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## Theory versus practice: a study of strategy making in five public MBA programs

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THEORY VERSUS PRACTICE: A STUDY OF STRATEGY MAKING IN FIVE  
PUBLIC MBA PROGRAMS

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## THE GRADUATE COLLEGE

We recommend the dissertation prepared under our supervision by

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Theory Versus Practice: A Study of Strategy Making in Five Public MBA Programs

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## **ABSTRACT**

This study examined whether coercive, normative and mimetic isomorphic mechanisms contribute to the strategies public MBA programs develop and implement in their quests to differentiate themselves. An additional purpose was to examine whether influential environmental elements impact strategy development in ways that make these organizations more similar than different.

In depth interviews were conducted in an attempt to discover the experiences and perspectives of five current directors of MBA programs in public institutions of higher education. Purposeful sampling, in the form of convenience sampling within a clearly defined population, was used.

The findings suggest that none of the five MBA program administrators described a single strategy but instead described how their programs functioned, what their program priorities were, and how they planned to achieve their program objectives. Common approaches to strategy were: the pursuit of assigned objectives, local and regional approaches to program focus and differentiation, and product extension.

The programs experienced common influences on their strategy formulation: strategy definition, stakeholders, institutional characteristics, and leadership. It was apparent that each MBA program administrator viewed their program's sphere of influence as local or at its widest, regional. Coercive, mimetic and normative isomorphic mechanisms were present and influenced the MBA programs. The power of stakeholders, from advisory boards to the state, greatly influence the extent to which isomorphic mechanisms affected programs.

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I started the epic journey toward a PhD encouraged by a colleague, Geetha Sendhil, who had already been admitted to the program. C.S. Lewis said it all when he

said “Friendship is born at that moment when one person says to another: “What! You too? I thought I was the only one.” We took classes together, we proofread each other’s papers, we complained and provided solace to each other, and we collaborated on group assignments. She has become a true friend and I value our friendship greatly.

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## **CHAPTER 1: INTRODUCTION**

### **Overview**

Colleges of business began emerging in American universities in the late nineteenth century. The Wharton School at the University of Pennsylvania was an early example, established in 1883. Before the turn of that century business schools had been established in several other major universities, including Columbia, Chicago, Ohio and California. Bohanon (2008) citing James (1901, p. 154) explains “Much of the impetus for establishing the schools came from the business community. As an early Wharton professor pointed out, members of the Philadelphia business community did not see why their sons could not be learning something bearing on their future business while acquiring a liberal education” (p. 239)

Business colleges, from the start of their history, have experienced internal and external pressures to meet the needs of stakeholders, needs which go well beyond the pursuit of academic study for the purpose of adding to a knowledge base. Bohanon (2008) references these pressures remarking “Contemporary business colleges are subject to demands for change from both internal and external constituencies and accreditation agencies on any number of issues” (p. 244). Jain (2009) identifies what he considers to be a fundamental problem with respect to business colleges and specifically, Master of Business Administration (MBA) programs, observing “Despite the explosive growth of business globally, MBA students are still basically trained upon the models developed in the 1960s following the Ford Foundation and Carnegie Council Studies” (p. 4). Jain (2009) citing Kim (2004), speaks of the rise of business schools over the past fifty years, stating “In 1955, about 3,000 MBA degrees were awarded in the United States. At the

beginning of the new century, that number had climbed to over 100,000. An MBA degree became the second most popular graduate degree (after education) with 120,000 conferred in 2002” (p. 6). By 2007 that number had increased to 150,000.

Green (1997) makes an important opening statement regarding the historical characteristics of institutions of higher education. Discussing how a changing operating environment is playing an increasingly important role in how the “business” of a public institution of higher education is conducted, Green first observes how higher education has historically been slow to change, or has been resistant to change, and goes on to state that recently, the rate of change in higher education globally, has rapidly increased.

Shirley (1983), Eckel (2007), Lerner (2008) and Varghese (2004) all write of how change is being visited upon public institutions of higher education. Some examples of drivers for change include: 1) the expansion of higher education as a result of a greater demand for access, 2) the recognition that a higher education can directly lead to improved economic achievement at the national and individual level, and 3) the challenge of increased demands at a time when financial resources to meet those demands are greatly constrained. In response to the rapidly changing and increasingly demanding operating environment, public sector institutions of higher education are developing characteristics more commonly seen in the private sector. Competition for the best faculty, the most talented students, research and grant funding, state funding, cooperative joint ventures with the public sector, and enhanced positions within college ranking publications, have all led to public institutions of higher education facing the challenges more familiar to the corporate world. As a consequence of these changes, the use of strategy to achieve organizational goals seems like it would be commonplace. In addition

to these conditions, the increasing influence of accreditation agencies, faculty bodies, and demands for accountability from funding sources in the form of measurable attainment objectives, have placed universities into somewhat unfamiliar territory. High profile institutions and programs have become synonymous with success and perceived excellence and success are important in terms of securing the most desirable faculty, students, and increasingly important, the revenue that is associated with them. This is consistent with the selection criteria Wolverton and Penley (2004) suggest for undertaking qualitative research, which was at the foundation of their study of MBA programs.

Considering the effects changes in an operating environment might have on an organization, there are two underlying issues: What impact changes in the environment might have on the organization? How might the organization respond to the said changes? Change can present both opportunities and threats to an organization. What is important is that an organization conceives, plans, develops, and implements behaviors to ensure continuity and ongoing success. Strategy is a word not typically synonymous with higher education, but it is becoming increasingly important to university administrators. With respect to public institutions of higher education, it is reasonable to expect to see evidence of strategic thinking at campus, college, department and even program levels, all of which feed back into an overarching institutional mission. Further, one might reasonably expect MBA programs specifically to make use of strategy, given that it is a course of study that underpins such programs.

Four common elements in the environment in which MBA programs operate exert enormous influence on them: accreditation, academic faculty, demands for accountability

from the public who fund a great deal of public higher education, and corporatization. Many of these elements interact dynamically, elevating the pressure for MBA programs to change—or converge on a set of normative structures and behaviors.

First, accreditation matters. A dedicated accreditation board exists for MBA programs. Founded in 1916, in the United States, the Association to Advance Collegiate Schools of Business (AACSB) was established as a membership organization for business schools, where business schools could network and discuss issues that affected the business education industry and their institutions. In 1990 the association had granted accreditation to 259 schools, and this number had grown to over 500 in 2008. The rate of approvals of accreditation by the AACSB has increased in recent years. In the AACSB report *Business and Business Schools: A Partnership for the Future* the AACSB (2006, p. 13) describes itself as “the association of the world’s best business schools and the most powerful and influential voice for business education.” If one accepts this definition, it follows that the AACSB is an extremely important stakeholder in business education. The AACSB report identifies four key challenges that business colleges face: targeting and teaching the right things, optimizing business school research, keeping up with the pace and challenge of globalization, and increasing the engagement of business schools in business.

Second, given the increasing demands on academic faculty from their colleges--their students, and in the case of business colleges, the business community--faculty must contend with a range of pressures, pulling them in different directions. Referencing Harvey et al. (2006), the drive for change has grown increasingly strong “With the onset of the 21<sup>st</sup> century, the faculty role in business schools is changing as the demand for

knowledge development and use has rapidly increased, and moreover, as knowledge is created and disseminated by many sources other than business schools (i.e., corporate, private, and government research and development centers)” (p. 161).

Third is the challenge of accountability and measurement of performance, whether perceived or actual. Heller (2001) offers “Given that college prices have been increasing rapidly and that complaints about college quality are increasingly being heard, one can readily see why political demands for accountability on the part of colleges and universities have been escalating” (p. viii). Heller (2001) further describes two intellectual dilemmas faced by institutions: the economics of cost, price, and production in higher education is messy and poorly understood and the measurement or assessment of outcomes from higher education is rudimentary at best.

The last of the four environmental elements is corporatization, and there are a number of writers (Eckel, 2007; Holbrook, 2004; Lerner, 2008) who comment on the issue. Also referred to as the marketization of public higher education, corporatization has no universally accepted definition but suggests that in a broad sense universities are becoming increasingly engaged in traditionally corporate activities. Universities are adopting corporate characteristics such as pursuing desired positions in national rankings, outsourcing some institutional activities, undertaking joint ventures with major corporations, accepting and even soliciting sponsorship by major corporations, and viewing students as customers. Eckel (2007), Holbrook (2004) and Lerner (2008), share the view that competition is becoming increasingly important to public institutions of higher education, whether it comes in the form of competition for the best academic



faculty, attracting the best students from a growing student pool, or from achieving the highest rankings from a growing selection of program and university ranking agencies.

Eckel (2007) posits that fiscal constraints, public policies, changing levels of demand, and the increase in direct and indirect competitors intensify competition within higher education. Many of these elements interact dynamically, elevating the pressure for MBA programs to change—or perhaps converge on a set of normative structures and behaviors. What is not readily apparent is what prompts MBA programs to change, and in what circumstances.

These elements have been identified as they appear frequently in literature focused on higher education and specifically in literature on public institutions of higher education and MBA programs. An area of particular interest is how important MBA program administrators consider these elements, and others yet to be identified, as drivers (or constraining factors) of strategy formulation.

### **Statement of the Problem**

While business schools seem to embark on strategy-making (Wolverton & Penley, 2004), little is known about the forces that contribute to the “why” and “how” of strategy formulation. Are business schools responding to specific pressures or forces that influence the strategies that they adopt? Do business schools, in their attempt to strategically position and distinguish themselves in an increasingly competitive environment, become more similar than different, and in doing so, potentially increase their operating costs without securing any continuing competitive advantage? Eckel (2007) discusses a race to the bottom whereby MBA programs are attempting to negate any temporary competitive advantage by peer institutions through imitation and

development of their own unique characteristics, which are then imitated by their peers; therefore, no advantage exists for any institution. Bailey and Dangerfield (2000) add that leaders of business schools are constricted by multiple demands and limited resources.

### **Conceptual Framework**

DiMaggio and Powell (1983) state that once a set of organizations emerges as a field, a paradox occurs: rational actors make their organizations increasingly similar as they try to change them. This phenomenon, described as institutional isomorphism, identifies three mechanisms driving organizations toward homogeneity:

1. *Coercive* isomorphism that stems from political influence and the problem of legitimacy.
2. *Mimetic* isomorphism resulting from standard responses to uncertainty.
3. *Normative* isomorphism, associated with professionalization.

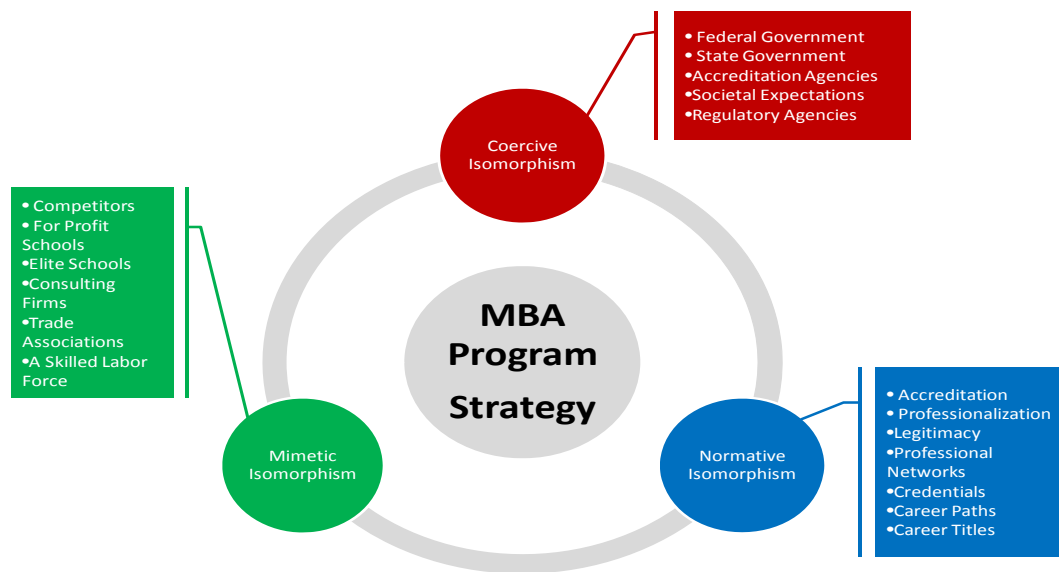
These mechanisms have been used as lenses to view the forces that influence the strategies that MBA programs develop and implement within colleges of business at public institutions of higher education. In practice, these mechanisms do not conveniently separate themselves; indeed, they often overlap and intermingle. DiMaggio and Powell (1983) recognize that the three isomorphic processes intermingle in an empirical setting, but also caution that they tend to derive from different conditions and lead to different outcomes.

A visual representation of the conceptual framework, Figure 1, provides an illustration of the phenomenon. The subcategories of the three isomorphic mechanisms shown in the figure come from DiMaggio and Powell (1983). In this study, the field is MBA programs within Colleges of Business at public institutions of higher education.

Current and future strategies for the program help take the MBA program to an environmental location deemed appropriate and attractive by MBA program administrators. At the same time, coercive, normative and mimetic mechanisms may pull the program in different directions, shifting the program and acting as a limitation on, or barrier to, the effective implementation of strategies. Adding to the complexity of the study, these same isomorphic mechanisms can also introduce benefits to an organization.

Figure 1.

*Isomorphic Mechanisms Interacting with Strategy Development and Implementation in MBA programs*



The MBA degree program resides in a college of business, within a public university, which may in turn be contained within a higher education “system.” Isomorphic mechanisms as presented are Mimetic, Coercive and Normative, as originally described by DiMaggio and Powell. Within these mechanisms some elements have been provisionally identified. Accreditation has been stated explicitly and academic faculty,

corporatization and accountability are reflected implicitly. Academic faculty can be viewed through professionalization, credentials, career paths and titles, while corporatization might be viewed through competitors, for profit schools, elite schools, and accountability might be viewed through federal government, state government and accreditation agencies

### **Purpose of the Study**

This study examined whether coercive, normative and mimetic isomorphic mechanisms contribute to the strategies MBA programs develop and implement in their quests to differentiate themselves. An additional purpose was to examine whether influential environmental elements impact strategy development in ways that make these organizations more similar than different.

### **Research Questions**

1. What influences MBA program strategy formulation?
2. What are the strategies that MBA programs use to address their rapidly changing environments?
3. What are the similarities or differences in strategies that MBA programs use?
4. Does isomorphism help explain the strategies that MBA programs use or wish to use?

### **Significance of the Study**

Strategy making in MBA programs is an under examined area of academic inquiry. Business colleges, and in particular MBA programs, attract students from a wide range of industries who seek to earn the Master of Business Administration credential, often as a means of enhancing their career advancement prospects. Central to the MBA

program is the promotion and teaching of strategy. Many MBA programs describe their purpose and focus as educating the next generation of business leaders, a task central to the economic wellbeing of the nation. One goal of strategy making is to differentiate an organization from its competitors with the intent of securing and maintaining a competitive advantage.

If, as has been suggested (Bennis & O'Toole, 2005), MBA programs are losing their value as they fail to deliver graduates with the requisite skills, then the stakes are high. Still, MBA programs remain highly popular with student and employers, and they hold an important position in many institutions of higher education. It would be perhaps the ultimate irony, that a program designed to teach the values of sustainable competitive advantage, and strategy, fails to effectively react to the changing environment in which it operates.

### **Delimitations of the Study**

The delimitations of the study are as follows:

1. The focus is on Master of Business Administration programs housed in public institutions of higher education in the United States. Schools within the United States were chosen for a number of reasons including: their prevalence, their common U.S. origins improves comparability, and the convenience, affordability and accessibility factor.
2. The study focuses on only five MBA programs, all considered peers based upon The Carnegie Foundation for the Advancement of Teaching, Carnegie Classification of Institutions of Higher Education; "L4/NR" and Basic = "RU/H" and Level = "4-year or above" and Control = "Public."

3. Interviews were with MBA program directors (or equivalent) only; other stakeholders such as policy makers and accrediting body administrators were not included.

#### Limitation

4. Although the multiple case study method does not lend itself to generalizability, Yin (2003) does state that it can lead to analytical generalization.

#### Definitions

The following definitions are provided for clarification purposes of terms used throughout this study:

*AACSB International*: The Association to Advance Collegiate Schools of Business.

*Accreditation Agency*: Accreditation agency includes private educational associations of regional or national scope, develops evaluation criteria and conducts peer evaluations to assess whether or not those criteria are met. Institutions and/or programs that request an agency's evaluation and that meet an agency's criteria are then "accredited" by that agency.

*Coercive Isomorphism*: Isomorphism that stems from political influence and the problem of legitimacy (DiMaggio & Powell, 1983).

*Competitive Isomorphism*: Assuming a system rationality that emphasizes market competition, niche change, and fitness measures (DiMaggio & Powell, 1983).

*Heterogeneity*: composed of unrelated or differing parts or elements.

*Homogeneity*: composed of similar or identical parts or elements.

*Institutional Actors:* Parties like the state, the professions, and the media (Lamertz & Heugens, 2006).

*Institutional Isomorphism:* A concept as a useful tool for understanding the politics and ceremony that pervade modern organizational life (DiMaggio & Powell, 1983).

*Institutional Theory:* Institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behavior. It inquires into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse (Scott, 2004).

*Isomorphism:* A constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions (Hawley, 1968).

*MBA:* Graduate degree, Master of Business Administration.

*Mimetic Isomorphism:* Resulting from standard responses to uncertainty (DiMaggio & Powell, 1983).

*Normative Isomorphism:* Isomorphism associated with professionalization (DiMaggio & Powell, 1983).

*Organization Field:* Those organizations that, in the aggregate, constitute a recognized area of institutional life (e.g., key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products) (DiMaggio & Powell, 1983).

*Organizational Legitimacy:* The acceptance of an organization by its external environment (DiMaggio & Powell, 1983).

*Professionalization:* The collective struggle of members of an occupation to define the conditions and methods of their work, to control “the production of producers”, and to establish a cognitive base and legitimization for their occupational autonomy.

*Public Institution of Higher Education:* A state funded institution of higher education offering undergraduate and graduate degrees.

*Stakeholders:* Anyone who receives some form of a benefit or value through service delivered by an organization. (Alfred, 2006)

*Strategy:* A pattern in a stream of actions over time. (Mintzberg, 1978)

*Structuration:* The process of institutional definition, consisting of four elements, these being: an increase in the extent of interaction among organizations in the field; the emergence of sharply defined interorganizational structures of domination and patterns of coalition; an increase in the information load with which organizations in a field must contend; and the development of a mutual awareness among participants in a set of organizations that they are involved in a common enterprise. (DiMaggio & Powell, 1983).

## **Summary**

This chapter has provided a brief introduction to the study and focus of interest. In addition, the chapter has also included: (1) Statement of the problem, (2) Purpose of the study, (3) Conceptual Framework, (4) Research questions, (5) Significance of the study, (6) Limitations, (7) definitions of key terms. Chapter 2 will provide a review of literature that provided the basis for this research.



## **CHAPTER 2: REVIEW OF LITERATURE**

### **Overview**

Organizations do not operate in a vacuum; they operate in increasingly complex environments and are faced with multiple decisions on a daily basis. Whether the decisions relate to localized issues, or are far reaching in nature, they can have either short-term or long-term consequences. A coordinated approach to changes to and opportunities in the environment is considered essential. Strategy provides a plan that seeks to differentiate an organization and provide it with a competitive advantage over its peers.

While strategy might typically be considered most relevant to commercial enterprises, it is also becoming increasingly important to public institutions of higher education which face increasing demands for improved productivity, accountability and fiscal efficiency. The environment in which public institutions of higher education operate is changing constantly, and pressures are being brought to bear on such institutions from sources including: the federal government, state government, accreditation boards, students and their representative groups, business interests and even employee groups. Along with pressures, measures of success are changing rapidly and are becoming increasingly quantifiable. This chapter provides an overview of strategy in its broadest context, before narrowing to a section addressing strategy in higher education, it will conclude with a further distillation of strategy at the departmental or program level within a business college at a public institution of higher education (IHE).

The chapter also reviews isomorphism, which isomorphic mechanisms are operating in the environment and how they might influence specific elements existing within the said environments.

## **Strategy**

This section provides an overview of strategic thought beginning with the military origins of the word strategy and moving on to how strategy became a word typically synonymous with the commercial world, and how strategic thought has permeated the public university environment and now plays a role at the department and program level within public institutions of higher education. The literature review includes some of the principle reasons for the adoption of strategic behaviors within public institutions of higher education, and an explanation of how key stakeholders have played an important role in the development and implementation of strategy within the said institutions.

Strategy is a word that has become commonplace in the lexicon of the business and academic world. Nickols (2003) provides a useful etymology of “strategy,” observing:

Strategy is a term that comes from the Greek *strategia*, meaning generalship. In the military, strategy often refers to maneuvering troops into position before the enemy is actually engaged. In this sense, strategy refers to the deployment of troops. Once the enemy has been engaged, attention shifts to tactics. Here, the employment of troops is central. Substitute “resources” for troops and the transfer of the concept to the business world begins to take form (p. 2).

