was one of the first fully online programs at the university and would become the largest and most complex. A team of faculty, staff, and administrators were instrumental in developing the strategy and successful launch of the Online MBA program.

Prior to the successful online MBA launch, online program offerings were fairly limited at the university. While some individual faculty members had experience developing and delivering individual online courses, the university only had one official online program offering in graduate education which was set up more like a correspondence course.

A few years prior to the successful launch of the current online MBA program, the School of Business attempted the development of a different online MBA program. However, that initiative did not follow any change management plan and eventually failed. In fact, we can analyze that program through the lens of Kotter’s eight steps to reveal how not to develop such a program.

First, at that time MBA enrollment was flat to growing. Therefore, there was no sense of urgency to develop an online MBA. Second, the guiding coalition for the program was very narrow - consisting mainly of the Dean of the School of Business and a junior faculty member. Third, while the proposed program had a strong strategic vision, it was very innovative and extremely complex. Therefore, the vision was not easily communicated. Fourth, due to the narrow guiding coalition and the difficulty communicating that vision efforts should have been made to communicate often and in various formats. However, communication to the faculty was largely done in faculty meetings where time was limited. Fifth, others were empowered to act. But, as there was not broad faculty support due to lack of communication, most of the faculty involved in developing the program were either junior faculty or adjuncts. This tended to undermine the credibility of the program with the broader faculty. Sixth, due to the complex

structure of the proposed program it was not possible to build and run a stand alone course in order to achieve short term wins. Seventh and eighth, since change did not occur there were no opportunities to accelerate or institutionalize changes.

Based on the lessons learned from the failed attempt at developing an online MBA program, the new online MBA initiative followed Kotter's change management model as detailed below. This led to not only a highly successful online MBA program, but institutional change throughout the university.

3.1 Applying the Change Management Model

Below are the steps that the team took as they applied the Kotter change model:

3.1.1 Sense of Urgency

Prior to the launch of the online MBA program, the overall enrollment in our MBA program had been relatively flat over the previous ten-year period and nationally did not have an upward trajectory (Estrada-Worthington et al.). The Business School administration realized that in order to thrive and compete in a very crowded Graduate Business landscape, it needed to promote growth and reach an expanded target audience. The obvious choice would be to offer the MBA program online. Of course, there was significant competition in the online arena given the removal of geographic boundaries. It became urgent to quickly launch an MBA program that can sustain growth, meet the quality program standards, and be competitive.

3.1.2 Guiding coalition

In order to successfully launch an Online MBA, the administration in conjunction with the MBA and Graduate Programs Office collectively formed a broad core team of faculty and administrators to spearhead the planning and execution of this endeavor. This team included the MBA Director, Associate Director, Associate Dean of Graduate Programs, a Faculty Coordinator, the Instructional Design team, and select faculty from various disciplines throughout the Business School.

3.1.3 Strategic Vision

Knowing the online MBA was a very saturated market, we knew that in order to be successful we developed a strategic vision that focused on three major areas. First, we knew if we were going to launch an online MBA program, it needed to be a quality program both in terms of a strong academic program and, equally important, the online courses needed to be developed in a professional manner. This meant investing in a green screen studio to record lecture videos. It also meant the eventual hiring of a multimedia specialist to edit the videos.

Next, we knew that if we were going to invest in developing a professional quality program, we needed strong student enrollments to justify our time and financial investments, therefore, we decided to offer six starts per year.

Finally, if we planned to be a large program, we needed to invest in marketing and recruitment. In order to launch a large-scale program, we would need the assistance of an online program manager (OPM). An OPM is a company that handles program marketing and on-boarding students in exchange for a percentage of tuition revenue.

3.1.4 Communicate the Change

To launch a large-scale online MBA program, we needed to communicate the change and generate support from the program stakeholders and supporters. Having buy-in from key constituents and administration is extremely important. This involved collaboration from across the university including the Registrar, Financial Aid, Student Accounts, Graduate Admissions, Information Technology (IT), and Marketing. For example, we needed to set up the infrastructure for six starts per year (including Summer starts) for the online program, — this was a new procedure at the University. The course evaluation process, add/drop deadlines, course schedules, coding for both

courses and students, and financial aid processes all had to be overhauled as they were mostly applicable to on-ground students and did not translate well for online students/programs.

3.1.5 Empower Others

Once the concept of offering the fully online MBA program was initiated, it took a village to launch. This involved empowering constituents around the entire university to own parts of the process. For example, the instructional design team needed to develop processes and train subject matter experts (SME) to develop online curriculum; the marketing team needed to promote the new program offering and advertise to an expanded audience, etc.

3.1.6 Short Term Wins

Once we had buy-in across the university, we began to have some early successes in this program launch. Once the SMEs, IT, and IDs collaborated, we were able to develop a professional, well-organized and structured course template that exceeded expectations and was ground-breaking for the university. This successful online course became the template and model for all of the MBA program online courses.

Another early win was enrollment in the first online cohort. With only a few months to promote the program and minimal expectations, there was enormous interest in the program and a significant number of applications, the first cohort was much larger than anticipated. This showed that all aspects of the program, from marketing to course delivery, were on the right track. It undermined skeptics and excited those involved.

3.1.7 Accelerate Change

Once we had the structure and processes in place to develop the online courses, along with our short term win, we were able to roll out all of the remaining courses. We were also able to expand our marketing efforts to recruit new students from both our traditional geographical area but also recruit students from different states who may or may not have had a connection to our university.

3.1.8 Institutionalize Change in Culture

Due to the growth of the fully online MBA program and the changes to the university infrastructure to adapt to online delivery, the university was able to replicate the processes and successfully launch additional online programs, including the Masters in Business Analytics, Master's in Applied Information Technology and an undergraduate online business completion program.

The six starts per year required by the online MBA program meant that courses were delivered in an 8 week format as opposed to the regular 16 week format. As was previously noted, this change required new processes from the registrar, financial aid, and other departments throughout the university. But, once these processes were established it has become very easy to offer courses in the 8 week format.

Another institutional change necessitated by the online MBA program was the use of virtual computer labs. The university did not have this capability prior to the online MBA program. However, the virtual computer labs are now used by other online and traditional face-to-face courses. They became vital for students to complete coursework during the COVID pandemic.

One of the main institutional changes enabled by the successful online MBA program was a large cohort of faculty who had developed and taught online courses. This cohort proved invaluable when the university went to fully online instruction due to the COVID pandemic.

4. Conclusion

Using John Kotter's Change Management model, the university has launched a successful online MBA program that now represents the largest modality of MBA students. In five years the program enrollment increased from 0 to 318 students. Currently, the online MBA account for over 60% of our total MBA student body. However, this success was the product of a number of stumbles and false starts. The online MBA program would never have come to fruition if it were not for the development of a structured model to enable significant transformation of long-standing university processes and procedures.

The success of the program has led us to replicate the approach and add additional online programs to the School of Business offerings using the same model. These new programs include a Masters in Business Analytics, two specialized masters programs in Human Resources Management and Digital Marketing Analytics, and an online undergraduate business degree completion program for students with an earned Associate's degree. The eight steps presented above could provide a road map for other universities contemplating the launch of online programs.

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