Nickols makes two important points. First, he makes a clear delineation between strategy and tactics. The second is the limitation that he has places on the definition as he ascribes it to the business world. If one combines Nickols’ definition of strategy with the definition provided by Pass, Lowes, Pendleton and Chadwick (1991) “a unified set of

plans and actions designed to secure the achievement of the basic objectives of a business or of some other organization”(p. 586) a more useful definition emerges.

Raynor (2007) adds another layer of complexity observing “Most strategies are built on specific beliefs about the future. Unfortunately, the future is deeply unpredictable. Worse, the requirements of breakthrough success demand implementing strategy in ways that make it impossible to adapt should the future not turn out as expected” (p. 1). Lynch (1998) states “there are five key elements of strategic decisions that are related primarily to the organization’s ability to compete in the marketplace” (p. 10). A marketplace can be any environment in which organizations or individuals compete for resources. The five key elements that Lynch identifies are: sustainability, distinctiveness, competitive advantage, exploitation of linkages between the organization and its environment, and vision. “Sustainability” is “Change that can be maintained over time. For the long-term survival of the organization, it is important that the strategy is sustainable.”

Lynch’s “Distinctiveness” (1998), is described as “difference from competitors, possibly involving innovation; a sustainable strategy is more likely if the strategy is distinctive from actual or potential competitors” (p. 11). Of competitive advantage, Lynch writes “Not only distinctive, but a real advantage that will allow the organization to grow. Corporate strategy usually takes place in a competitive environment.” When Lynch (1998) recommends that one should “exploit linkages between the organization and it’s environment” (p. 11) he is bringing into his discussion the use of widely recognized management tools, including the Boston Consulting Group’s Growth Matrix and Political, Economic, Societal and Technological (PEST) analysis, Porter’s Five

Forces Model and Lewin's Force Field Analysis model. Lynch uses these tools as a means of demonstrating and illustrating the aforementioned linkages.

Lynch (1998) ends his discussion of the five elements with "vision," describing it as "The ability to move the organization forward in a significant way beyond the current environment" (p. 11) going on to add that "this is likely to involve innovative strategies." Lynch makes the important point that, at its most fundamental, "corporate strategy is concerned with delivering long term added value to the organization."

Strategy can also be examined within the context of time, through strategic planning processes and strategic decision making. A.J. Strickland III, in an interview with Stan Abraham and Brian Leavy in *Strategy & Leadership* (2007) makes the case for the truncation of the strategic planning process: "I spend about 50-60 percent of my time either serving on corporate boards, involved in my own companies, or investing in start-ups. The largest change that I have seen is the shortening of the time cycle within which the outcomes of the strategic planning process have to take place" (p. 38). This statement is indicative of a perspective that organizational strategies are becoming increasingly influenced by short-term expediency. Demands made by stakeholders for an early return on their investment may tempt chief executive officers, or institutional leaders, into strategic decision making based on a satisficing proposition rather than one of optimization. Eisenhardt and Sull (2001) remark "In stable markets, managers can rely on complicated strategies built on detailed predictions of the future. But in complicated, fast moving markets where significant growth and wealth creations can occur, unpredictability reigns" (p. 115). If one accepts the premise that there are few readily

identifiable stable markets, then the argument about the importance of time as an element of strategy is effectively demonstrated.

Although Strickland, and Eisenhardt and Sull are referencing business activities, their arguments are equally relevant to the field of public higher education. It is perhaps chiefly organizations' missions, visions, and *raison d'être* that differ. Moreover, although a public institution of higher education might not have a profit motive driving it forward; it still seeks to anticipate and respond to changes in the environment in which it operates.

### **Porter's Perspective of Strategy**

Porter's seminal work *Competitive Strategy: Techniques for Analyzing Industries and Competitors* of 1980 is one of the most widely referenced works on organizational strategy and has lost little of its importance over the 32 years following its initial publication. As such, it introduces important thought on the issue of strategy. Porter makes clear how important strategy is to all organizations in terms of how they compete.

Porter (1980) observes:

Every firm competing in an industry has a competitive strategy, whether explicit or implicit. This strategy may have been developed explicitly through a planning process or it may have evolved implicitly through the activities of various functional departments of the firm. Left to its own devices, each functional department will inevitably pursue approaches dictated by its professional orientation and the incentives of those in charge. However, the sum of the departmental approaches rarely equals the best strategy (p. XIII).

Porter speaks of a classic approach to the formulation of strategy which combines the organization's ends, these being its organizational objectives, with its organizational means, which are in essence the policies and resources through which the organization will arrive at its ends. He describes three generic strategies for creating a defensible

industry position: overall cost leadership, differentiation, and focus. Porter states that the strategies are not mutually exclusive; remarking that the three strategies (1980) “can be used singly or in combination” (p. 34).

Overall cost leadership, is an extremely difficult position to attain because, by definition, only one organization can hold it. The process requires scale economies, stringent cost control, and the avoidance of relationships with marginal customers. Cost control must be a theme that permeates every element of the organization’s operation in order that it has a chance of success. Achieving a low overall cost position often requires a high relative market share or other advantages, such as favorable access to raw materials Porter (1980). Porter also observes that implementing the low cost strategy may require heavy up front capital investment in state of the art equipment, aggressive pricing, and startup losses to build market share.

The second generic strategy is differentiation, defining it as “creating something that is perceived industry wide as unique” (Porter, 1980, p. 37). Like with overall cost leadership, a differentiation strategy presents challenges to those organizations pursuing it. Porter advises “achieving differentiation may sometimes preclude gaining a high market share. It often requires a perception of exclusivity which is incompatible with high market share. More commonly, however, achieving differentiation will imply a trade off with cost.”

The third generic strategy is that of focus and refers to an organization focusing on a particular population, product offering, or physical market. Porter (1980) states that “although the low cost and differentiation strategies are aimed at achieving their

objectives industry wide, the entire focus strategy is built around serving a particular target very well, and each functional policy is developed with this in mind” (p. 38)

Mintzberg and Lampel (1999) describe the evolution of strategy formation through their ten schools of strategy formation. The article is considered useful because the ten schools broaden the lens through which strategy might be viewed. The 10 schools are: Design, Planning, Positioning, Entrepreneurial, Cognitive, Learning, Power, Cultural, Environmental, and Configuration.

Rather than provide a lengthy exposition as to the nature of the said schools, a summary can be found at Appendix 1. Mintzberg and Lampel have provided a partial chronology of the schools that they have described. The Design school is viewed as a product of the 1960s, followed by the Planning school in the 1970s only to be succeeded by the Positioning school of the 1980s. These three schools have been described as prescriptive, meaning that they addressed how strategy *should* be developed. The subsequent seven schools were developed in the late 1980s to mid-1990s. The more recent schools did not follow the prescriptive nature of their predecessors; rather, they became descriptive in nature because they focus on how strategies are developed. Mintzberg and Lampel’s article (1999, p. 29), *Reflecting on the Strategy Process* is important to this research because it makes four key statements pertaining to the evolution of strategic management that relate directly to isomorphic influences:

1. New kinds of strategies emerge from *collaborative contacts* between organizations. Firms cannot avoid learning and borrowing when they trade and work together.

2. The evolution of strategy is also pushed along by *competition and confrontation*. In strategy, as in other areas, necessity is the mother of invention, and, as elsewhere, new ideas and practices arise when managers try to outwit or beat back powerful rivals.
3. New strategies are often a *recasting of the old*. In a sense, old strategic ideas never disappear entirely. They go underground and infiltrate new practices covertly. Not so much old wines in new bottles, but more like the blending of old and new malt whiskies.
4. Strategy is pushed along by the *sheer creativity* of managers, because they explore new ways of doing things.

Mintzberg and Lampel identify the failings of both former and contemporary writers on the subject of strategy. They (1999) liken the research of strategy to an elephant, suggesting that each component of research grasps hold of a particular part of the elephant (strategy) and tries unsuccessfully to fully describe the elephant (strategy) from the perspective of the part that they have grasped. Clearly, the inference is that writers on strategy tend to focus on their specific interest and can often be seen either disregarding other “parts of the elephant” (elements of strategy as a subject) or even to “dismiss them as irrelevant. Porter’s article *What is Strategy* is singled out for particular criticism; Mintzberg and Lampel assert that Porter’s article “depicts the strategy process as deliberate and deductive. Porter does not dismiss strategic learning so much as deny its very existence.” In addition, Mintzberg and Lampel go on to compare writers on strategy to butchers who “chop up reality for their own convenience, just as poachers grab the tusks of the elephant and leave the carcass to rot.”



## Cornerstones of Strategic Thinking

Allio (2006) presents what he considers to be the cornerstones of strategic thinking in his article entitled, *Strategic thinking: the ten big ideas*. The ten big ideas are: long-range planning, strategic analysis, quality, portfolio theory, scenario planning, resource allocation models, corporate culture, leadership craft, metrics that matter, and strategic organization design. The ten big ideas provide a useful summary description of key strategic thought over the span of 100 years. Although the nexus of strategic thought might be reasonably placed in the 1960s through to the 1990s, Allio presents criteria such as impact, utility, and longevity that relate to strategic thinking over a century's time.

Long range planning compels organizations to look beyond the next operating quarter or year, is identified as being first of the ten big ideas described by Allio. Allio (2006) recognizes the evolution of long range planning writing "Many firms started long-range planning in the 1920s, limiting their focus initially to the manufacturing and financial functions. Over the ensuing decades, long-range perspectives were employed in the product development, marketing, and human resource areas" (p. 4). It is perhaps now, somewhat difficult to contemplate long-range planning being only partially applied to an organization's activities. Allio also observes "Unfortunately, long-range planners often generated expensive and voluminous reports that lost relevance as they gathered dust" (p. 4). The clear implication was that long-range planning should be an ongoing process for an organization, and that it ought to include all areas of the organization's activity.

The second of the ten big ideas is strategic analysis, which is considered to have evolved as an increasing number of analytic and planning tools have been developed. Singled out for special recognition by Allio are: market segmentation, the lifecycle

(whether it be Levitt's Product Life Cycle or Little's Industry Life Cycle), SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis, and tools to review industry structure, such as Porter's Five Forces model.

Quality was, according to Allio, first recognized as an important element of strategy by Deming in 1953, although not universally well received. Having been adopted successfully by the Japanese, the developed nations of the Western hemisphere somewhat tardily adopted the philosophy, which has subsequently thrived. Just-in-time, total quality management and business process reengineering have all had their "moment in the sun," to be superseded by a more recent new solutions to challenges faced by organizations.

Allio's (2006) fourth big idea is portfolio theory, describing the theory as "based on the proposition that a business can disaggregate its products, services and markets into categories that can inform resource allocation decisions" (p. 6). The Boston Consulting Group's (BCG) two-by-two matrix is a tool that is used to present market growth and market share as the key variables, providing direction for the allocation of resources and the anticipated returns from the products/businesses. The BCG matrix was supplemented as a tool for reviewing organizational portfolios through the development of expanded matrices.

At the midpoint of Allio's ten ideas is scenario planning, which he described (2006) as "the formulation of alternative possible futures for the firm and its environment as a means of exploring the utility of the different strategies" (p. 6). Allio suggests that the advent of scenario planning helped shift a prevailing management perspective from being able to determine the destiny of the organization to recognizing the need to anticipate a number of scenarios that might be faced. Allio goes on to observe "some

form of scenario planning is now a staple of every contemporary strategy formulation process. Contemplating organizational competitiveness in a variety of alternative futures allows managers to better prepare to respond and adapt to them.”

Allio describes allocation models as the sixth big idea. There are two readily identifiable models, the industrial organization (IO) model and the resource-based view (RBV). It is suggested that the IO model is adopted by the majority of industrial economists who argue that (2006) “firms should apply their resources to those opportunities created by the behavior of either competitors or the needs of customers” (p. 7). Allio attributes the popularization of internal resources and capabilities of RBV to C.K. Prahalad and Gary Hamel’s 1990 article, *The Core Competence of the Corporation* on core competencies.

Corporate culture is presented by Allio as the seventh of the ten big ideas of strategic thinking and Edgar Schein is identified by Allio as an important contributor to this area of discussion. Schein’s 1992 work, *Organizational Culture and Leadership* provides valuable insights regarding two areas critical to organizational success. As early as the preface in the book (1992) Schein provides clear explanations as to why it is important to understand culture. When Schein states “Cultural analysis illuminates sub-cultural dynamics within organizations” (p. xii), he argues that what was once attributed to a breakdown in communications can now be more fully understood as breakdowns in intercultural communications.

Finally Schein (1992) writes “Organizational learning, development, and planned change cannot be understood without considering culture as a primary source of resistance to change” (p. xiv). Thereby giving due recognition to the critical roles that

understanding and managing cultures, both formal and informal, have in any type of organization.

Allio's eighth big idea is leadership craft and he acknowledges that bookshelves in libraries and bookstores are replete with well promoted leadership books, which share a common shortcoming: the deductions that they present have never been thoroughly tested in terms of building a highly successful start-up enterprise or substantially improving an existing business. Perhaps the key message that Allio makes in this "big idea" can be found in his remarks "real leaders continually seek to master the craft of effective leadership and then used teachable lessons to spread the art of leading throughout their organization.

Ninth of Allio's ten big ideas is metrics because "For strategy to work, managers must monitor implementation," and "good metrics are essential to this task." Metrics must, by their very nature have a basis for comparison.

The last of Allio's ten big ideas is that of strategic organization design. Allio believes structure must follow strategy, and also writes of "Boundaries between a firm and its customers, suppliers, and competitors continue to erode, and the recent enthusiasm for outsourcing suggests that managers could do well to prepare for the advent of the virtual corporation."

Allio (2006) observes "after some pivotal early insights, innovation in strategic thinking lay dormant until a brief blossoming in the 1970s and early 1980s" (p. 13). He goes on to remark "since that period, new concepts have been sparse, although many old models have been refined or cleverly repackaged." Kim and Mauborgne in their work, *Blue Ocean Strategy* appear to support that perspective observing (2005) "for twenty-five

years, competition has been at the heart of corporate strategy” (p. 105). The authors contend that competition has traditionally been a “zero sum game” whereby a market for a given product or service is of a given size, and companies that earn a greater market share do so at the expense of their competitors who have lost some or all of their share. Kim and Mauborgne define competition in existing markets as a “red ocean strategy” which will often lead to a race to the lowest cost. The red ocean is created from the blood of businesses that have cut their own and their competitors’ throats in a bid to grow their market share.

Drivers for change have been identified by Kim and Mauborgne as:

1. Accelerated technological advances
2. Globalization
3. The dismantling of trade barriers
4. Supply increasing more than demand

Abraham (2006) observed that pursuing a blue ocean strategy is not without risks, these being: 1) formulation risks, pertaining to devising a new business model, searching for a new blue ocean, and 2) scaling up to exploit it and, execution risks, pertaining to knowing how to manage change and being properly organized.

Kim and Mauborgne developed a “strategy canvas” to help discover the desirable “blue ocean.” The strategy canvas begins with a “visual awakening” to compare one’s company with the competition, which leads to identification of changes needed to current strategies. This is accomplished through addressing four simple questions: What can we eliminate? What can we reduce? What can we raise? What can we create? Following on from the visual awakening is visual exploration during which one enters the field in order

to collect data. Moving one from the visual exploration, one introduces a visual strategy fair where one gathers feedback on the current “state of play” and then develops the strategy for the future. The final stage of this process is visual communication, during which the visual tool of the strategy canvas is used in order to stimulate creative thinking.

Hamel (2007) speaks at length on innovation and posits the view that management innovation tops all other types of innovation, including strategic innovation. The underlying theme of the book being that (2007) “management innovation is anything that substantially alters the way in which the work of management is carried out, or significantly modifies customary organizational forms, and, by so doing, advances organizational goals” (p. 19).

In another text Hamel (2007) offers “There’s not much in the average MBA curriculum, management best seller, or leadership development program that would suggest there are radical alternatives to the way we lead, plan, organize, motivate and manage right now” (p. 17) perhaps suggesting that strategic thought has not significantly changed in recent times.

Strategy has many facets and it is an ongoing process whereby an organization responds to changes in its operating environment. Carefully constructed strategies can enable organizations to drive change in their operating environment in a bid to secure short-term and/or long-term competitive advantage. As competition for scarce resources, it is perhaps not surprising that strategic thought has found its way into public institutions of higher education and is changing the way that these institutions conduct their affairs.

## **Strategy in Higher Education**

Following the wealth of literature available on the broad subject of strategy, the amount of literature available with its focus on higher education strategy is considerably less. A characteristic in many works addressing higher education is the rate of environmental change that institutions of higher education have to contend with. Green (1997) asserts “Although higher education is often seen as slow to change or downright resistant, it has undergone rapid transformation throughout the world in the last 25 years and may be in a period of unprecedented change” (p. 3). Green alludes to isomorphic pressures observing “Today, in spite of traditions and structures, higher education institutions worldwide share remarkably similar problems and are shaped by forces that transcend national boundaries.”

Shirley (1983) reflects on the dearth of academic commentary on the subject of strategy in higher education, remarking “One of the characteristics of any discipline during its infancy is lack of agreement on concept definition” (p. 93). He goes on to observe “Despite disagreement in the literature over what ‘strategy’ is, it is generally agreed that the dual purpose of strategy is to relate the total organization to its environment and to provide unity and direction to all organizational activities.” Shirley recognizes this and remarks “Unless this dual purpose is operationalized through decision making, however, the planning process has no focus, no clear points of closure (albeit the points of closure will almost always be temporal in nature).”

Shirley (1983) offers six strategic variables in terms of colleges and universities: (1) the basic mission of the institution, (2) the target group(s) of clientele to be served, (3) the goals and objectives that the institution must achieve in order to fulfill its mission and

serve the needs of its clientele, (4) the programs and services offered (and the relative priorities among them) in order to attain the goals and objectives, (5) the geographic service area of the institution, and (6) the comparative advantage sought by the institution over competitors engaged in similar activities. These elements serve to provide a further challenge to an administrator at the college, department, or program level as the overarching institution wide mission may not align comfortably with those further down the hierarchy.

Borrowing from Vancil and Lorange, Shirley references three levels of strategy-making in the corporate environment: corporate, business, and functional. The parallels that are drawn by Shirley equate the corporate strategy environment to the university as a whole; business level strategies would apply to campus wide functional strategies, and functional strategies would relate to program strategies. Shirley extends Vancil and Lorange's three levels into a fourth identifying program-level functional strategies as the lowest level of strategy making. Relating Shirley's fourth level in terms of this study, it could equate to programs of graduate study in business administration at public institutions of higher education (i.e., Master of Business Administration (MBA) programs).

Shirley (1983) expresses the importance of decisional interrelationships and the interactive nature of decision making along these six strategic dimensions at the institutional level. Chaffee (1985) identified three models of strategy: linear strategy, adaptive strategy and interpretive strategy, and these models present another challenge to a researcher considering strategy in higher education. Chaffee's characterization of linear strategy "consists of integrated decisions, actions, or plans that will set and achieve viable



organizational goals,” therefore, it might be reasonable to conclude that a public institution of higher education might operate under a linear strategy; however, Chaffee (1985) goes on to state “The linear model portrays top managers as having considerable capacity to change the organization” (p. 90). This is perhaps a sound example of how literature about strategy developed for a “corporate” environment, but does not always readily translate to environments such as the public higher education environment.

Speaking of adaptive strategy, Chaffee focuses on how such strategies continually review their internal and external conditions and adapt to address the opportunities and risks which arise. This type of strategy is perhaps demanding of a greater degree of organizational flexibility than one might expect from a public institution of higher education. The third of Chaffee’s models of strategy is the interpretive strategy which is viewed as too new to have become well developed. The essence of an interpretive strategy is one which has two underlining premises: the first being that reality is through a series of social interactions during which perceptions are affirmed, changed or done away with. The second premise of interpretive strategy promotes the position that stakeholders are motivated to believe and to act in ways that generate favorable outcomes for the organization.

Green’s book provides not only the important reminder that the environment of the institution of higher education is changing at a rapid rate, but, citing Kerr (1995, p. 45) she makes the important point that universities, along with very few other types of organizations, have remained in existence since the fourteenth century doing almost the same thing as they have done for centuries.

## **Forces for Change**

Green (1997, p. 18-25) identified seven forces for change: access to higher education, the funding of higher education, economic and social development of the population in the operating environment, increasing demands for accountability (prior to this time institutions of higher education might well have been regarded as “stewards of the public trust” and as such permitted unparalleled autonomy), autonomy, technology and internationalization which helped universities create virtual campuses, accessible from across the globe, delivering classes beyond the traditional lecture hall, laboratory or classroom.

Green suggests that the 1970s were a period that heralded clearly identifiable shifts in the university as an organization. This assertion is somewhat supported by Perkins (1972) who observes “Yet, as the decade of the 1970s unfolds a sense of uncertainty about just how well universities do perform has begun to settle over the campuses of the nation” (p. 34). Expanding his commentary, Perkins (1972) makes the observation:

...as universities enter the decade of the 1970s, the pressures on the established organization are evidenced in student dissent and the public reaction to it. The movement towards decentralization of control over educational and administrative functions has begun to come up with external demands for more forceful central authority to the end not only of ‘law and order’ but to a more efficient use of resources (p. 37).

Altbach (2005) also speaks of the 1970s as a time of great change in American public higher education institutions observing “But expansion ended in the early 1970s, as a result of a combination of circumstances, including population shifts, inflation, and government fiscal deficits” (p. 292).

Newman et al. (2004) brought an even closer focus on the operations of institutions of higher education when they viewed such institutions as market oriented and following strategies that were comparable to strategies in the commercial sector. Competition had firmly arrived on university campuses and featured many strands, including, but not limited to: competition for the best students, competition for the best faculty, competition for research grants, the pursuit of athletic titles as well as the pursuit of revenue, institutional ranking and prestige.

Heller (2003) adds further to the discussion identifying key stakeholders: legislators, governors and coordinating boards, students and their families, the business community and employers and accreditation agencies. The public purse was demanding more accountability for the money it invested in institutions of higher education, as were students and their families who were being courted as customers. In addition, the business community has become increasingly outspoken in terms of the skills and competencies that it wants university graduates to arrive at the workplace possessing. Accompanying the rapidly growing and changing demands made of the public institutions of higher education, accreditation agencies have grown increasingly important, not solely in terms of the oversight of a particular field of study, but as a means of legitimization, and indication of quality and a means of differentiation between institutions.

Development and implementation of strategic behavior has primarily stemmed from the increased expectations of both internal and external stakeholders. Competition for scarce resources is also a significant factor, whether the competition is designed to

develop industry leading products, or for the most renowned professors and most talented students.

### **Business School Strategy**

Pringle and Michel (2007) described the Association to Advance Collegiate Schools of Business (AACSB) as the “premier accrediting agency for collegiate business programs” (p. 202) reflecting how it is perceived as being an important voice within the business school field. Dating back to 2000, Bailey and Dangerfield (2000) referencing the AACSB began their article with the opening statement “Strategy is crucial for business schools. Each business school is faced with wide choices as a result of a wide range of opportunities and inevitable resource limitations. The development of a mission requires decisions regarding these alternatives, and the mission embodies the choices” (p. 183).

This assertion is supported by Yunker (1998) observing “In April 1991, the AACSB adopted new, “mission-linked” accreditation standards and procedures for the purpose of supporting “institutional diversity in management education” (p. 137). Yunker (1998) went on to remark “The general expectation has been that the new, mission-linked standards would make AACSB accreditation more attainable, and that expectation is borne out by the recent growth in the number of business schools accredited by the AACSB” (p. 138).

Further evidence of the importance of accreditation is provided in Bell and Taylor’s (2005) qualitative study based on in depth interviews and content analysis of the data collected. The study focused on the role of three quality frameworks in four UK business schools. A theme that runs throughout the study is the attachment of a perception of quality to a particular accreditation. The authors (2005) report

“Accreditation was presented by academics and administrators in all schools as enabling the organization to join an elite club. In order to do this they needed to play by the rules” (p. 248). In this case the rule maker was stated to be the AACSB and the rationale for “joining the club” and “playing by the rules” was said to be “AACSB is a club, if [you] want to join...you’ve got to show your commitment. The Academy administrator saw AACSB as an opportunity to ‘steal a march’ on other schools and increase visibility in the US.” It is of note that while the study subjects saw AACSB as a road to enhanced reputation and credibility, Bell and Taylor stopped short of drawing that conclusion, acknowledging “Further research is needed to establish whether these dynamics of accreditation remain consistent in business schools that occupy a genuinely international market niche.” Tullis and Camey (2007) report that accreditation is being used as a strategic tool by colleges of business. The intention of such specialization is said to be a bid to compete for students or institutional prestige. We have already noted, as with AACSB accreditation, that any practical competitive advantage is only short lived as successful initiatives are often quickly imitated. Tullis and Camey (2007) go on to provide insight within and beyond the public institution of higher education business programs, with comment on competitive trends, remarking:

As these institutions stake out their competitive positions, four key issues direct their decision making: (a) accreditation, (b) curriculum, (c) faculty, and (d) resources. Increasingly, the driver among these issues is accreditation. How institutions address their accreditation issues will ultimately determine their ability to remain competitive (p. 47).

### **The Student as a Customer**

Bailey and Dangerfield believe (2000) “Business schools should be market oriented. No one customer group should be allowed undue influence on strategic

decisions about such things as course requirements, contents, and other issues of importance to the education of business schools” (p. 186). The basis of Bailey and Dangerfield’s study is an application of strategic management literature for the consideration in the strategic management process of business schools. In Bailey and Dangerfield’s concluding remarks, they refer to customer groups although they do not elaborate further. The notion of what constitutes a customer is, for the most part, not addressed. However, Richards-Wilson and Galloway (2006) address the notion of the customer in terms of business schools and MBA programs, remarking “as the market for potential MBA students has become more competitive, many schools have been forced to reinvent themselves in terms of new course offerings, specializations and methods of delivery” (p. 95). Richards-Wilson and Galloway further their identification of a customer, asserting, “students are becoming more selective and applying to fewer schools than before.” Applications have become more selective and this has put a premium on the rank and reputation of business schools.” Thus, students are selective customers.

Richards-Wilson and Galloway (2006) underscore the perspective of the student being customers, positing, “Applicants have become more selective and this has put a premium on rank and reputation of business schools. As a result, many schools have responded by designing policies aimed at elevating their national ranking, whereas others have been forced into a largely defensive posture aimed at maintaining market share” (p. 95).

Khurana (2007) addresses the marketplace of business schools offering “Over the past decade, the apparent dominance of market logic in how business educators think about their enterprise has become evident in their discourse. Business schools make a

“value proposition” to students, who are now commonly described as “customers” (p. 343). Thus the increasing importance of meeting the growing demands of students has helped to change business school administrators’ perspectives in terms of how they view students.

Bohanon’s (2008) literature review considered colleges of commerce in their formative period between 1900 and 1930 and addressed four areas of interest: the content of business curriculum, the professional nature of business and business schools, social responsibility of corporate managers and integration of the business curriculum.

Harvey, Ready, Kuffel and Duke. (2006) developed a framework to examine administrators’ commitment to the mission-based status quo as opposed to vision-based change. Harvey et al. write that “Rank-driven competition motivates administrators of business schools to channel their change initiatives toward rating criteria that are valued by the school’s primary constituents (i.e. students, employers and state officials)” (p. 162). Five years prior to the observation of Harvey et al., Zimmerman (2001) observed, in an unpublished manuscript, “In spite of their limited validity, rankings have the most impact on the actual choices that business schools’ constituents make (e.g. in terms of funding, enrollment, and recruiting).

The work of MBA program administrators has become increasingly challenging as discussions continue regarding the form and structure of such programs. Gupta, Saunders and Smith (2007) in their mixed methods study of 758 employment advertisements and 27 MBA programs observe “Graduate programs in business education are presently at crossroads as the students and faculty are torn between selecting or offering a general MBA program and an MBA with specialization” (p. 307).

To add to the challenge the authors cite Bennis and O'Toole's (2005) observation, "The business community, for the most part, seems to be sending mixed signals. For example, companies hire MBAs with narrow specialization and complain that business schools are not producing individuals who will be able to both lead and make practical decisions" (p. 307).

To address these challenges, some MBA programs are narrowing their focus through specialization. Jain (2009) in his literature review addressing the overhaul of business school curricula and citing Chalker 2006, acknowledges "Some schools have found new niches to serve. For example, Harvard, Dartmouth and several other business schools have introduced new programs geared toward women who had left to raise families but are now ready to return to the professional world" (p. 6). Jain provides further argument (2009) observing: "A number of schools are changing their curricula to align themselves with the market needs. For example, MIT has added more interpersonal coursework. Many schools including Wharton, Tuck, Chicago, Darden, and Haas are focusing on teamwork and soft skills such as listening to colleagues" (p. 15). This realignment of curricula brings to the institutions the benefits that accrue from the provision of a market based differentiated product.

Alternatively, Bennis and O'Toole (2005) add that business schools have become "Too focused on 'scientific' research, business schools are hiring professors with limited real-world experience and graduating students who are ill equipped to wrangle with complex, unquantifiable issues – in other words, the stuff of management" (p. 98). What is perhaps most surprising in their article is the evidenced based observation that even senior administrators and faculty at business schools are recognizing that a fundamental



problem exists. Bennis and O'Toole (2005) assert "...criticisms come not just from students, employers, and the media but also from deans of some of the most prestigious business schools, including Dipak Jain at Northwestern University's top-ranked Kellogg School of Management" (p. 98).

Addressing a number of issues in terms of restructuring business schools, Jain (2009) provides a useful in-depth analysis. His (2009) first point is that "despite the explosive growth of business globally, MBA students are still basically trained under the model developed in the 1960s following the Ford Foundation [a non-profit body established in 1936 with the mission of providing all people with the opportunity to reach their full potential, contribute to society, and have voice in the decisions that affect them] and Carnegie Foundation for the Advancement of Teaching [The Carnegie Foundation is an independent policy and research center, whose primary activities of research and writing on every level of education] studies" (p. 4). As an industry leader, Jain goes on to remark "The time is ripe for business school leaders to thoroughly review their industry and their individual programs and begin implementing broad-based strategies."

With the transformation of business schools, elite schools emerge. Providing individual case studies on twelve elite business schools in the United States, Wolverton and Penley (2004) observe "We began this book by suggesting that in an individualistic society, such as the United States, business schools housed at public universities continually strive to be measurably better than their peers" (p. 13). They deduce through case studies "how innovative schools can and do reinvent business education". Wolverton and Penley clearly believe that despite a wide range of limiting factors, business schools

can still differentiate themselves in the market place, and through the creation and development of market niches.

Wolverton and Penley (2004) argue that premier organizations engage in variants of Hamel and Prahalad's (1994) six strategies: (1) Establish a competitive advantage, (2) Find the future, (3) Mobilize for the future, (4) Get to the future fast, (5) Build gateways to the future and 6) Secure the future.

Many of the issues identified are examined in isolation with only passing consideration given to related, overlapping or conflicting issues. In this research issues concerning funding, curriculum, state government, demands from students, expectations of employers, ranking, methods of delivery and accreditation have all been mentioned. How they interact has not been discussed, nor has examining which components have the greatest "strength" to pull or push a business school in any given direction.

### **Organizational Fields**

An important premise, around which DiMaggio and Powell's work is constructed, is (1983) that "bureaucratization and other forms of homogenization emerge, we argue, out of structuration (Giddens, 1979) of organizational fields" (p. 148). DiMaggio and Powell (1983) define a "field" as "those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers' regulatory agencies, and other organizations that produce similar products or services" (p. 148).

DiMaggio and Powell suggest that once organizations find themselves in a common organizational field, they are, in the long run, likely to experience similar outcomes: "organizational actors making rational decisions construct around themselves

an environment that constrains their ability to change further in later years” (1983, p. 148). The rationale for this perspective stems, in part, from a view that innovations in a field will eventually spread and any initial competitive advantage will be mitigated as broad adoption of the innovation spread throughout the field, although such diffusion perhaps legitimizes the innovation while at the same time, nullifies any competitive advantage that it may have provided.

DiMaggio and Powell note that when they refer to organizational change, they are specifically referring to “change in formal structure, organizational culture, and goals, program or mission” (1983, p. 149). An important element in the development of organizational fields is the life cycle stage. DiMaggio and Powell acknowledge that at the early life cycle stage, organizations can demonstrate a great deal of variety in terms of approach and structure.

DiMaggio and Powell (1983) go on to observe “Once a field becomes well established, however, there is an inexorable push towards homogenization” (p. 148). They extend this point (1983) asserting that “organizations may try to change constantly; but, after a certain point in the structuration of an organizational field, the aggregate effect of individual change is to lessen the extent of diversity within the field” (p. 149). Although this may appear counterintuitive, they paraphrase Schelling (1978) observing that “organizations in a structured field, respond to an environment that consists of other organizations responding to their environment, which consists of organizations responding to an environment of organizations’ responses,” (p. 14) and this perhaps provides an explanation.

Considering sameness in an organizational field, Leiter (2005) makes the important point that “detailed knowledge of a field can lead to quite specific hypotheses about the generation of isomorphism” (p. 25). Leiter’s mixed methods study, based on neo-institutional theory, uses a non-profit component of a 2001-2002 random sample of Australian employment organizations. Providing examples of hospitals (for profit or non-profit) sharing dependencies with drug companies, insurance companies and technology suppliers, while agricultural cooperatives are often dependent on major food retailers, Leiter (2005) remarks “all of these shared dependencies can be expected to lead to shared compliance with directives, quite specific examples of coercive isomorphism” (p. 26) and in doing so makes the important effect that dependencies have.

### **Field Dynamics**

In 1997, Dacin’s sociohistorical analysis of nineteenth century Finnish newspapers provided a mixed methods empirical study that further adds to the discussion of organizational fields. Dacin (1997) observes:

The institutional arena contains a number of exogenous pressures that influence the structure and behavior of organizations. These include institutional pressures arising from broadly based socio-cultural norms as well as pressures arising from connections among organizations, such as dependency theory and political pressures (p. 46).

This observation underscores the previously cited works which discuss the importance of field dynamics in providing an impetus for change. Dacin (1997) goes on to assert “Institutional pressures operate in concert with other forces, such as competitive or market pressures, to influence ecological dynamics...organizations are inextricably embedded in a dynamic system of interrelated economic, institutional and ecological

processes” (p. 47). Dacin reinforces earlier commentary that organizations attempt to change in the early stages of development.

Additionally, Dacin (1997) writes “I took the view that institutional forces operate in concert with other pressures rather than supplanting them” and her intention was to “identify conditions under which institutional forces might be more important than other forces in shaping organizations” (p. 50). Dacin (1997) further expands the discussion of isomorphism when she summarizes, “Organizations are subject to influence from societal and cultural expectations with the larger social system. These prescriptions serve both as blueprints for organizational action and as powerful drivers for selection” (p. 51). An important element that has perhaps not yet been explicitly stated is that of time. Dacin (1997) addresses this point directly offering “It can be argued that the power with which these prescriptions influence organizations varies over time, across levels of analysis, and as a function of their interplay with other ecological, economic, and more proximal sources of institutional expectations” (p. 51). Although the focus of Dacin’s research was as organizations were founded, she introduces issues which add greatly to the complexity of discussion as factors such as organizational life cycles and the timing of establishment within a field’s life cycle, all have directing impacts on how and from where isomorphic pressures arise and apply.

### **Isomorphism**

DiMaggio and Powell (1983) spoke of three mechanisms which push organizations toward homogeneity, these mechanisms being coercive, mimetic and normative isomorphism. This section will introduce the notion of organizational fields,

field dynamics and institutional actors in a bid to lay down the foundations upon which the topic of organizational isomorphism has been built, and broadened.

A great deal of literature concerning strategy addresses how companies compete in markets, how they create new markets through innovation and creativity, and how a constantly changing environment presents perpetual challenges to an organization and its leadership. Particular emphasis is often placed upon uniqueness of products or services, creating growth in markets through increasing accessibility by controlling costs and prices, and paying close attention to the needs of a particular buying group.

There has been much discussion about the extent to which a range of external and internal organizational pressures will affect an organization. It has been argued that the combination of such influences may cause certain enterprises and institutions to become increasingly similar; this process is described as isomorphism. In 1983, Paul DiMaggio and Walter Powell wrote a seminal article on this subject, which continues to be the basis of many discussions on the topic, almost thirty years after the article was published.

In “The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality on Organizational Fields,” DiMaggio and Powell (1983) contend that “bureaucratization and other forms of organizational change occur as the result of processes that make organizations more similar without necessarily making them more efficient” (p. 145). DiMaggio and Powell state “We contend that the engine of rationalization and bureaucratization has moved from the competitive marketplace to the state and the professions,” perhaps implying that there is an evolutionary path that the state and professions follow, the lead being taken by the free market. DiMaggio and Powell consider that the term isomorphism best describes the process of homogenization as they

discuss and cite (1983) Hawley's (1968) description, "isomorphism is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions" (p. 149).

### **Types of Isomorphism**

Three decades ago, DiMaggio and Powell suggested two types of isomorphism: competitive and institutional. In 2006, Lamertz and Heugens described three additional types: structural, strategic, and symbolic. These five types of isomorphism provide a variety of lenses through which an organization might be viewed.

**Competitive isomorphism.** Competitive isomorphism is viewed by DiMaggio and Powell as being (1983) "most relevant for those fields in which free and open competition exists" (p. 149); they perhaps recognize the shortcoming in this description, proposing that the definition is supplemented by inclusion of an institutional view of isomorphism that was described by Kanter (1972) as "forces pressing communities toward accommodation with the outside world" (p. 152). When considering the issue of competition, it is noted that organizational competition is not limited to resources and customers, but goes considerably further, to include aspects such as political influence and institutional legitimacy as well as meeting social and economic demands. In essence, the argument is made that competitive isomorphism exists to satisfy a range of internal and external stakeholders.

**Institutional isomorphism.** Han (1994) continues and extends the discussion of isomorphism by DiMaggio and Powell and summarizes key elements of the discussion very succinctly, (1994) "In an uncertain environment, in particular, organizations tend to model themselves after similar organizations in their field that they perceive to be more

legitimate or successful” (p. 637). Citing a number of studies over a range of organizational populations, Han (1994) goes on to remark that “all these studies agree with one another with respect to the outcome, i.e., a limited set of standard responses with relatively little variation in organizational forms and practices” (p. 637).

Han also discusses the key question of “how” institutional isomorphism is brought about. In doing so Han (1994) discusses two perspectives, “an aggregation of individual’s actions, isomorphism is due to a fad driven by blind imitations or due to calculated moves by individual actors” (p. 638) or when the aggregate is taken as given “it is either due to the taken-for-grantedness of institutionalized environment that induces more organizations to imitate (Meyer & Rowan, 1977) or due to the size and density of organizational populations from which legitimacy derives.” From an intuitive perspective it is reasonable to argue that professional business managers as a population are not likely to behave in ways that are inconsistent with their professional nature, although we have perhaps seen some evidence of such behavior from elements of population over a period of time.

Han’s 1994 mixed methods study of 2,285 auditor-client relationships added further to the discussion. Han (1994) expresses this view writing “the mechanism creating isomorphism can and should be specified in terms of the social dynamics between organizations” (p. 638). Han’s study illustrates an interesting phenomenon; industry leading companies have their audit needs attended to by industry leading audit companies who seek to differentiate their offerings. Second tier industry participants have their audit needs served by a second tier of auditors who imitate the audit industry leaders



and the lowest level industry participants have their audit needs served by a constituency which seem to have no overall clearly defined common characteristics.

Furthermore, Han (1994) observes that “the relative standing among peers in the industry critically affects their behavior” (p. 638). It should be noted that Han’s work is based on the legal obligation of any corporation publicly trading its stock, to employ an independent auditor to review and endorse their financial statements. Han (1994, p. 655) identified a three tier pattern, the top tier of the leaders in the field examined are limited in the selection by their size, only a small cadre of auditors are sufficiently large to manage complex, global operations. As such, their behavior, within identifiable boundaries, was found to be relatively predictable. The middle tier is essentially “cherry picked” by the major audit partnerships and what is left is a third tier made up of a lower echelon of organizations in need of auditing services.

In what might be considered aspirational behavior, organizations that seek to send a particular message will sometimes employ the services of a leading audit firm that might typically provide services to organizations with a higher “social ranking” with a view to present themselves in what might be a more favorable light. In short, if an organization employs the services of a major auditor, it may be viewed as more legitimate, professionally managed, and highly ranked within its field. Han (1994) concludes with “Overall, by showing that the status of an organization strongly influences its behavior, this study adds another layer of understanding to social structural modes explaining social influence” (p. 657). Essentially, through the transaction undertaken, institutions may define themselves and those with whom they interact.

**Structural, strategic, and symbolic isomorphism.** Lamertz and Heugens (2006) provide definitions of three types of isomorphism: structural, strategic, and symbolic. In providing these additional definitions, Lamertz and Heugens allow for a more specific perspective with which to examine a subject of interest. They describe structural isomorphism as “the similarity of a focal organization’s formal structure to the formal structures of other organizations in its environment” (p. 26). Strategic isomorphism is described as “the similarity of a focal organization’s strategic management practices to the strategies of other organizations in its environment.” They conclude by defining symbolic isomorphism as “the similarity of a focal organization’s symbolic communications to the symbolic communications of other organizations in its environment.” These three types of isomorphism are important because they are more recent developments, and different from DiMaggio and Powell’s types of isomorphism discussed 23 years earlier.

In Lamertz and Heugens’ (2006) study, they identify concerns about the hazards that await the researcher investigating isomorphism. Citing Mizruchi and Stearns (1988) they state “It is virtually impossible to disentangle coercive isomorphism from non-institutional resource-dependence considerations” (p. 34). They go on to cite Palmer, Jennings and Zhou (1993) asserting that “mimetic phenomena are hard to separate from economic efficiency considerations.” Further, they follow by addressing normative isomorphic pressures by referring to Useem (1983) and remarking:

It may well be that the corporate elite consciously creates social structures organized around alumni networks and systems of interlocking directorates to advance its own interests and to socialize and control members and that these networks only inadvertently facilitate the spread of organizational structures and other rational myths. Lamertz and Heugens (2006, p. 34).

Thus, there are a variety of factors that could influence an organization, not just isomorphism. In addition, in certain circumstances such as a bid to secure preferred outcomes, isomorphic influences are intentionally brought to bear, to control and direct stakeholder interests and behaviors.

### **Sources of Isomorphism**

Leiter (2005) points out that “state power may derive from organizational dependence on the state” (p. 12). A second source of coercive isomorphism is identified as originating as a consequence of an organization being “subordinate to headquarters.” Leiter (2005, p. 12) when discussing operations of subordinate organizations offers the view “they may be required to follow centrally issued directives” and makes the important point of dependency of funds. Adding to the issue of dependency of funding, income from donors is identified as another source of coercive isomorphism although Leiter does accept that in his study “this is minimal indication of the power of donors over the nonprofits.”

Leiter (2005) identifies four strands of mimetic isomorphism, the first being “goal ambiguity” which he describes as “the prime source of uncertainty facing organizations and of the tendency to copy other organizations” (p. 13). Leiter asserts that goal ambiguity may be identified through two indicators, these being; “by a small difference between the highest and the lowest importance reported” and “by a large number of goals reported as having the same high importance.” Decline is also identified as source of mimetic isomorphism observing “decline can motivate a search for a better approach and thereby lead to copying.”

While Leiter places sharing as a strand of mimetic isomorphism, he places consulting as a normative influence on isomorphism acknowledging that “consulting carries the idea of getting expert advice and extends the idea of sharing,” therefore, consultants promulgate “new” practices which through adoption become the operating norm. In a similar vein, Leiter (2005) identifies “manager’s education” as a source of normative isomorphism observing, “the manager’s education indicates professionalization in the nonprofit. Postgraduate education most clearly marks professionalization preparation” (p. 14).

### **Mechanisms Driving Isomorphic Change**

DiMaggio and Powell identify three mechanisms through which institutional isomorphic change occurs. These mechanisms (1983) are described as “1) *coercive* isomorphism that stems from political influence and the problem of legitimacy, 2) *mimetic* isomorphism resulting from standard responses to uncertainty, and 3) *normative* isomorphism, associated with professionalization” (p. 150).

While three mechanisms are identified, it is noted that they are not always “empirically distinct.” An example is an accreditation board might adopt a behavior comparable to its peers through a requirement that particular activities are performed in a specified fashion and by an employee of a certain type.

**Coercive isomorphism and legitimacy.** DiMaggio and Powell (1983) describe coercive isomorphism as resulting from “both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function. Such pressures may be felt as force, persuasion, or as invitations to join in collusion.” Although coercive

mechanisms can be readily identified as means of bringing about institutional isomorphism, it is not the only means.

Another important attribution made to organizational isomorphism is that of legitimization. Deephouse (1996) discusses legitimization and recognizes the difficulties inherent in both defining and measuring it. Citing Galaskiewicz (1985), Deephouse (1996) provides a useful definition of organizational legitimacy remarking “a legitimate organization is one whose values and actions are congruent with that social actor’s values and expectations for action” (p. 1025).

Deephouse, in his study of the strategic conformity of commercial banks in a relatively small geographic area of the United States (1996), suggests that “organizations create norms of strategic behavior that social actors come to expect” (p. 1025). In the case of the public institutions of higher education, one might not readily accept this argument. While many public institutions of higher education may consider themselves free of direct regulatory discipline, the reality is perhaps somewhat different. The level of state funding (appropriations) of higher education is discretionary and as a result, a state may implement performance requirements that prevent an institution from creating a norm to be accepted by social actors. This being said, it is also acknowledged that actors may create norms outside the limitations of performance funding and accreditation. It may also be argued that accreditation agencies act in a similar way, a university being required to meet a pre-defined number of criteria in order to secure the requisite accreditation. It is very difficult to reconcile Deephouse’s earlier assertion, unless one expands his definition of social actors beyond government regulators and the general public.

Deephouse's study arrives at conclusions that support assertions made by DiMaggio and Powell. Deephouse (1996) concludes that his study provides "evidence of a positive relationship between strategic isomorphism and multiple measures of legitimacy" (p. 1033). He goes on to add "The findings support the general proposition made by Meyer and Rowan (1977) and DiMaggio and Powell (1983) that organizational isomorphism increases organizational legitimacy. This is perhaps the key finding of Deephouse's research as it underpins earlier works that drew similar conclusions.

**Mimetic isomorphism and limitations.** DiMaggio and Powell (1983) speak of mimetic processes and they remark "Uncertainty is also a powerful force that encourages imitation" (p. 151). The argument that DiMaggio and Powell make for a rationale behind mimetic isomorphism refers to March and Olsen (1976) and states "When organizational technologies are poorly understood, when goals are ambiguous, or when the environment creates symbolic uncertainty, organizations may model themselves on other organizations."

DiMaggio and Powell (1983) use the term modeling to describe mimetic behavior and recognize that any modeling may originate from a number of sources. They go on to observe "Models may be diffused unintentionally, indirectly through employee transfer or turnover, or explicitly by organizations such as consulting firms or industry trade associations" (p. 151). New organizations are modeled upon old ones throughout the economy, and managers actively seek models upon which to build."

**Normative isomorphism and consequences of professionalization.** DiMaggio and Powell identify a third source of isomorphic organization describing it as normative and attributing it primarily to professionalization. They (1983) describe

professionalization as “the collective struggle of members of an occupation to define the conditions and methods of their work, to control “the production of producers,” and to establish a cognitive basis and legitimization for their occupational autonomy” (p. 152). Noted previously, higher education accreditation boards are a source of coercive pressure and the writer would suggest that accreditation boards are equally a source of normative pressure. This is just one example of how isomorphic pressures can appear working in unison while working in different ways.

Central to the notion of professionalization as a source of normative isomorphism are two aspects identified by DiMaggio and Powell (1983) “One is the resting of formal education and of legitimization in a cognitive base produced by university specialists, the second is the growth and elaboration of professional networks that span organizations and across which new models diffuse rapidly” (p. 152). From this perspective, it is perhaps arguable that there can be fewer more powerful sources of normative isomorphic pressure than the business college and perhaps the MBA program within that said college.

The function of professional and trade associations in normative isomorphic change is expanded upon by DiMaggio and Powell (1983) remarking “Such mechanisms create a pool of almost interchangeable individuals who occupy similar positions across a range of organizations and possess a similarity of orientation and disposition that may override variations in tradition and control what might otherwise shape organizational behavior” (p. 152). Of particular concern is the possible paradox that organizations seeking to develop their fields of endeavor may effectively be restricting innovation from an industry perspective, by their very actions of the promulgation of established norms.

The filtering of personnel is considered to be an important aspect of isomorphism and DiMaggio and Powell (1983) offer “Many professional career tracks are so closely guarded, both at entry level and throughout the career progression, that individuals who make it to the top are virtually indistinguishable” (p. 152). They go on to describe something close to assimilation of managers and key workers into a collective, with common values, speech patterns, behaviors and attitudes being inculcated into them.

DiMaggio and Powell further discuss how the professionalization of management progresses hand in hand with the structurization of organizational fields. They observe that this structurization ultimately leads to the development of hierarchies. The development of hierarchies leads to status ordering which in turn leads to recognition of key constituents, the outcome being the recognition of key constituents ultimately leads to legitimization and normalization. This highly structured hierarchy of organizations is further underpinned through the representation of individuals from prominent organizations being given roles that are representative of their field, making them, for want of a better description, exemplars, for others to imitate or seek to replicate.

DiMaggio and Powell identify the title of Assistant, Associate and Full Professor, not only as titles that are commonly recognized and understood, but that also serve as a standardized career path that will be familiar across the entire organizational field. DiMaggio and Powell (1983) assert “It is important to note that each of the institutional isomorphic processes can be expected to proceed in the absence of evidence that they increase organizational efficiency” (p. 153). Further, they go on to argue that organizations are rewarded for being similar to others in their field, in terms of easier transactions, an enhanced ability to attract the preferred type of employee, and in being



recognized as legitimate and having a positive reputation. None of the foregoing serves to ensure excellent or even adequate performance, but they do serve as an unspoken reassurance to those who might do business with them.

### **Pressures on Public Institutions of Higher Education**

A problem facing public institutions of higher education beyond American borders is to be innovative. Stensaker and Norgard (2001), researchers from Norway, undertook a study of a single Norwegian university from its establishment in 1969 to 1999. The authors triangulated their study with other qualitative studies of the same institution, considering organizational identity. Stensaker and Norgard provide a useful discussion of direct relevance to innovation in their article, *Innovation and isomorphism: A case-study of university identity struggles 1969-1999*. Well beyond the borders of their native Sweden, Stensaker and Norgard (2001) observe “universities are increasingly facing a double-sided pressure: to be innovative with a specific organizational mission while at the same time being an integrated part of a growing, and highly interconnected, internationalized and standardized higher education ‘industry’” (p. 473).

While much commentary on isomorphism suggests an air of inevitability when it comes to homogeneity and standardization, Stensaker and Norgard (2001) temper their view with the recognition that “each organization still has certain discretion left when it comes to how they should respond to external pressures” (p. 474). They further note that “The concepts of strategic choice or critical decisions, are in this perspective important, along with a view that organizations must find their environmental niche in order to successfully compete for customers, students or markets shares” (p. 474).

An important conclusion of Stensaker and Norgard's study over a thirty year period is (2001) "one may claim that the direction of change is towards 'standardization', where one can see the 'innovative' university slowly but steadily adjusting to external demands resulting in isomorphism in, for example, governance and management systems, and in disciplinary structures" (p. 489). This conclusion is important in that it seems to contradict their earlier assertion that differentiation was still possible, despite the impact of isomorphic pressures towards homogeneity. Another important observation from Stensaker and Norgard refers to the interplay of isomorphic pressures, the pair (2001) observing "an interesting point is that forces of isomorphism sometimes seem to interact and sometimes counteract each other in a rather dynamic way" (p. 489).

In 2002, Tingling and Parent undertook research which applied institutional theory and the concept of mimetic isomorphism as peer influences to the technology evaluation process. They completed an experiment which was conducted via the Internet with a national sample of 348 senior information technology and business decision makers. Tingling and Parent (2002) appear to support Stensaker and Norgard's perspective on the interaction and counteraction of isomorphic forces when they observe "While acknowledging that each of the forms of isomorphism are intertwined and separation may be somewhat analytic, we consider each of the three definitions arise and are present at different times during a technological life cycle" (p. 113).

### **Isomorphism in the Non-profit Environment**

Similar to public institutions of higher education, non-profits are affected by isomorphism. Leiter (2008) provides an interesting perspective in his recent study in which he uses "random samples of nonprofits drawn from two organizational

populations. The analysis compares the extent of structural resemblance or isomorphism in each” (p. 67). Importantly, Leiter interprets his findings as “reflecting expectations for nonprofit organizations that stretch worldwide” (p. 67). Leiter’s study is important as it specifically addresses the nonprofit sector and in doing so identifies concerns which may be peculiar to that sector. With a cautionary note, Leiter (2008) citing Weisbrod (1986) asserts “Isomorphism, however, carries potential fundamental disadvantages for nonprofits. Nonprofit isomorphism would limit the capacity of the nonprofit sector to respond to diverse needs and preferences, undermining one of the sector’s primary rationales” (p. 69). Leiter, citing Gerth and Mills (1946), goes on to add “Furthermore, if the nonprofit sector comes to resemble the bureaucratized for-profit sectors, we can fear the same loss of creativity, innovation, and individuality Weber portrayed with the image of the ‘iron cage.’”

One of the suggestions that Leiter (2008) puts forward is “If nonprofit organizations face generic problems, regardless of their locations’ we might expect movement toward similar solutions. This is the thrust of the agency theory argument that hierarchy in organizations emerges to solve problems” (p. 69). Leiter continues to provide the counter position to the perspective speaking of the theory of path dependency and observing that “in this theory, innovations that reflect the peculiarities of their origins and self-reinforcing early histories, may ‘create the conditions of their own reproduction’ (Roy 1997, p.118) and thereby preserve or ‘lock in’ those peculiarities.” The essence of Leiter’s study is to distinguish if the levels of isomorphism differ between the subjects of his study, and, if so, how. Leiter’s study is also useful as he identifies a number and range of very helpful variables for examination.

## **Organization Theory**

Ashworth, Boyne, and Delbridge (2007) remark “An alternative view is offered of organizational theory, which argues that the primary objective of organizational change is not better substantive performance but greater legitimacy” (p. 165). This idea is similar to Lamertz and Heugens (2006). Citing DiMaggio and Powell (1983), the authors observe “Over time norms and rules emerge that limit the management arrangements that are deemed acceptable. Organizations in the same field are imprisoned in an ‘iron cage’ that homogenizes their characteristics.” Ashworth, Boyne and Delbridge’s (2007) study set out to “evaluate whether organizational change in the public sector is consistent with this institutional perspective” (p. 166). They go on to identify a perceived limited perspective on empirical studies of isomorphism positing “empirical studies of isomorphism usually examine only one organizational characteristic that provides a narrow and potentially biased view of the extent of conformity.” Ashworth, Boyne and Delbridge’s (2007) study not only challenges the notion of how important isomorphic pressures are but it also breaks down into “core” and “peripheral” organizational attributes which are subsequently tested.

Kraatz and Zajac (1996) identify a research deficiency remarking “very little large-scale research, however, has directly examined such predictions regarding organizational inertia, the tendency toward isomorphism, the legitimacy imperative, the relative influence of technical versus institutional environmental forces” (p. 813). Kraatz and Zajac (1996) put forward the proposition that “In a highly institutionalized organizational field, organizational change that results is the increasing homogeneity of organizations” (p. 815). They go on to suggest that increased institutional isomorphism

through mimesis “is seen as likely to occur when in an organizational field that has no clear performance.”

### **Limitations of Available Literature**

The literature on strategy in public institutions of higher education is focused on specific topics, which include: change, competition, culture, governance, diversification, homogenization and increasingly often, corporatization. Newman, Couturier and Scurry (2004) observe:

Suddenly, higher education is in the grip of transforming change. Part of this change flows from the demands of political leaders for access for a greater share of the population to meet the needs of the New Economy; part from the growing concern that the skills and attitudes young people bring to their roles as workers and citizens are inadequate; part flows from the growing impact of external forces such as information technology and globalization (p. 1).

Heller (2001) speaks directly to how public institutions of higher education are being increasingly scrutinized within the context of the accountability movement in higher education, “although higher education institutions have long been considered stewards of public trust, in recent years attention has focused not only on what colleges and universities do, but also how well they do it and what resources they use” (p.3). Zusman in Altbach, Berdahl, and Gumport (2005) addresses the issue asking of public higher education institutions “Who pays? Who benefits? And who decides?” (p. 116). Heller identifies key stakeholder groups who have increased their level of scrutiny offering:

This attention has come from (1) legislators, governors, and coordinating boards, responsible for allocating state budget expenditures to the institutions, (2) students and their families, who are paying an increasing share of higher education costs, (3) businesses and other employers, which hire college and university graduates, and (4) accrediting and other

oversight bodies, which provide quality assurance for education.

The net result of this increased scrutiny lies in demands for greater affordability, access and accountability.

Lerner (2008) speaks directly to the issue of corporatization of institutions of higher education observing “The process of changing U.S. higher education institutions along a corporate model has been going on for several decades” (p. 219). Lerner’s article does not constitute a detailed examination of higher education strategy or corporatization of the field, but it does provide an insight of a topic worthy of further examination. Lynch and Baines (2004) provide a useful discussion of strategy development in the higher education system of the United Kingdom in their work. Implicitly supporting Lerner’s assertion, Lynch and Baines observe “United Kingdom HEIs have increasingly been competing against one another for the best students, the highest quality staff and research funding from a UK government during times when government policy agendas have been continuously changing, particularly in relation to research funding” (p. 171).

Lynch and Baines’ article considers the use of “bundles of resources” to “outperform” competitors. In making these connections it is reasonable to assert that institutions of higher education are behaving like “for profit” companies, except that “profit maximization” is perhaps not their underlying motivation. The authors make a key assumption in their article, that (2004) “businesses compete against each other” (p. 175) which although reasonable, perhaps assigns characteristics to their subject of interest, institutions of higher education that are not as central to their overall mission as to commercial operations. An argument could be made that only a small number of highly specialized or highly regarded universities truly compete in a true market environment.

Lynch and Baines identify five competitive resources with which to examine their hypotheses addressing how institutions of higher education in the United Kingdom might develop strategies that are particularly suited to the knowledge transfer and people focus context of higher education. These competitive resources are: reputation, architecture (the network of relationships, contracts, and alliances), innovative capability, core competencies, and knowledge-based advantages.

Lynch and Baines' (2004) offer an important qualification of their market perspective when they acknowledge "However, market shares are fragmented, even the largest institutions holding less than a 5% share of the market, as defined in student numbers" (p. 175). They (2004) conclude their discussion with a slightly intriguing notion when they offer "there are strong indications that national government policy is often the prime shaper of market context for any country's university sector, with a concomitant impact upon strategy development" (p. 184).

Lynch and Baines perhaps overreach with the statement that any country's university sector is led by national government policy. In the United States, state governments might be viewed as the shapers of the market. Eckel (2007) provides a thought provoking discussion of the higher education landscape, stating "while American higher education had traditionally been competitive and market driven, numerous challenges are further intensifying competition among similar and dissimilar colleges and universities, with a variety of effects on individual institutions and on higher education as a whole" (p. 78).

Regarding policy changes in higher education at a state level, Eckel (2007) extends his discussion, remarking "those likely to benefit the most may be large,

diversified (typically, research) universities that offer a range of undergraduate, graduate, professional and lifelong learning programmes; have sizeable auxiliary services that offer desirable products and services; and are able to create and draw upon diverse revenue streams” (p. 81). Having defined perhaps an idealized scenario for a public institution, Eckel goes on to state “The majority of public institutions do not have such capacities, so that the new rules effectively favor those already most able to compete.” Eckel also presents an argument that is seldom seen in literature concerning public institutions of higher education, that of the tensions between the public interest and the competitive marketplace. University presidents have to attempt to balance public objectives of affordability, access and quality with the demands of the market place. Eckel (2007) states that “the demands of the marketplace push leaders to pursue strategies that generate revenue, maximize prestige to generate future opportunities, increase the attractiveness of their institution, enhance research capacities and promote quality” (p. 85). Referring directly to strategy, Eckel makes a key point, observing “when all institutions pursue the same set of competitive strategies, no one gains an advantage. Institutions run harder to stay in place.” This assertion generates an important question to be addressed by this research: are common strategies being pursued by institutions and if so, are isomorphic pressures present and so powerful that they effectively nullify any strategy devised to generate a competitive advantage in an MBA program?

### **Empirical Studies**

Leiter (2005) provides an interesting examination of structural isomorphism in Australian non-profit organizations. His examination provides three clusters of variables which are used to analyze the data that he had collected. All at the organizational level,



Leiter's three clusters are: 1) Organizational characteristics whose similarity were to be assessed and explained, 2) Factors thought to induce coercive, mimetic, and normative isomorphism, and 3) Control variables, known in his evaluation as correlates. Expanding this discussion, Leiter proceeds to identify factors that are thought to induce isomorphism. He does so in a helpful way, assigning them into groupings, and those groupings are the already familiar coercive, mimetic and normative isomorphism.

### **Deficiencies Identified in Prior Studies**

Ashworth, Boyne and Delbridge (2007) identify what they regard as a deficiency in prior studies of isomorphism: the deficiency relates to the absence of a definition of conformity, they state "we clarify the meaning of conformity by distinguishing between 'compliance' and 'convergence'" (p. 169). Compliance is viewed as "the identification of the direction of movement that is 'required' by prevailing institutional norms and the 'target' organizational characteristics that are expected to change." There can be little argument made that this definition is suggestive of coercive isomorphism, as previously defined. They go on to define "convergence" as "the extent to which all organizations in a field resemble each other more closely over time." This definition may be suggestive of either mimetic or normative isomorphism, or indeed both. Ashworth, Boyne and Delbridge (2007) continue to further criticize prior studies observing "The few previous tests of institutional pressures in the public sector also use narrow measures of organizational characteristics" (p. 170). In addition, "Each one takes only a single slice of the organizations that are subject to isomorphic pressures- the wider picture is not reported."

An unexpected result from the Ashworth, Boyne, and Delbridge study (2007) is that the data “suggests that attempts to place ever greater isomorphic pressures on a set of heavily structured organizations may eventually prompt acts of defiance that lead to greater heterogeneity rather than homogeneity, in at least some of the characteristics” (p. 181). In making this observation they are possibly promoting the view that when isomorphic pressures grow to what some people might consider unacceptable levels, there exists the danger that people will “rebel” against them, that rebellion leading to newness rather than the desired conformity.

The Ashworth, Boyne, and Delbridge (2007) empirical study finds that contrary to their hypothesis that “isomorphism would be displayed more strongly in the peripheral attributes of structures and processes than on the core attributes of culture and strategy,” (p. 182) the strongest evidence of compliance can come from their measures of organizational culture. Their inference was that “institutional pressures were applied with extra vigor to the culture and strategies of local authorities.” They go on to add, when relating to central government, “it deployed teams of inspectors to undertake ‘site visits’ in order to check compliance.” The broad conclusion of the study (2007), harking back to DiMaggio and Powell’s 1983 work, is that “the evidence implies that the bars of the iron cage are widely spaced in places, and some of them are broken or missing” (p. 183).

When discussing coercive isomorphism Leiter (2005) remarks that “state power may derive from organizational dependence on the state” a perspective that has already been noted in the research. It should also be remembered that In the United States, these dependencies may be at state or federal level. A second source of coercive isomorphism is identified as originating as a consequence of an organization being “subordinate to

headquarters” (p. 12). Leiter (2005) when discussing operations of subordinate organizations offers the view “they may be required to follow centrally issued directives” (p. 12) and makes the important point of dependency of funds. Adding to the issue of dependency of funding, income from donors is identified as a source of coercive isomorphism although Leiter does accept that in his study “this [donors of a source of coercive power] is a minimal indication of the power of donors over the nonprofits.”

Moving away from a higher education environment, Leiter (2005) identifies “supplier or client concentration” (p. 13) which might be identified as a coercive influence. This influence hardly applies to a higher education environment as there are neither traditional suppliers nor clients which individually account for a large proportion of the organization’s base. Leiter’s fifth source of coercive influence is identified as “union power” which in the context of this study; can include higher education faculty unions. While this source might not have a direct comparator in the field of higher education, professional bodies might be considered an equivalent source.

## **Summary**

DiMaggio and Powell have identified three isomorphic mechanisms: coercive isomorphism, mimetic isomorphism, and normative isomorphism. In all the studies reviewed in this section, each of these mechanisms can be found at play, both in isolation and together. All research examined as part of this study has, to varying degrees, acknowledged that isomorphic mechanisms cannot be conveniently separated and that the extent of interplay can vary considerably. Criticism of prior studies of isomorphic influence has been made, citing the use of narrow measures of characteristics that

frustrate a holistic view of an institution. The next chapter will discuss research methods to be followed for this study.

## CHAPTER 3: RESEARCH METHODS

### Introduction

This chapter presents a detailed description of the research methods used for this study. In order to explore the phenomenon of interest, a qualitative research design was used in the form of multiple case studies. MBA programs are the unit of analysis for the study. Yin (2003) considers the appropriateness of a range of research designs based on the nature of the research questions to be addressed. Speaking of research questions which ask “What” Yin remarks “This type of question is a justifiable rationale for conducting an exploratory study” (p. 6), as is the case in this study. Yin goes on to argue “In general, “what” questions may be either exploratory (in which case any other the strategies could be used) or about prevalence” (p. 7). The strategy options identified were: experiment, survey, archival analysis, history, and case study. In terms of multiple case studies, Yin states “This book, however, considers single- and multiple-case studies to be variants within the same methodological framework” (p. 46) and in making this assertion implicitly supports the use of a multiple-case study method for this study.

In addition, the case study is further defined by its special features. Qualitative case studies can be characterized as being particularistic, descriptive and heuristic (Merriam, 1998). This study is *particularistic* as it focuses on a specific phenomenon (stated and operationalized strategy) within a Master of Business Administration degree program. This study is *descriptive* as the research is in the form of in depth interviews which provide a “thick” description of the phenomenon studied, and it is *heuristic* as it not only “illuminated” the researcher’s understanding, but also presented the opportunity to discover new meanings.

## **Research Questions**

The following research questions guide the data collection and analysis for this study:

1. What influences MBA program strategy formulation?
2. What are the strategies that MBA programs use to address their rapidly changing environments?
3. What are the similarities or differences in strategies that MBA programs use?
4. Does isomorphism help explain the strategies that MBA programs use or wish to use?

## **Unit of Analysis Selection**

Similar to Wolverton and Penley (2004), specific guidelines were followed in order to determine which MBA programs were to be included in the study. Programs studied were selected based on multiple criteria:

1. The Carnegie Foundation for the Advancement of Teaching, Carnegie Classification of Institutions of Higher Education; “L4/NR” and Basic = “RU/H” and Level = “4-year or above” and Control = “Public.”
2. Program administrator willingness to participate in the study
3. A range of MBA program variants available to students
4. Accreditation of the program with the Association to Advance Collegiate Schools of Business (AACSB).

Public schools were chosen since such schools face common challenges, such as state funding. Schools within the United States were chosen for a number of reasons which included, the prevalence of them, that such schools initially developed in the United States and the cost of undertaking the research was bearable. In addition,

undertaking the study in the United States goes some way to overcome potential language barriers. The Carnegie classification criterion was used as a simple tool to identify MBA programs housed in institutions with broadly similar academic goals and objectives.

Care was taken to include no more than one qualifying institution from any state in the study, so that stakeholder differences could be examined from the broadest perspective. Equally, examining institutions from different states was also viewed as a way of capturing the widest range of operating environments for study.

The unit of analysis for the study was the MBA program, and the unit of observation was directors of MBA programs. It is not unreasonable to suggest that people occupying positions with varying levels of authority and experience would likely provide differing perspectives as interview subjects. Accordingly, every effort was taken to ensure that interviews were undertaken with people who hold similar positions within their institutions.

### **Interview Sites**

The units of analysis in this study (MBA programs) represent universities in a range of geographical locations within the contiguous United States. At each of the five MBA programs examined a director (or equivalent) from the MBA program was interviewed. Given the geographical location of the interview sites, one of the five interviews was undertaken face to face; the remaining four were conducted by telephone. The face to face interview was conducted in the participant's office.

In a bid to ensure confidentiality and anonymity, the programs were assigned pseudonyms that prevent identification of them as study subjects. The pseudonyms

assigned were Alpha, Beta, Gamma, Delta, and Epsilon and corresponded with the order in which the study interviews took place.

### **Interview Strategy**

Each participant was interviewed once; with any clarifications or follow up questions sought on an individual need basis. Interviews were conducted in a guided conversational style, rather than in the form of a standard list of questions to be asked in a strictly formal approach. Yin (2003) supports this approach referencing Rubin and Rubin (1995) and remarks “although you will be pursuing a consistent line of inquiry, your actual stream of questions in a case study interview is likely to be fluid rather than rigid” (p. 89).

Merriam (1998) implicitly endorses a conversational style interview for this type of inquiry observing “For the most part, however, interviewing in qualitative investigations is more open-ended and less structured. Less structured formats assume that individual respondents define the world in unique ways. Questions thus need to be more open ended” (p. 74). The interviews were conversations with a purpose. Marshall and Rossman (2006) remind us that when it comes to in depth interviewing, “Interviewing varies in terms of a priori structure and in the latitude the interviewee has in responding to questions” (p. 101). Speaking of an emic perspective, qualitative interviews should bear witness to the unfolding of participants’ perspectives, and a careful balance must be managed between the need for structured and focused question with the desire to have the interviewees tell their own stories.

A particular advantage of a guided conversation style interview is that it enables the researcher not only to seek out the facts of a matter but also to obtain the opinion of



the interviewees. Merriam (1998) discusses an interview guide or schedule, describing it as “nothing more than a list of questions you intend to ask in an interview” (p. 81).

Adopting Merriam’s view that most qualitative interviews are semi-structured, the interview guide consisted of both several specific questions which were asked of all interviewees, and some open ended questions. In addition to these questions, particular topics and issues were included and addressed.

Interview arrangements were determined by two considerations: the proximity of the researcher to the research participant; and, the preference of each participant. An interview at one of the five institutions was conducted face to face with the relevant MBA program director, and the remainder were completed via telephone with the MBA program directors at their respective institutions. Irrespective of the nature of the interviews undertaken, both positives and negatives of such an approach were considered.

The telephone interview affords the researcher a considerable degree of convenience, especially given the geographical size of the continental United States. By the same token, cost considerations are very easily addressed through telephone interviewing. A further advantage of telephone based interviewing is the potential for excluding external distractions. A researcher may make notes, refer to his/her notes, or use other technology during the interview in order to address issues that arise during the said interview. A telephone interview provides the best source of information when the researcher does not have direct access to individuals (Creswell, 2007). The drawbacks of this approach are that the researcher cannot see the informal communication (Ibid, p. 132). The absence of non-verbal indicators is not considered to be as significantly detrimental to this study as it might to one on a more emotive topic.

## **Data Collection Procedures**

In the case of each participant, a consent letter (see Appendix 2) was e-mailed to them before the actual interview. The purpose of the consent letter was to reassure participants of confidentiality and anonymity. The consent letter also served as a means of addressing any concerns that participants had raised prior to, or at any time during, the study. In all cases, interview participants were asked to acknowledge receipt of the consent form. All interviewees were willing to sign informed consent documentation and provided their consent accordingly.

With the prior knowledge and consent of each respective participant, all interviews were recorded in a digital format and transcribed by the researcher. The importance of confidentiality and anonymity cannot be overstated and steps have been developed to ensure that these two matters are strictly observed. MBA programs and their host institutions were given pseudonyms to prevent their immediate identification. Interviewees were assigned a matching pseudonym with a title delineator in order to ensure that the units of analysis (interviewees) may be matched with their respective institution without them being personally identified.

All research materials have been kept securely in a locked desk. In addition, the list of MBA programs, their pseudonyms and their interviewee details will be kept securely, but separately. Interview transcriptions were undertaken by the researcher and stored as password protected files on a password protected laptop computer.

Along with the digital recordings and transcriptions, notes and memos were also taken at the time of recording to comment upon, tone of voice and other pertinent characteristics.

In addition to the data collected through face to face and telephone interviews, each of the subject MBA programs' Internet web-sites were thoroughly examined in order to collect additional data available through that medium. The collection of this secondary data was undertaken before any interviews were commenced in order to allow as much time as possible during the interviews to discuss information which is not readily and publicly available. Accordingly, all of the questions detailed in Appendix 3 were not necessarily asked when program web-sites could be used to source this information.

### **Instrumentation**

The interview questions were developed within the context of the literature generally and the theoretical framework specifically. Questions constituting the interview guide can be found in Appendix 3.

### **Data Analysis**

Once the interviews were transcribed, the data were collated in order to identify emerging themes with a view to developing a constant comparative method of data analysis. This process, as described by Creswell (2007) involves the "taking of information from data collection and comparing it to emerging categories" (p. 64). Although the constant comparative method of data analysis was developed by Glaser and Strauss in 1967 as a means of developing grounded theory, that in and of itself does not prohibit its use in other arenas.

The first stage of data analysis was open coding, involving the examination of data, line by line, and the assignment of codes, the coding reflected the literature reviewed, the theoretical framework adopted, and the research questions developed, all of which were mutually reinforcing. This process was undertaken for all interviews

conducted. Codes then were revised, refined, modified, expanded or reduced in order to prepare for subsequent analysis. This process involved the categorization of codes used, in order to group codes into particular concepts. This process helped place data collected into both categories and sub-categories.

Creswell (2007) referencing Strauss and Corbin (1990), discusses axial coding as following on from open coding, as previously discussed. This step involves the researcher identifying a central phenomenon and referring back to the database to address what caused the phenomenon to occur, what strategies or actions were taken by those interviewed, in response to the phenomenon, and what broad and specific contexts influenced the strategies or actions taken, continuing on to address the consequences of the strategies and or actions taken. Once this process had been undertaken, core categories across all interviewees could be identified.

The original intention was to undertake the analysis of data collected during this study based on Spradley (1980), which provides a particularly useful guide to domain, taxonomic and componential analyses analysis, all of which help to sort and categorize data. However, the nature of the data lent itself better to cross case analysis on two fronts: 1) the coding and analysis previously described and 2) matrix analysis, which creates tables across different constructs to analyze the qualitative data. Miles and Huberman (1994) speak at length of qualitative data analysis, identifying three clear steps: data reduction, data display and conclusion drawing and verification. This method of data presentation and analysis was found to be particularly useful given the multiple case-studies prepared and the range and extent of variables examined. A series of matrices were constructed based on data gathered from MBA program web-sites and interviews

with MBA program administrators. Examples of matrices include: a matrix reviewing strategy types, both formal and emerging, presented with institutions in rows and strategic constructs in columns, so that comparisons could easily be made. Another example was a matrix for each institution which presented views through the lenses of coercive, mimetic, and normative isomorphism. A particular advantage of matrix analysis is that a lot of data can be presented in a simple, readily accessible format to enable direct comparisons.

A cross case analysis, as described by Yin (2003) was used to review the data collected as a whole. Synthesizing the data in this way allowed for drawing out commonalities and identifying divergences from the “norm” within the data set.

### **Credibility/Validity**

Qualitative research has strengths and weaknesses with respect to validity and reliability. Creswell (2007) remarks “I consider “validation” in qualitative research to be an attempt to assess the “accuracy” of the findings, as best described by the researcher and the participants” (p. 206). In making this comment, Creswell is also implicitly acknowledging that any report from that research is in one degree or another, a representation of the author. This qualification aside, other authors have developed mechanisms/definitions which ascribe “trustworthiness” in terms of the findings of qualitative research.

A step to ensure accurate representation of findings is described by Glesne (2006) as *member checking* which involves “sharing interview transcripts, analytical thoughts, and or drafts of the final report with research participants to make sure you are

representing them and their ideas accurately” (p. 38). With this in mind, member checking was undertaken as part of this study.

### **Ethical Considerations**

All of the authors referenced in this chapter share at least one characteristic: the notion of being an ethical researcher, and acting accordingly. In compliance with university requirements, the Collaborative Institutional Training Initiative (CITI) Group 2 Social/Behavioral Research Investigators and Key Personnel Stage 1 Basic Course, were successfully completed on June 17, 2011. Following dissertation committee approval of this research proposal, an application was submitted to the University of Nevada, Las Vegas’ Institutional Review Board (IRB) for consideration and approval, through its Office for the Protection of Human Subjects. The role of the IRB is to ensure that risks to research participants are minimized and are equal to or greater than the benefits accruing to them as research participants. The application was subsequently approved.

In each case, all program directors were provided with a letter of informed consent, which they were asked to read, prior to the commencement of any interview. All interviews were conducted on a strictly voluntary basis. Glesne (2006, p. 130) identifies five basic principles regarding research proposals:

1. Research subjects must have sufficient information to make informed decisions about participating in a study.
2. Research subjects must be able to withdraw, without penalty, from a study at any point.
3. All unnecessary risks to a research subject must be eliminated,

4. Benefits to the subject or society, preferably both, must outweigh all potential risks.
5. Experiments should be conducted only by qualified investigators.

Insofar as any or all of these principles apply to this research; they were fully respected and observed.

### **Summary**

This chapter provides the research methodology for the study that was undertaken. In depth interviews were conducted in an attempt to discover the work experiences and perspectives of five current directors (or comparable positions) of MBA programs in public institutions of higher education. Purposeful sampling, in the form of convenience sampling within a clearly defined population was used. Merriam (1998) observes “while some dimension of convenience almost always figures into sample selection, selection made on this basis alone is not very credible” (p. 63). With this in mind, and as previously stated, the convenience sample was drawn from a pre-determined pool of comparable institutions.

Following the transcription of all interviews undertaken, comparative analyses was prepared as the principle method of analysis. In accordance with ethical concerns raised by UNLV’s IRB and referenced through Glesne (2006), informed consent and confidentiality were adhered to.

## CHAPTER 4: CASE STUDIES

### Overview

This chapter documents in narrative form the characteristics of five MBA programs and the environment in which they function. The chapter discusses the perceptions of program administrators from each program on how they view their program strategy. Each case is presented in the following format: university context, college description, MBA program description and characteristics, and respondent perceptions regarding their program and strategy. All interviews were completed between February and July 2012. The universities participating have had their names changed to Alpha, Beta, Gamma, Delta and Epsilon.

### Alpha University

Alpha University was founded in September 1914 and has grown rapidly from its initial focus on mining and metallurgy. The institution has fewer than 80 Bachelor's Degree programs, a slightly higher number of Master's Degree programs, and fewer than 20 doctoral programs. Alpha University is state funded, has in excess of 20,000 students, and fits the category of "high research activity" as defined by the Carnegie classification. The student body of Alpha University is in excess of 75% non-white.

**College of Business Administration.** The mission of the College of Business is on the college's home web-page, with three articulated priorities aligned with the university's overarching mission objectives:

1. To provide the highest quality education to residents in its locality, region and beyond to the international community.



2. To deliver services of a quality considered to be commensurate with those required of their accrediting body, identified as the Association to Advance Collegiate Schools of Business (AACSB).
3. To produce excellence of instruction that enables its graduates to make significant contributions, not only to the success of their employers (and themselves through their career development), but also to their communities and to the boundaries of knowledge through their intellectual contributions and their willingness and ability to transfer the knowledge and expertise.

The College of Business has several corporate donors, but the level and nature of donor sponsorship is unstated. In 2011, the college had approximately 3,000 students, almost 90% of which are undergraduates. Unlike other programs in this study, the College of Business also provides several non-credit business programs for business practitioners.

The topic of institutional rankings is prominent on the college's web-site, for both diversity based characteristics and academic excellence. Alpha University is AACSB accredited and the MBA program administrator considers this an important source of competitive advantage. The web-site references how the AACSB works to provide global leadership, that students will be provided with a high quality of instruction, and that their degree will be well regarded by the business community.

**The MBA Program.** The MBA program at Alpha University was introduced less than 40 years ago and takes three forms: a full-time MBA, an accelerated MBA and an executive MBA. The programs provide instruction to over 400 students from more than 20 countries.

***Full-Time MBA Program.*** The full-time MBA program is offered as a day-time program and traditionally takes 22 months to complete but may often take longer. One characteristic of the MBA program is the availability of language instruction in business related Chinese and Spanish. The program also provides students with access to international travel opportunities and research engagements.

***Accelerated MBA.*** The accelerated MBA program is structured to provide a fast-track to a quality MBA credential that is affordable and conveniently offered at a satellite location. The program is offered in a cohort style and classes are completed in a lockstep modular format. This format allows for program completion in two years, with classroom attendance required twice weekly. Emphasis is placed on AACSB accreditation, with the web-site highlighting that this is the only AACSB accredited accelerated MBA program in the region.

***Executive MBA.*** The Executive MBA (EMBA) program is offered in a cohort format with a completion time of 18 months through courses offered every other weekend. Applicants must possess at least eight years of managerial experience. With a cohort of no more than 30 members, part of the program includes a research course involving a seven to nine day international study abroad experience.

***MBA Plus.*** The College of Business provides a range of certifications, where an MBA credential holder from another AACSB can complete 12 semester hours in various topic concentrations and, in doing so, is awarded the MBA Plus certification.

***MBA program administrator's perspective.*** The program has been administered by the assistant dean for MBA programs for over five years, during which time, program growth and degrees awarded have been important operational objectives.

The current assistant dean and respondent for this study have overseen an increase in program enrollment from 250 students to approximately 400 students, a growth of 60 percent. The assistant dean for MBA programs does not hold a doctorate, but has presided over several changes, including curricular changes.

Changes to the MBA curriculum are managed in a number of ways. The assistant dean observed, “Obviously it’s an interdisciplinary degree – there’s processes with the department themselves,” meaning that course specific changes that do not significantly change the MBA curriculum can be made at the department level. This permits the MBA program to be nimble and responsive to drivers of change. With respect to substantive changes, the administrator continued, “If that’s the case, there’s something where there needs to be a different course offered or, you know, the course has to be changed somehow, that does need to come through the MBA Policy Committee.” A hierarchy of control is in place to address more significant changes to the MBA curriculum. In the event that courses need to be changed substantially or new courses introduced, an MBA Policy Committee first reviews the proposal; from the MBA Policy Committee the proposal is reviewed by the Graduate Council of the university, and the final stage in the review process is the Higher Education Coordinating Board, which has the authority to approve, decline, or recommend changes to the proposal.

Although the MBA program does not have an external advisory board, the College of Business Administration does. The College’s External Advisory Board is composed almost entirely of former Alpha University graduates, approximately 50% of who work and reside in the region in which Alpha University is located.

In terms of keeping the MBA courses relevant and valuable, the program administrator said: “The faculty does that, and they are looking at the actual course delivery, and we underwent a curriculum overhaul, really a complete curriculum overhaul and a degree change, if you will.” Expanding on this, the administrator added:

We used to have what one would traditionally look at that was a 36-hour program with a series of leveling courses for non-business undergraduates. That was completely changed in 2006, so now everyone comes into the program with a common set of core skills, and I know that process was undertaken with a fairly extensive benchmarking analysis of peer and aspiring programs.

The curriculum overhaul and degree changes were initiated upon the arrival of a new dean and the interviewee who was, at the time, the new Director of MBA programs.

When asked about whether the MBA program had an overarching strategy, the administrator responded, “The campus at large, the entire university, is engaged in a plan to move to a Tier 1 Research University status,” adding, “there is actually a formalized program within the state to try to move, I don’t know, it is four or five state universities to Tier 1 Research Universities and obviously the College of Business is a sub-set of that...and so the MBA is tied to that.” The MBA program goals are designed to support the college and university missions. This is one of two strands that direct the path of MBA programs: the other is accreditation and the requirements of AACSB.

Alpha is geographically isolated, but this gives the MBA program access to a key demographic, which places the program at the top of a particular national ranking.

AACSB is viewed as a program differentiator, but it is local demographics that have prompted a range of MBA program options. A multiple cohort model helps maintain levels of retention, persistence and completion, at over 80%. The geographical isolation reduces competition, but the recruitment pool is similarly restricted.

MBA programs are offered in a convenient “off-campus” location. Meals are also provided to students and included in program fees. With the exception of the MBA plus program, all of the MBA programs at Alpha are structured in cohorts. With a cohort model, the program runs in a lockstep manner. The administrator added, “We will offer one set of electives to that particular cohort based on a majority [of students in the cohort] vote. Then, if there are individuals within the cohort that want a different concentration, we work with them to try to pick up those electives through another cohort, or we do offer a number of free standing electives on off nights.”

The career services function is fulfilled at an institutional level, although alumni are encouraged to support the MBA program in terms of career opportunities and services. The interviewee did not consider the absence of a dedicated careers service for MBA students as a liability. A large proportion of students in the MBA program are already in positions of full-time employment.

Alpha University does not offer an online MBA program, although that option has been discussed. Given the substantial level of growth that the MBA program has generated since 2004, there has been limited capacity to further expand the program into an online format. Since 2005, there has been a high MBA program staff turnover rate, with the longest time served being seven years. The arrival of a new Dean in 2005 precipitated a “cleaning of the slate,” whereby staff were told that lack of commitment to a high-growth environment was not an option. Some staff saw the cleaning of the slate as an opportunity to take their careers in other directions. Some 60% of current MBA program faculty was not in the program in 2005. Retained faculty has been supportive of the program changes, and the Dean has been equally supportive of their research efforts.

Students, acknowledged as an important program stakeholder group, are said to be excited by the changes in the program structure, content and orientation, and have been accepting and supportive of them. The program administrator made it clear that there was no tension between program faculty and program administrators. The MBA program is delivered by a very cohesive group of staff working together to grow their program, serve their students, and enhance the quality and achievement of their students, program, college and institutions.

### **Beta University**

Beta University is a public institution in the southwest region of the United States, in a densely populated urban location. Beta is one of a few public four-year degree awarding universities in its home state. Founded post World War II, Beta currently offers over 240 undergraduate, graduate, and professional degrees and certifications to a student body in excess of 28,000 students. Beta is a “high research activity” institution.

The central message of Beta University’s mission statement is that it is a research institution that vigorously promotes the highest standards of a liberal education, which underpin high expectations for student learning and success. Academic contributions of a local, regional, national, and international character are stated to be a linchpin of the institution’s commitment and drive.

**College of Business.** The college of business has been named after a benefactor. The mission articulates a close tie to the business community it seeks to support and develop, focuses on the advancement of business knowledge and practice, and the development of business leaders in order to promote both intellectual and economic vitality. The institution recognizes and embraces the importance of higher education to its

locale and to its state. The external Executive Advisory Board is made up of 30 high ranking business practitioners drawn from high profile enterprises.

Following extraordinary financial decreases, the college now provides fewer than ten undergraduate programs and half as many master's degree programs, including its EMBA program. The college enrolls approximately 4,000 students, of which some 12.5% are graduate students. Beta prominently advertises its AACSB accreditation. Beta's MBA program offers no reference to any kind of national rankings, although it does give prominence to student successes in regional and national academic competitions.

**The MBA Program.** At the time of the interview with Beta's MBA program administrator, the MBA program took six forms: a stand-alone MBA program, an EMBA program, and dual programs offering an MBA and Master of Science Degree in Hotel Administration, an MBA and Master of Science in Management Information Systems, an MBA and Juris Doctor, and an MBA and Doctor of Dental Medicine. Beta enrolled a large number of international students in its MBA programs, partly because they had been considered very good value for money. The MBA programs are relatively small (220 students), with the international student contingent in the programs representing 9% of the whole. The original MBA program at Beta University was established in 1968 and the additional program options are all less than 10 years old.

The MBA program was offered on a full-time and part-time basis, and did not follow a cohort model. Students admitted to the program enjoyed the flexibility to choose from taking one to four classes a semester, all offered in the evening. Students could complete an MBA program in as little as four semesters. A previous attempt to offer a

daytime program yielded 25 students – considerably below the 60 considered necessary for sustainability.

Beta's reduction in state funding has meant widespread financial pressures on programs across campus. Within the past year, Beta University's external managing authority has approved the introduction of differential tuition for MBA students. The structure of the MBA program has seen significant changes as well. Programs have been reduced from 48 to 42 credit hours, and there are no longer "concentrations" for students to pursue. A significant change has been the adoption and implementation of a lockstep cohort model of instruction. As of Fall 2012, MBA students have three options:

1. Four courses per semester with an anticipated completion cycle of two years,
2. Three courses per semester with an anticipated completion cycle of two and one half years, and
3. Two courses per semester with an anticipated completion cycle of three and one half years.

***Dual MBA Programs.*** The hotel and MBA program was designed to provide the required skills and knowledge to succeed as managers in hotel administration. The program required the completion of 51 credit hours of study, 27 of which are MBA core course requirements as well as a three credit hour MBA Capstone course, and a total of 21 Hotel Administration credits. Current enrollment in the program totals 46 students who, upon graduation, will receive an MBA degree and a Master of Science degree in Hotel Administration. This program choice is no longer available as of fall 2012.

The Dual MBA and Masters in Information Systems degree focused on those who want to add business and leadership skills to their pre-existing information technology



expertise. The program currently has 36 students enrolled in it but is no longer available as of fall 2012. The joint MBA and JD (law) program required a total of 113 credit hours of classes to complete, of which 30 come from the MBA program. There are a total of 21 students currently enrolled in the program but it is no longer available as of fall 2012. The MBA and Doctorate of Dental Medicine (DDM) program was designed to serve those who want to succeed from the business perspective as a practitioner of dentistry, but this program is also no longer available.

***Executive MBA.*** Beta's College of Business offers an EMBA program that is a decade old and is targeted at experienced managers. The EMBA program begins in June each year, and the 2011 and 2012 cohorts total 39 students. The program is completed in 18 months, and convenes every other Friday and Saturday during each semester of instruction. The EMBA program has a culminating interactive international trip. Another characteristic that separates the EMBA program from other MBA program options is the all-inclusive nature of its fee. For what is described by the administrator as "an exceptionally good buy," EMBA students pay an all-inclusive fee that covers all course materials, meals on class days, campus parking, graduation fees and the culminating international trip.

**MBA program administrator's perspective.** The program secured the appointment of an experienced MBA Director who previously served as a Director of MBA Programs at one of the top 30 ranked MBA programs in the United States. When asked why the administrator left a prestigious program for a much smaller, less recognized program, the administrator said, "Well for one, they needed someone who can

do it...you know, someone who understands the needs of the program, who is committed to teaching and making things happen.”

This timing of the study coincided with a proposal for a major program overhaul. As a result, discussions had to address what was, and what might be, with regard to the MBA programs. Speaking of the proposal to change the program, the MBA administrator referenced several reasons for the proposed overhaul. The College of Business had no option but to make radical changes as a consequence of unparalleled financial challenges faced by the university. Speaking to the rationale for the introduction of differential tuition, the director offered, “There are two aspects to it, one is cost of instruction, two is what’s your return? You know that when you get out you can get your money back quickly [so] you are more likely to say ‘I know that it will cost me more, but in two years I am getting my money back.’”

Programmatic changes were not a direct result of a predetermined strategic process as much as a response to an unparalleled reduction in state financial support. The introduction of differential tuition and a lockstep cohort model that fixed the size of classes were intended to address to balance revenues and costs. The reduction of course hours from 48 to 42 and the elimination of program concentrations also served to streamline the program and lower operating costs. The new MBA program structure will deliver some financial benefits, with the administrator remarking, “With the lockstep, you are guaranteed that there is always 60, maybe plus or minus a few, but there is always the maximum,” going on to observe, “Yes, the faculty headcount is less, ahh...the number of small sections is less, requirements for rooms is less, everything is dramatically improved

so you look at it from that standpoint its fantastic, that's why sometimes the top will say whoa ...why didn't we think about it [earlier]?"

With the concentrations removed, the MBA program has been simplified. The MBA administrator offered, "It's what we call producing a generalist, somebody who wants an MBA and then after they will be trained by their company to do whatever they want to do." The administrator was asked about the generalist degree and answered, "We like to think that that's the basic needs of the industry" and, "...we are not preparing people to go to Wall Street, you cannot be a generalist, because they need a very small skill set in that area, but you go to Wharton or you go to Harvard because they will only recruit from those schools anyway." The establishment of an external advisory board was also intended to integrate industry needs into the program's offerings.

The MBA administrator was asked if there had been consideration given to a focus on revenue generation instead of, or in addition to, cost reduction. It "had to be both," hence the introduction of differential fees. The administrator went on to note: "So even though we say we are cheap, people find that we are not so cheap, so it's not that they will go somewhere else, it's that they won't go anywhere." This discussion led to the very heart of the MBA program strategy at Beta University. Historically, the program would admit 60 students each fall and an additional 20 to 30 each spring. With the lockstep cohort model, there will only be one recruitment period each year for a total of 60 students. Now, an already high yield MBA program will become more competitive. If fewer students are to be admitted, it is reasonable to conclude that student quality increases as well. The MBA administrator observed, "Because we have fewer students, we also pick the best of the best, so if you put all of this together, the ultimate objective is

that we have better students and more competitive students, and happier students who find value in the program.” Speaking of student ability within the student body in the MBA program, the administrator stated, “Our best can compete with Stanford, Harvard, and anyone else in the world,” but those institutions do not get lower quality students in their programs, so the ability range is narrower in the better-regarded programs.

Quality pursuits also may produce lower costs. In a lockstep single cohort model, less faculty are needed to teach, which can lead to an improvement in faculty quality. Looking to appoint teachers for 14 classes as opposed to 30 is seen as an opportunity to make the most use of one’s best teachers, which increase quality but decreases overall costs. This perspective was confirmed by the administrator who offered “by reducing that [the number of sections to be taught] we get the best teachers teaching, so that will drive satisfaction.”

Beta’s MBA administrator did not project AACSB accreditation as an important differentiator, although it was still considered a reflection of a program that met and maintained a certain level of “output” in terms of student quality. The amount of industry experience that professors within the MBA program bring to the program was cited as important. Academic faculty also has control of all aspects of the program, although it is not known if this is by design or necessity. The process of curricular and program change is equally academic faculty driven by an Internal Advisory Committee made up of members from each teaching department, a Graduate Committee comprised of the Directors from all graduate programs, and a Faculty Senate New Programs Committee through to the university’s Provost. Program and curricular changes are only submitted

outside the College of Business with the approval of the College's Dean and Associate Deans.

### **Gamma University**

Gamma University was founded in 1886. The institution now serves over 13,000 students, of which some 73% are undergraduate students. Institutional ranking is featured prominently on Gamma University's web-site and appears to be important to the university. Gamma University's mission refers to its original land-grant university mission of providing the highest quality of education for the people of its home state. The web-site states that this mission remains as relevant today as it did back in the late 1880s. Gamma University attributes some of its quality and its strength to it being the only public university in its state and the role it plays in economic development.

**College of Business.** The College of Business was established over 100 years ago and serves in excess of 1,300 students. The MBA program at Gamma University is accredited by the AACSB. While some study subjects consider accreditation by the AACSB to be an important differentiator in terms of its MBA product offerings, Gamma University's Director of MBA Programs has an interesting perspective, offering "AACSB is a broad filter, but after that you have to differentiate yourself from other AACSB schools."

**The MBA Program.** The MBA degree was established at Gamma University approximately 50 years ago and now has three variants: Full-Time MBA (on campus), the Full-Time Online MBA, and the Executive MBA (EMBA) program. The college of business also offers three dual MBA programs: a Master of Science in Engineering, a Doctor of Pharmacy, and a Juris Doctor degree. In addition Gamma University recently

introduced an MBA in Energy Management. The MBA programs are said to focus on improving decision-making techniques relating to real business problems, developing skills required of managers, improving interpersonal skills, and establishing a valuable network of cohort members, business leaders and alumni.

***Full-Time MBA Program.*** The full-time MBA program takes 16 months to complete and has a course requirement of 42 credit hours. The program includes AACSB accreditation as a prominent feature of its promotional material stating. Affordability is also given a clear emphasis, whereas other institutions in this study tend to focus more closely on value. A further selling point is a low student to faculty ratio, said to be three students for every professor. This emphasis is perhaps counter-intuitive as an important aspect about MBA programs is the sharing of business experience and practice. The size of the MBA student population was not something that the Director for MBA Programs was willing to disclose so there was no way to calculate if this ratio applied to the MBA program. A final “selling point” is a dedicated career center for business students.

Prior to commencement of the program, students are expected to complete a one-to-two week long teambuilding seminar. The cohort year begins in the fall of each year. Students are required to spend considerable amounts of summer term working on experiential learning projects, administered through the institution but located at sponsoring clients’ facilities. Along with a capstone strategy course, students are expected to complete nine credit hours of graduate level electives.

***Full-Time Online MBA Program.*** Gamma University offers an entirely online MBA degree program but no disclosure was made as to the size of the online cohort. The

explanation for the lack of disclosure was that the information was potentially commercially sensitive.

***Executive MBA Program.*** The EMBA Program is a 100% online program that can be completed in two years. New cohorts are admitted in the fall of each year. This program requires only 30 credit hours of coursework. Similar to the overall promotional commentary on Gamma University's MBA web-site, the EMBA Program prominently promotes a program cost "considerably lower than comparable AACSB-accredited programs."

***Energy Management MBA Programs.*** The MBA program at Gamma University offers two MBA variants that are not offered by any other program provider within this study: 1) An MBA in Energy Management, and 2) an MBA with an Energy Management Concentration. These degrees are offered on a cohort basis. Completion of this program includes a summer experiential project in the energy field.

***MBA Program Dual Degrees.*** Gamma University offers three dual degree programs with the intention of enabling students in Engineering, Pharmacy, and Law, to complete their studies with the benefit of an MBA along with their primary credential. The Master of Science in Engineering degree with an MBA can be completed in as little as two years. The Doctor of Pharmacy degree with an MBA takes five years to complete. The third dual degree MBA program combines the MBA with a Juris Doctor degree and takes approximately four years to complete.

***MBA program administrator's perspective.*** The MBA programs are administered by a non-teaching member of staff who holds the title Director of MBA Programs. The current director has been in place since 2010. Historically, the director of

the MBA had been a faculty member. In an action that sets the College of Business Dean apart from some of his counterparts in this study, the administrator described, “What the Dean wanted to do was, he wanted to bring in a professional administrator who had an MBA and worked in the industry.”

The director regards AACSB accreditation as a differentiator and a minimum standard for its school. When asked how the accreditation was used as a differentiator, it was stated, “In most cases, in virtually all cases though, the prospective students have researched our program and they know about our accreditation and that sort of brings them to us. We...I mention it in every conversation I have with prospective students.”

Speaking of change within the MBA programs, the administrator remarked, “It basically changes with the times, business is changing, what employers are looking for is changing, business is no longer just [this] region or domestic, it’s really global, and laws and regulations have changed also,” and went on to attribute a major curriculum revision to “faculty committee work” and what the dean wanted to do. In terms of where responsibilities lie, the administrator was very clear, offering the view: “Faculty own the program, my job is to implement and interpret what the faculty’s intent is, and to provide supplemental programming to what is taught in the classroom.”

Classes occur on a Monday and Wednesday basis or a Tuesday and Thursday basis, and “Fridays we reserve for what we call our Executive Leadership Program.” Every Friday during term time, two business or political leaders are brought to campus to speak with both full-time MBA students and faculty. The plan is to extend these sessions to include members of the EMBA program, who will have the option of having the session streamed to them during their lunchtimes.



The director is responsible for supplemental programming. One aspect of this has become a regional conference held annually off campus, during which leaders from within the state deliver speeches and/or conduct seminars, as well as serve as table hosts at conference dinners. This initiative has grown to a point where an increasing number of business leaders ask to present at the conference.

Gamma University's MBA program has an international component in which students may travel abroad. Something that differentiates the university's MBA program from others in this study is that the University has established a partnership with a comparable institution in Europe. The partnership works to schedule business visits and meetings with important business leaders.

When discussing the importance of stakeholders within the MBA program, the program administrator referenced the introduction of a new concentration to the MBA program. The disclosure that the source of the Energy Management concentration was not from faculty or students, but from the Board of Advisors of the College of Business was an interesting revelation. The program administrator explained:

It was a strategic initiative that they identified, worked on within their group, and then started to include the faculty in that, and then the faculty and myself took that over from them once it was agreed that this is what we are going to do, but they did a lot of outlining and there is a lot of energy executives on our Board of Advisors so they were very influential.

Extending the issue of program change, the administrator was asked: If somebody said, we really need to introduce a new elective, or change the core, how would that process run through? How would that process come about? The response provided was:

We would try to get an understanding of why, and then we would try to do some benchmarking of what we consider to be our competitor programs and see who else has it and how it is given and you know, make a few phone calls and, er, and from there we would decide what we were going to do.

At an early stage in the progress of a proposal, it would be considered by a Curriculum Committee made up of teaching faculty, departments affected would be given an opportunity to vote on the proposal, and then it would be submitted to a university review process. This stage would only be reached if the Dean of the College of Business was supportive of the proposal.

Stakeholders were identified by the administrator as “the Dean, Associate Deans and Department Chairs, there’s the teaching faculty that is, the faculty teaching in the MBA program, there’s our students of course, and our corporate partners.” Neither the state nor the external community was included in the list of stakeholders, although that is not to say that their exclusion was intentional.

Formal planning was identified as an important aspect of management of the MBA programs at Gamma University. The MBA administrator observed:

Right now we are in the midst of a five year plan that was laid out by the Curriculum Redesign Committee and the Curriculum Implementation Committee. We are in year three of that, so we are sticking close to it but we have made tweaks to our curriculum, where items that were put in by the committee that we found were just not working we have made changes. Or, where I have to sort of come in and say, you really need this to prepare students for business careers.

In response to the question “Has it become like they [the students] are buying a commodity as opposed to fulfilling a search for knowledge?” The MBA administrator responded, “Well they may come in that way but they are not going out that way, because the way that our program is structured we look at them in two different ways: one is how they are doing in individual courses where they will get a grade, and they we are looking at how they will develop as MBAs.”

At the end of the first semester, MBA students take a comprehensive exam, which has a written and an oral segment. Students also work on a team based problem for a real

world company. In addition, the application of technology in the classroom has been advanced through the MBA program. “What we are doing on that front is...we just did a pilot this semester using iPads. I got an alum to buy our students iPads and the students had developed ten objectives for the pilot and we finished the pilot and we are going forward as a tablet based program.”

### **Delta University**

Delta University is the largest institution in the study, with 30,000 students, 83% percent of whom are undergraduates. Delta University was founded in 1885 and offers 100 undergraduate degree programs and some 80 graduate, doctoral or specialist degree programs. The mission of the university is so specific and distinctive that to reference it directly would run the risk of identifying the institution. A coordinated system of instruction is in place with the intention of discovering, extending, and sharing knowledge while preparing its students. Delta University is situated in an industrialized and urbanized location.

**College of Business.** Delta University has a named college of business. The vision of the college is to become one of the highest ranked metropolitan business colleges in the United States. Stated objectives include close relationships with industry and the advancement of business knowledge. The stated mission focuses on creating and sharing new business knowledge while preparing its students to be effective business leaders of the future through high quality programs.

**The MBA Program.** The MBA program takes three forms: an Evening MBA, an Executive MBA, and an Accelerated MBA. Of all the five case studies, Delta University seems to be the one most focused on rankings. Delta University has achieved the highest

rankings of all institutions in this study, in a range of categories. Accreditation with the AACSB is featured prominently on the program web-site, indicating that it is “The Hallmark of Excellence.” The MBA program at Delta University is the one with the highest level of enrollment in this study. Across the three MBA programs, Delta University has an enrollment of slightly more than 250 students, with 80 percent part-time.

***Evening MBA Program.*** Delta University provides its MBA students great levels of flexibility when it comes to program format and options. The Evening MBA can be taken as either a part-time or a full-time program and does not use a cohort model, so students may begin MBA classes in January, May, or September of each year. It is possible to complete the full-time MBA in one year and the part-time MBA in two. Each class meets one night per week, lasting a little over two and one half hours. Included in the Evening MBA program are study abroad options to a range of European and Far Eastern countries.

***Executive MBA.*** The EMBA at Delta University follows a lockstep, cohort structure and takes 17 months to complete. Classes meet on alternate Fridays and Saturdays and are delivered to a cohort which is typically made up of 30 to 35 students. An “all inclusive” fee is charged to students, which includes: all academic materials, student fees, collaborative technology, and a 10-day international residency component.

***Accelerated MBA.*** This program follows a lockstep structure delivered to a cohort of between 20 and 25 students. The program takes 16 months to complete and is delivered at an “off-campus” location. Classes meet every Tuesday and Thursday

evenings for four hours per evening. Accelerated MBA students are provided with an opportunity to study abroad.

Delta University does not provide dual MBA programs, but offers career focused concentrations that cannot be found in comparator institutions within this study. The core MBA curriculum encompasses 24 credits plus an integrating capstone course. Students also may choose among career focused concentrations in the following fields: Health Care Administration, International Business, Managing Change, or Supply-Chain Management. These options consist of 15 elective credits that take the program to 42 credits. The second option available to students is to complete 12 elective credits in various areas (eBusiness to Entrepreneurship), for a total of 39 credits.

**MBA program administrator's perspective.** There are two clearly defined administrative roles for the MBA program: Program Manager for MBA and Master of Science (MS) Programs from an administrative perspective, and Program Manager for MBA and MS from an academic perspective. An interview was undertaken with the Program Manager for MBA and MS Programs, from the administrative perspective.

The Program Manager has held the role for a little over one year. This administrator has substantial (approximately nine years) experience in higher education and 10 years in a non-higher education environment. The clear separation of program roles between academic and administrative responsibilities raises the issue of oversight and control, to which the administrator said, "When it comes right down to it, the faculty do have the final say in who they will admit to their programs, but of course they need an administrative side to kind of do all the, tie up all the loose ends and, you know, send all the paperwork to students and things like that, so I mean, again, we work in concert." The

MBA program is different from other graduate programs at Delta University because “We really do recruitment, admissions, advising, and graduation all within our area here within the College [of Business].”

The current MBA program enrollment has shrunk the past three years because “the market, the economy, more competition, all of those factors are seemingly making it more difficult to find students.” The issue of competition is of particular interest as it seems less pressing to other programs within this study. There is likely a link between the characteristics of the industrialized and commercialized metropolitan environment in which Delta University is situated, and the level of competition that exists from other MBA providers. The MBA administrator offered, “there are a lot of schools within a 20-25 minute radius of where we are and some of them don’t require the GMAT for admission purposes.” The requirement to pass the GMAT is a distinct barrier to entry to the MBA program, relative to the competition.

The administrator discussed the program’s AACSB accreditation with reference to the GMAT, observing, “That really does tie in closely to that AACSB accreditation, which is extremely important to us as a school, but also important from the standpoint of the university as a whole to have that accreditation,” adding, “I guess that I feel that it’s kind of that seal of approval from the accrediting agency, that you know we, not only offer a good program but, you know, we have faculty in place in the program and the faculty have the background and research necessary that went into getting that accreditation.” Accreditation also was referenced as a tool by which program “value” could be ascribed. Of the 12-14 colleges within the metropolitan area where Delta is located, only one other held AACSB accreditation.

The lack of online components of Delta's MBA program was raised during discussions with the program administrator who offered the comment: "We've been rather slow to develop an online presence...for the MBA itself, really only one elective course is online." This comment led to discussion of how program change is a function of the administrative and academic sides:

I think that there are certain faculty that are more interested in moving some of their course [to online delivery], the full course, or making it a hybrid, so you work with those individuals, try to get those success stories and then that's when you try to maybe work more with some of the other faculty.

The Dean is in favor of increasing the program's online presence to grow enrollment, but the administrator said of faculty: "I think, from the faculty standpoint, that there's a belief that the quality of teaching somewhat diminishes with an online course."

The MBA program offers professional certification programs which enable students to "trial" MBA classes, almost as an "appetizer," in a way that completion of four specific classes can result in an employment relevant certification. Credit can be given for up to 50 percent of the value of the certificate program, towards a related Master's degree. Certificates are developed for a number of reasons. An example was given whereby faculty speaking with students and employers identified a need in the local marketplace and developed a certificate program that met that need, and in doing so it increased participation in the MBA program.

With respect to stakeholders, the MBA program has an external Business Advisory Board. Typically the board will meet with the Dean and Associate Deans and provide feedback in terms of what local and regional employers want from graduating MBA students. The board meetings also serve as a means of reflecting the business community's continuing support for the program. The nature of this relationship is

important because the MBA program has its own Careers Center, which the administrator mentioned, has “lots of connections with major businesses in [its immediate locale], and I think that that has really helped our cause too.” The administrator went on to confirm that faculty, students, and the business community were all important stakeholders although there was an implication that the state had become less of a stakeholder. Further, the administrator observed, “I think that we try to meet the state’s needs, although the funding model, over the last, I’d say 10 years, in [this state] has really continued to have less and less support for higher education, which is a shame, but I am sure that we are not alone.”

A formal planning process was driven by an MBA and MS Taskforce, “which is made up of faculty across the different disciplines and they really are the driving force for change...but that’s really driven, I’d say from the faculty and what the Dean wants.” This position was further underscored by the remark, “I don’t know if you are familiar with shared governance in the state’s higher education, but it is significantly skewed to the academic side of the house, I am not saying that’s right or wrong, I am just saying that is a fact.”

In terms of MBA program differentiators, the administrator described, “The quality of the faculty, the accreditation, and I think our ties to the work world. I really think our relationships with employers are just second to none when it comes to opportunities for students.” Due to the excellent relationships between the MBA Career Center and local employers, the program administrator has been able to secure invitations to directly address employees at some of the employers’ work places and “pitch” the merits of the MBA program at Delta University. The value of this approach was



effectively summed up by the administrator as “I think, working with the employers is really trying to bring a whole new funnel of students to us that way.”

### **Epsilon University**

Epsilon University was founded as a Land-Grant public institution in 1893. It has an enrollment of 16,000 students and offers associates degrees, undergraduate, graduate, doctoral and professional degree programs. Epsilon University has, at the heart of its mission, the pursuit of academic excellence from a range of perspectives.

**College of Business Administration.** Epsilon University’s MBA program is accredited by the AACSB, as is the college’s undergraduate business program. The College of Business requires MBA students who do not have a business degree to complete a series of foundation courses which serve as prerequisites to MBA core courses. These classes can be taken on campus or online. Epsilon University’s College of Business has a relatively small number of graduate level business degree options to pursue.

**The MBA Program.** The MBA program is either an on campus full-time or part-time online. The part-time component is broadcast interactively, so that classes can be held simultaneously at several remote locations across the university’s home state. The University does not offer an EMBA program. It does, however, offer joint degree programs in the form of an MBA and a Juris Doctor, an MBA and Doctor of Pharmacy degree, and an MBA and Doctor of Physical Therapy degree.

**Full-Time MBA Program.** The MBA program has a 32 credit-hour curriculum, which can be completed in as few as 10 to 12 months. Of the 32 credit hours of classes to be completed, 19 represent core courses and the remaining 13 credit hours being given

over to electives. Courses are scheduled over a 16-week semester, which is broken down into ten-week and five-week components. A further distinguishing feature of MBA courses is that they are typically one or two credit courses.

***Part-Time MBA Program.*** The part-time MBA program curriculum is delivered by two-way video-conferencing technology and interactivity is assured through the use of live and simultaneous two-way digital transmissions to locations across the state. Faculty travels to each remote location served at least once each semester.

***Certifications.*** In addition to the MBA degree, students may complete another six credit hours of study in order to earn a certificate in either Entrepreneurship or Entertainment Management. The purpose of the Entrepreneurship Certificate is to provide instruction on how to turn an idea into a successful business opportunity. The Entertainment Management Certificate is taught by industry practitioners and covers a range of industry specific elements.

***MBA Joint Degree Programs.*** Completion of a Juris Doctor with an MBA requires a total of 104 credit hours of instruction. A Doctor of Pharmacy degree with an MBA requires the completion of a total of 150 credit hours of instruction, and completion of a Doctor of Physical Therapy degree with an MBA requires a total of 141 credit hours.

***MBA program administrator's perspective.*** The administrator for MBA programs at Epsilon holds the title of MBA Director and is an accomplished member of the university's academic faculty. The director has been in the position two years and also teaches in the program. Initial discussions of the program were general, with the director saying growth is important but also, at some point, more selectivity is the next stage:

I have very clear growth objectives, the MBA program is about 110 students, I want to reach about 150 and then stay there in the next two years or so, and then, I want to increase the international participation, I want to increase the out-of-state, while obviously continue to serve the needs of the state.

The issue of program and institutional rankings is not a priority. AACSB accreditation was discussed and is an important feature of the MBA program. Speaking of AACSB accreditation, the MBA Director offered, “It is important. I mean it is important to have an accreditation certificate shield because you know there are about 5,000 MBA programs out there and half of them are no good for anything but to take student’s money away.”

This administrator believes the state is an important stakeholder: “The point of the MBA program is to serve the needs of the state [name of state removed] as AACSB accreditation is supported by the state so obviously it is our job to, to meet the needs of the state in terms of providing MBA education” and “...we are the only state supported MBA program in the state of [name of state removed], we have a duty to serve the state and we attract probably 95% of students [who] are [name of state residents].”

In terms of other stakeholders, the business community is an active supporter of the MBA program in the form of an External Advisory Board that serves the entire College of Business. The advisory board plays an active role, submitting suggestions for improvements or extensions of the MBA curriculum.

The needs of the state and the needs of the student are clearly intertwined within the MBA program. In order to provide the broadest and most valuable educational experience to its students, the MBA Director places a great deal of emphasis on providing a general MBA education with flexible full- and part-time options.

The administrator identified customization and the flexibility of the program as the most important characteristics of the program's overall strategy, "Because that's what meets the needs of a very diverse constituency and in order to differentiate the program, what we try to do is, we try to provide because that's what we need to differentiate the program." The customization stems from program flexibility and a large array of one credit electives so that a student's interests may be built into their program.

The MBA Director developed a strategic outline and has used that as a guide for the program, along with a series of operational and strategic plans developed for the accreditation process. None of these documents were made available, but the administrator said, "The reality is that, you know, sometimes the pieces of paper, you have to believe in them and everybody must be onboard, it's not necessarily how many pages written you have, but yes, we do have documents."

Referencing the growth strategy of the MBA program, the administrator responded, "It's critical mass that you need to have, to be able to provide enough electives; remember this is a state supported program, so it's not a self-support program, so I need to have enough enrollment in order to be able to offer a selection of electives that give the students as much flexibility in terms of pursuing particular areas of interest." The pursuit of program growth may cause concerns for teaching faculty, but faculty are unionized and course loads cannot be increased. Epsilon University is the only MBA program in this study with a unionized faculty as a stakeholder. Another stakeholder is industry practitioners, who also provide real world experiences. The director believes the MBA program and all its stakeholders have a symbiotic relationship:

But we are a small community here, so it's not like those big programs where you have a Director of Admissions, a Director of Advising,

Director for Careers, Director for God knows what else, and all of them are coming from the industry. This is all faculty led, so I am full-time faculty this year and we have an MBA committee which is pretty much made up of everyone who teaches, the full-time faculty who teach the core MBA courses, and then we have a couple of adjuncts who teach some of the electives. It may typically be the MBA committee that oversees and creates the policies of the MBA program and we are all tied into the business community so with or without an advisory board we still have the ear down to the ground and we have, as I said, students from the industry are in our classes so we have the ear to the ground from that perspective because we get continuous feedback about what is needed in the business community.

## **Summary**

This chapter presented the characteristics of five MBA programs and the environments in which they function, from the perspectives of program administrators. There were similar and different methods of working within various environments for each program. These case studies revealed that deans lead with a clear vision of where they would like their MBA programs directed. Chapter 5 presents the analysis of primary and secondary data collected.

## CHAPTER 5: RESEARCH ANALYSIS

### Introduction

This chapter presents an analysis of the five mini-case studies described in Chapter 4. The analysis focuses on both explicit and implicit similarities and differences across the cases. The chapter is organized by research question. Descriptive data and a summary analysis follow each research question. Implications and conclusions sections complete the chapter.

### Research Question 1

What influences MBA program strategy formulation? External and internal factors influence how MBA program strategy is formulated. Section one addresses the external environment and section two addresses the internal environment. Some influences are not easily classified as external or internal, but an explanation for the proposed placement is provided in such cases.

**The external environment.** Alfred (2006) addresses how the external environment affects strategy in public higher education stating, “Understanding the nature and intensity of driving forces in the external environment, both current and emerging, is a necessary precursor to formulating strategy” (p. 70). Alfred provides key indicators which, after slight adaptation, inform this study within the context of interviewee feedback as shown in Appendix 4.

***Service area population.*** Program administrators cannot influence demographic composition, but they can tailor their efforts to align with the population area. Alpha’s MBA program, for example, has a recruitment pool of less well-educated, low-income,

and predominantly full-time employed recruitment prospects, and its programs have been developed and tailored to this audience, with effective retention and completion results.

***Economy/labor market.*** Relationships with the business community and MBA programs result in student opportunities with employers. Gamma's program administrator helped secure employment placement for all graduates from the past cohort. The administrator at Delta has worked closely with local businesses and alumni outside the school's region, opening local and national labor market opportunities for students.

***Technology.*** The issue of technology has far reaching potential consequences for MBA programs. Remote students add complexity to the role of a MBA program administrator, and a perceived drop-off in MBA program quality often accompanies online efforts. Gamma's program administrator was an advocate for technology integration, but two of the remaining four program administrators indicated faculty believed that online instruction would lead to lower quality. Most administrators in the study also view online program and course development as challenges, both in terms of course content and cost.

***Education.*** Education is divided into two sections: 1) prospective students' knowledge of MBA programs, and 2) employment experiences and education attainment level of the students in the MBA recruitment pool, given those students in the programs come from a variety of backgrounds. Gamma and Delta administrators indicated prospective students do extensive research on their program choice prior to application submission. Such students are highly qualified and carry high expectations of their programs, which factor into how those programs are shaped. The educational and employment experiences of applicants also influence program instruction. Instruction

may have to be less rigorous in institutions where a broader range of academic performance is found, which over time could impair the reputation of the program.

***Public policy/regulation.*** State support was squeezed in all five MBA programs because of the severe and extended downturn in the US and global economies since 2008. In the case of Beta University, the entire MBA program was fundamentally restructured in response to cost reductions required from institutional leadership. AACSB accreditation is a regulatory influence as well. MBA program administrators viewed AACSB accreditation differently, from somewhat important to extremely important, and some calling it an indicator of quality or a differentiator.

***The internal environment.*** Appendix 5 provides categories of internal influences that were directly referenced by the five MBA program administrators. The influences identified differ in terms of number and nature of influence on program strategy.

***Students.*** Four of the five MBA programs indicate student demands are at the core of their strategy to increase student choice. Only Beta University, which had recently restructured its MBA program, appeared to remove student choice, flexibility and convenience over the last few years.

***Program academic and administrative faculty.*** In all five MBA programs, both academic and administrative faculty address the changing demands of MBA students and the industries which will employ them as graduates. Program faculty ensures program content is relevant. Administrators indicate that it was academic faculty that “owned” and shaped the MBA curriculum. A common feature of each institution was an MBA Committee (or equivalent) comprised of representatives from all the disciplinary



areas taught. These committees served as curriculum coordinating bodies, which generally ceded the implementation of program changes to their partner administrators.

***Institutional administration.*** Institutional administration refers to MBA Deans and above. A common link between all institutions is that a radical change in MBA programs was seen soon after the arrival of a new dean. The time in the post of MBA program administrators (at time of interview) ranged from a maximum of five and one half years to 15 months. At Beta University, the decisions on how to make wholesale changes to the MBA program were left to the dean and his leadership team.

***Alumni.*** Program alumni are classified as an internal influence given their close and long standing relationship with the MBA programs. In the majority of cases, alumni serve on advisory boards, contribute to supplemental programming, and provide “real-work” project opportunities. Alumni have also served as providers of employment opportunities to MBA graduates. Alumni help program administrators competitively position the program.

***Advisory boards.*** The final category of internal influence is Advisory Boards, who share a commitment to a high quality curriculum. Advisory boards possess the potential to be highly influential, especially as board members are successful and well respected industry leaders. At Gamma, the board initiated the introduction of a new MBA track in Energy Management.

Internal and external influences on MBA programs do not operate in isolation. Together, they represent both drivers of and constraints on change.

## Research Question 2

What are the strategies that MBA programs use to address their rapidly changing environments? Institutional and program descriptive data help situate the case studies and provide context for strategy interpretation. For example, a large institution may employ a wide range of strategies, but a small institution may be more agile. Table 3 presents an overview of the five institutions. The information in Table 1 is a combination of primary and secondary data sources.

Table 1.

### *Institutional Characteristics*

<b>Institution Name</b>	<b>Year Founded</b>	<b>Current Enrollment</b>	<b>Certificates</b>	<b>Associate's</b>	<b>Bachelor's</b>	<b>Master's</b>	<b>Doctoral/ Prof.</b>
<b>Alpha</b>	1914	22,000 +	Yes	No	Yes	Yes	Yes
<b>Beta</b>	1957	27,000 +	Yes	No	Yes	Yes	Yes
<b>Gamma</b>	1886	13,000 +	Yes	No	Yes	Yes	Yes
<b>Delta</b>	1956	30,000 +	Yes	No	Yes	Yes	Yes
<b>Epsilon</b>	1893	15,000 +	Yes	Yes	Yes	Yes	Yes

All five institutions are publicly funded and similar in terms of Carnegie Classification (large four-year, primarily non-residential university with a high level of research activity). Carnegie classification and age may contribute to both the level of alumni support and engagement, which in turn can influence strategy. Older institutions are likely to have graduated more students over their history and have a greater alumni population from which to seek support.

Table 2 provides an overview of the MBA programs, which also helps situate the interpretation of program strategies.

Table 2.

*Program Characteristics – I*

<b>Institution Name</b>	<b>Enrollment</b>	<b>MBA Est.</b>	<b>Full-time MBA</b>	<b>Part-Time MBA</b>	<b>Executive MBA</b>	<b>Online MBA</b>	<b>Dual MBA</b>	<b>Other Option</b>
<b>Alpha</b>	320	1973	Yes	Accelerated	Yes	No	No	Yes
<b>Beta</b>	220	1968	No	Yes	Yes	No	No	No
<b>Gamma</b>	Unknown	1948	Yes	No	Yes*	Yes*	Yes	Yes
<b>Delta</b>	265	Not Known	Yes	Yes	Yes	No	Yes	No
<b>Epsilon</b>	110	1982	Yes	Yes	No	No	Yes	Yes

\*Executive MBA is only offered online

The programs range in size from 110 to 320 students. The oldest program, Gamma, appears to provide students with the most program options, though it does not offer a part-time MBA program, other than its online Executive MBA. Alpha University is the only institution that offers an accelerated MBA program.

Table 3 presents additional characteristics of the five MBA programs, which in turn provides context for interpreting program strategies.

Table 3.

*Program Characteristics – II*

<b>Institution Name</b>	<b>All Inclusive Fees</b>	<b>Solely Generalist MBA</b>	<b>Concentrations</b>	<b>Electives</b>	<b>Lockstep Cohort Model</b>	<b>International Field Strip/ Study</b>	<b>Program Career Services</b>
<b>Alpha</b>	Some	No	Yes	Yes	Yes	Yes	No
<b>Beta</b>	Some	Yes	No	No	Yes	Yes	No
<b>Gamma</b>	No	No	Yes	Yes	Yes	Yes	Yes
<b>Delta</b>	Some	No	Yes	Yes	No	Yes	Yes
<b>Epsilon</b>	No	Yes	No	Yes	No	No	No

\*Includes all types of MBA program

None of the characteristics displayed in Table 3 apply to all five MBA programs. This table reflects the diversity and range of the MBA programs. Beta's MBA program was cut (due to funding shortages) from 48 credit hours to 42 credit hours and concentrations and electives were removed, essentially defining the MBA program as a solely generalist business qualification. The introduction of a lockstep cohort model at Beta further

reduces course offerings and also ensures class sizes grow, delivering benefits of scale.

With a reduction in the number of faculty teaching, the program administrator at Beta University observed “by reducing [the number of MBA sections offered] we get the best teachers teaching.” As program size is restricted by cohort size, the intention is to increase selectivity. In contrast to Beta, Epsilon provides a broad range of electives, to maximize student flexible and individual program customization.

Though none of the program administrators provided strategic plans, it is implicit that those plans are influenced by AACSB accreditation standards and stakeholder influence. Program administrator’s highlighted the importance of stakeholders and their influence on priorities, objectives, and strategy in general. Alfred (2006) connects institutional strategy and stakeholders in the public higher education: “Since a fundamental premise of strategy is that it strengthens the relationship of an institution with stakeholders in its environment, it is important to evaluate how relationships with internal and external stakeholders might be impacted” (p. 253). An additional dynamic is the nature of the relationship that exists between stakeholders. Stakeholders identified by the interviewees are shown in Table 4.

Table 4.

*Stakeholders Identified by MBA Program Administrators*

Name of Institution	Students	Faculty	Staff	Parent Institution	Unions	Potential Employers	Alumni	Community & Industry	State
<b>Alpha</b>	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes
<b>Beta</b>	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes
<b>Gamma</b>	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
<b>Delta</b>	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
<b>Epsilon</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

All institutions in Table 4 share common stakeholders, with some slight differences. Beta, for example, did not specify alumni as a stakeholder (perhaps because it is a young program) and staff were not explicitly mentioned by Alpha. The interview question “How important is the state as a stakeholder?” generated a range of responses. The program administrator at Alpha stressed the role of the state as a stakeholder:

There is actually a formalized program within the state to try to move, I don’t know, it is four of five state universities to Research University Tier 1 status and obviously the college is a sub-set of the...and so the MBA program is tied into that.

At Epsilon, the MBA program administrator offered, “The point of the MBA program is to serve the needs of the state as AACSB accreditation is supported by the state so obviously it is our job to, to meet the needs of the state in terms of providing MBA education.” Following a similar theme, the MBA program administrator at Delta University observed, “It is the state that it is responsible for our funding so, as such, we meet the state’s needs as we understand them.”

**Porter’s five forces.** Porter’s (1980) Forces Driving Industry Competition is another lens by which to view MBA program strategy. Figure 2 provides a summary of the five forces. Each of the forces is reviewed below, with general interpretations.

***Threat of new entrants.*** Most of the MBA program administrators acknowledged local or regional competition and viewed online programs as a means of extending their competitive reach as opposed to serving students in their current recruitment areas.

***Bargaining power of buyers.*** Several administrators believe applicants are well informed. Beta believes students consider taking an MBA program of study as an “investment,” and go as far as calculating rates of return when making a decision as to

where to attend. Well informed students carry high expectations and increase buyer bargaining power.

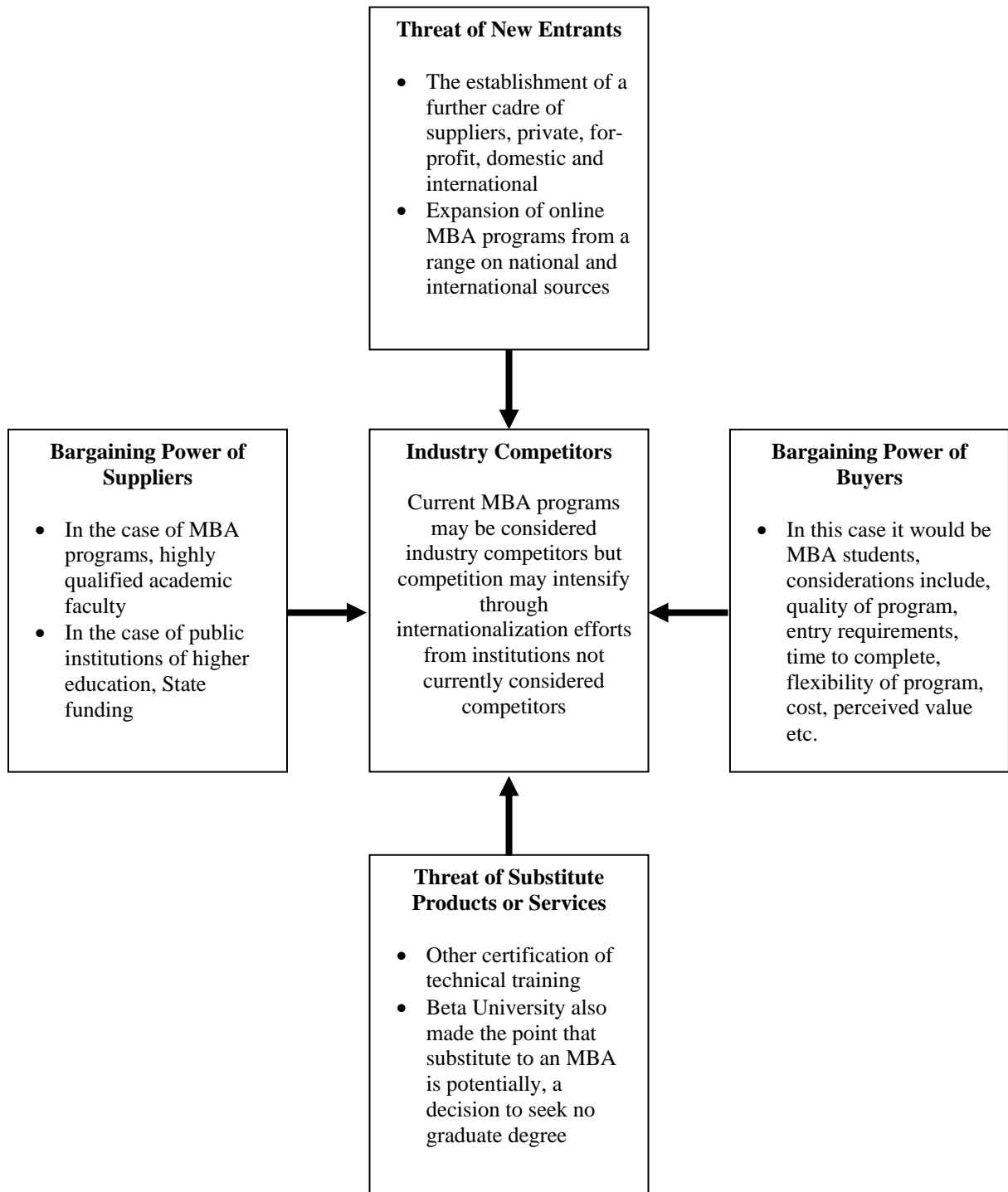
***Bargaining power of suppliers.*** Faculty is one type of supplier. Only faculty at Epsilon was unionized, though their influence was perceived as minimal. As institutions reduced and focused their programs during the time of this study, the bargaining power of faculty also shrunk. The state may be viewed as a supplier (of funding) or buyer (of educational services). Either way, the repositioning of Beta's MBA program, due to reductions in funding, is an example of how this influences program strategy.

***Threat of substitute products or services.*** There was little information on substitutes, though different program choices (other than MBAs) or even the decision not to attend a program seem to be potential substitutes.

***Industry competitors.*** The majority of MBA program administrators believe competition exists at local, state and regional levels, particularly in terms of flexibility, program accessibility and teaching quality. Most program administrators believe that their programs have a distinct advantage in these areas.

Figure 2.

*Forces Driving Industry Competition*



All five administrators believe they operate in a competitive environment.

Porter's (1980) three competitive strategies include cost leadership, differentiation and focus. Cost leadership is unlikely when institutions strive to deliver high quality programs. Differentiation implies exclusivity. In terms of MBA program accreditation, opportunities for differentiation are unlikely to be found other than where a program identifies its competition in local or regional terms and no other such accredited institution exists. The MBA program has an academic curriculum core which will be broadly similar across AACSB accredited schools, so only certain aspects of the program might differentiate it. Most perceived differentiators are imitable and therefore not substantive differentiators. All programs except Beta place a high level of prominence to AACSB accreditation. Table 5 provides the answers program administrators offered when asked if they considered AACSB accreditation to be a differentiator.

Table 5.

*AACSB Accreditation, is it a differentiator?*

<b>Alpha</b>	"We are the largest producer of Hispanic MBAs, from an AACSB accredited institution."
<b>Beta</b>	"No, no not anymore because it is all mission driven."
<b>Gamma</b>	"AACSB is a broad filter, but after that you have got to differentiate yourself from AACSB schools."
<b>Delta</b>	"Within the city, there is only one other school that is AACSB accredited, so I think, so accreditation we try to differentiate with, with the other institutions in the area we can differentiate that way."
<b>Epsilon</b>	"It is important to have an accreditation certificate shield because you know, there are about 5,000 MBA programs out there and half of them are no good for anything but to take the student's money away and I totally believe that having an accreditation body is very important."

Porter's (1980) third generic strategy is focus, and he states that, "the entire focus strategy is built around serving a particular target; and each functional policy is developed with this in mind. The strategy rests on the premise that the firm is thus able to serve its narrow strategic target more effectively or efficiently than competitors who are



competing more broadly” (p. 38). Several of the MBA programs in this study do have a focus strategy in terms of who they serve and what local industries they supply MBAs to.

While the three generic strategies do not perfectly align with the five MBA program strategies, the lens does shed light on administrators’ perspectives of how their programs survive and compete. Administrators also spoke of terms that are perhaps best described as value proposition, in the discussion of program strategy. Kaplan and Norton (2004) argue, “Strategy is based on a differentiated customer value proposition. Satisfying customers is the source of sustainable value creation,”(p. 38) and the research undertaken in this study suggests that this is the basis on which the study programs conduct their activities and pursue their objectives. Appendix 6 presents a summary of data collected from the interviews relative to perceptions focus, differentiation, and value propositions.

### **Research Question 3**

What are the similarities or differences in strategies that MBA programs use?

**Alpha University.** Alpha University has the largest MBA program enrollment in this study. While the MBA program administrator did not identify a particular strategy driving changes in Alpha’s MBA programs, a recurring theme throughout the interview was growth. The College of Business offers doctoral level programs, and a larger MBA program may well lead to greater enrollment in doctoral programs, which in turn would help support a transition to a Tier 1 institution.

Alpha’s unique geographical location means it serves a different population than other MBA programs. Arguably, Alpha is pursuing a strategy which blends differentiation and focus. The differentiation is local but comes from the steps that Alpha

University has taken to provide highly accessible MBA programs in its region. A cohort model is used to remove the problem of course conflict and gives the student a clear indication of when they might expect to graduate. Alpha also goes to great lengths to accommodate student needs. An off-campus downtown facility has been established to afford students greater convenience. Caterers provide meals to students attending evening and weekend MBA classes. The MBA program offers a number of program options and offers up to six cohorts which operate on four different schedules, all designed to remove or mitigate the challenges students face in attending their classes.

**Beta University.** The MBA program administrator at Beta did not articulate an explicit strategy, though Beta has recently undertaken wholesale changes in its MBA program. Until recently, the MBA program at Beta University offered several program options. Since 2008, there has been a severe budget crisis in the state. The MBA program now offers one format, a lockstep, cohort model, with neither electives nor concentration; it requires 42 credit hours of instruction to complete. In delivering a simplified MBA program, Beta may be following a focused strategy while it attempts to attract the best academically qualified applicants in the region.

The program administrator stated that a reduction in teaching sections had the potential to make more of the best teachers available and the lockstep cohort of no more than 60 students would drive up competition for admission. With the best teachers teaching the brightest students, the intent is to drive program quality and reputation upwards. Beta's MBA administrator observed, "The ultimate objective is that we have better students and more competitive students, and happier students who find value in the program."

**Gamma University.** Gamma University's MBA program recently went through a major overhaul in 2010. Directed by a professional administrator, as opposed to a member of the academic faculty, Gamma University's MBA program offers considerably more than MBA courses when compared with the other four programs. The MBA administrator is responsible for a variety of supplemental programming such as: organizing, planning, and participating in area and regional business conferences, coaching all program students on an individual basis coordinating students working on "real-life" projects within local businesses as part of their MBA studies; and conducting comprehensive and oral examinations. Gamma University's MBA program offers both program electives and concentrations, and has an external advisory board which is highly engaged, it has been involved in not only identifying the need for curricular change, but in the development and implementation of these changes. Academic faculty are responsible for the delivery of a forward looking, highly challenging curriculum, whereas the administrator's role is one that considers how students are developing as MBA students, looking beyond class grades achieved. Gamma University's MBA program is being delivered and taken in a direction as prescribed in a five year strategic plan.

None of Porter's three generic strategies appear in isolation at Gamma University, yet the administrator offered that the MBA program was differentiated through the students' "intimacy with faculty, and a curriculum that is designed to graduate decision makers at a great value."

**Delta University.** At Delta, the role of MBA program administrator has been combined with responsibilities for Master of Science degrees. A further difference between Delta's MBA program and the other MBA programs in this study is that there

are in essence, two MBA administrators (the non-academic faculty administrator was interviewed for this study).

Competition for students is a prominent topic. There are several competing institutions within a 20 - 25 minute driving radius of Delta. These competitors included one other institution with AACSB accreditation. It was further disclosed that there were between 12 and 14 colleges within a 40 - 50 mile radius of Delta's campus. Given the competitive environment, a number of innovative initiatives have been developed at Delta. A small series of focused professional certifications typically involve the completion of 12 credit hours of instruction on a specialized topic. A proportion of these credits, up to 100% in some cases, can be used to secure exemptions from comparable MBA classes. This certification process has proved to be very popular and once students have completed it, a number of them opt to remain in higher education and pursue their Master's degree. The course credits from these certifications are not transferrable to other institutions and as such perhaps project an aura of exclusivity; it certainly serves to "tie" the student to the institution.

Delta University's MBA program provides a number of program options, including a "part-time flex" option allowing accelerated completion of a part-time MBA in 16 months. Interestingly, an online option is not available. An unusual scheduling model adds further flexibility for MBA students as some classes can be completed in eight weeks, as opposed to fifteen weeks. This differentiates Delta University's MBA programs from other programs and extends an additional element of choice and convenience. Delta has engaged in other recruitment strategies, such as speaking to

employees who work for local employers, to grow demand for their many program choices.

The MBA administrator at Delta University did not offer an explicit statement of the MBA program strategy. Accreditation, academic faculty, flexibility, accessibility, and ties to industry are all considered, to some degree, program differentiations, by the program administrator.

**Epsilon University.** Epsilon provides the only state supported MBA program in the state, and this unique position has a direct bearing on multiple aspects of the MBA program. The MBA program administrator explained that the first priority of the program is to meet the needs of the state, which places upon the university a significant challenge to meet what was described as “a very diverse constituency.” At present 95% of the students in Epsilon’s MBA program are in-state residents and they have access to the MBA program on a full-time or part-time basis on campus, or via a number of simultaneously operated remote video-conference linked classrooms across the state. Although video-conferencing is extensively used by Epsilon’s MBA program, an online MBA program format is roundly rejected by faculty and administrators.

In 2011, the MBA administrator developed a strategic outline for the program that gave attention to a number of important considerations. A limitation of the program is size. The current program serves 110 students and the plan is to grow to 150 students over a period of two years. Growth is seen as key to achieve a “critical mass” that will help support the large number of electives. The program is also hoping to attract additional revenue by recruiting out-of-state and international students.

An important characteristic of Epsilon’s MBA program is its flexibility and customizability. While no concentrations are featured as part of the MBA program, a number of one credit hour electives are available. Students are also able to study full-time or part-time on campus and class schedules can be arranged so that a highly motivated student can complete the MBA program in one year. All of these conveniences aim to meet the needs of the state and of the market. The program administrator’s response to strategy encompasses this effort: “The most important thing is to provide the students the customization and flexibility of the program because that’s what meets the needs of a very diverse constituency and in order to differentiate the program.”

Across all five MBA programs, there is no single formal strategy that is neatly defined by the literature. Even with professionally qualified people in the business education field, it is still relatively easy to interpret strategy to mean objectives. Table 6 presents a summary and comparison of formal strategies as frequently found in strategy literature along with those emergent strategies found in this study. A definition of the emergent strategies follows the table.

Table 6.

*Strategy Types – Formal and Emerging*

Strategy Type	Formal Strategy Types				Emerging Strategy Types				
	Low-Cost Leadership	Differentiation	Focus	Focus/Differentiation	Local Differentiation	Product Extension	Convenience	Value Proposition	Adapt-to-survive
Alpha	No	No	Yes	No	Yes	No	Yes	Yes	Yes
Beta	No	No	Yes	No	No	No	No	No	Yes
Gamma	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Delta	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Epsilon	No	No	No	Yes	Yes	No	Yes	Yes	Yes

Local Differentiation – At a local level MBA program characteristics are viewed by administrators as differentiators, which they may be, at the local level.

Product Extension – A way of drawing students into a short program (certification) as a means of introducing them to the MBA program.

Convenience – Where multiple steps have been taken to remove barriers to entry and participation in an MBA program.

Value Proposition – A promise of value to be delivered and a belief from the customer that value will be experienced.

Adapt-to-Survive – A feature of all MBA programs in this study, program administrators are routinely refining and adjusting their programs.

Table 7 provides brief illustrations of the “adapt-to-survive” strategy found in all of the MBA programs in this study.

Table 7.

*Perspectives of an Adapt-to-Survive Strategy*

<b>Alpha</b>	Maintain position through focus on serving an important and large segment of the population.
<b>Beta</b>	Limit access to program to become more selective and drive program quality upwards, then growth.
<b>Gamma</b>	Locally differentiate through extensive supplemental programming to add value.
<b>Delta</b>	Locally differentiate through quality and access to relationships with the business community decision-makers.
<b>Epsilon</b>	Locally differentiate through the provision of a highly customizable program.

#### **Research Question 4**

Does isomorphism help explain the strategies that MBA program use or wish to use? DiMaggio and Powell (1983) identified three mechanisms through which institutional isomorphic change occurs: coercive, mimetic, and normative. The five MBA program strategies for all five cases are viewed through these lenses. An outcome might be precipitated by any of these mechanisms or a combination of them. Tables 11 through 15 feature simplified descriptions of the three isomorphic mechanisms and present material in the form of observations and direct quotations from the MBA program administrator at each of the five institutions. A brief discussion of how each isomorphic force relates to MBA strategies across programs follows each table. The discussion highlights each of the isomorphic mechanisms and integrates commentary on how these mechanisms work together.

**Alpha University.** Table 8 shows the isomorphic mechanisms influential at Alpha.



Table 8.

*Alpha University's MBA Programs through Three Isomorphic Lenses*

<b>Coercive</b>	<b>Mimetic</b>	<b>Normative</b>
<i>Stems from political influence and the problem of legitimacy</i>	<i>Results from standard responses to uncertainty</i>	<i>Associated with professionalization</i>
"We got a new dean in 2005 and the dean came in, looked at the curriculum and said, you know, this, this has to change, we need to do something different."	Speaking of if other MBA program providers influence the look and content of the MBA program: "I know that the faculty does that, we underwent a curriculum overhaul and a degree change." "I know that that process was undertaken with a fairly extensive benchmarking analysis of peer and aspiring programs."	Speaking of program change: "It's really driven by the faculty based on what they see happening in their own disciplines."
AACSB accreditation: "You have to name your aspiring institutions and so the proposals and the policies that you put in place have to be in line with articulated goals and guidelines taken from those aspiring institutions."	AACSB accreditation: "You have to name your aspiring institutions and so the proposals and the policies that you put in place have to be in line with articulated goals and guidelines taken from those aspiring institutions."	AACSB accreditation.
Speaking of an aspirant strategy: "The campus at large, the entire university is engaged in a plan to move towards Tier 1 Research University status and there is actually a formal plan within the State."	Speaking of examining what other institutions provide in terms of MBA programming: "You know, up until now we have done....[but] given the adjustment of faculty we haven't done a lot of looking outside our program for you know, comparative analysis."	"The Dean has done a lot to balance the increased programmatic demands with research; and with research support for the faculty."
Speaking of program change: "I think that the direction and vision that was set forth by the dean really sent a message to the faculty, that those who weren't on board with the change really ought to consider something else."	Speaking of the lack of an online MBA program: "Today we have a much more robust portfolio of MBA programs and I tell you that the only piece missing now is the online component."	Clearly defined bureaucracy to be complied with in case of changes being desired for core and non-core elective elements of the program.
Speaking of bringing change: "We start from a completely new slate so there are the sorts of issues that you usually have with maybe programs that have employees that have been there forever, and employees who are resisting change."		

**Coercive isomorphism.** A prominent feature in Table 8 is the dean's influence on almost every aspect of change in the program. In the context of isomorphism, coercion

speaks to political influence and legitimacy, as in what a new dean might bring to a program. The dean has apparently transformed the MBA program at Alpha, in part by ensuring that the college is supportive of the program objectives. These “coercive” actions could be viewed as the actions of a committed and respected leader.

When speaking of the state in terms of an influential stakeholder, the program administrator noted the institution receives state support via formula funding and, unlike STEM programs that may receive particular types of support, the business school must be enterprising if it is to grow. A dichotomy arises when one notes that on one hand the MBA program finds that the state has a distant hands-off approach to the program, but at an institutional level, “there is a formalized program within the state to try to move, four or five state universities to Research University Tier 1 status.” This is a coercive influence as the state is pursuing an initiative that the institution and the program have to support, whether directly or indirectly.

AACSB accreditation is an influence on the MBA program that is coercive, mimetic and normative. From coercive perspective, one of the many requirements that AACSB has of an accredited institution is that they identify their aspirant schools. Normatively, an accredited body also has to put in place proposals and policies that must be in line with articulated goals and guidelines drawn from those aspirant schools. This is also a mimetic influence.

***Mimetic isomorphism.*** As stated, AACSB accreditation has the effect of directing mimetic behaviors. At a program level both faculty and administrators keep a watchful eye on the external environment. During a curriculum overhaul, the faculty also went through an extensive benchmarking analysis of peer and aspiring programs.

**Normative isomorphism.** AACSB accreditation is found in all three isomorphic influences. A number of common criteria must be met (coercive) and procedures and policies put in place (mimetic and normative). As membership of the AACSB grows, there is perhaps greater potential for the body to have a normative influence on the industry. Also normative are tiered decision-making processes across all five case studies in the form of a clear career progression path for faculty and distinct reporting lines and leadership roles.

**Beta University.** Table 9 shows the isomorphic mechanisms influential at Beta.

Table 9.

*Beta University's MBA Programs through Three Isomorphic Lenses*

Coercive	Mimetic	Normative
<i>Stems from political influence and the problem of legitimacy</i>	<i>Results from standard responses to uncertainty</i>	<i>Associated with professionalization</i>
Speaking of institutional ranking: "Folks came out with a new criteria called return on investment; this caused a program to rise 20 positions in the rankings and focused on cost/benefit of the program."	"I think that this program is not unlike other evening programs."	"Faculty that does well at the undergraduate level will not necessarily do well at the graduate level; I find that the ones who do well are those with a few years of industry experience."
In response to the question, "What's stimulating the change in the program?" "Cost, it depends on who you would ask, I would say that cost is the driver."	AACSB accreditation.	Clearly defined bureaucracy to be complied with in case of changes being desired for core and non-core elective elements of the program.
Speaking of raising the quality of students in the MBA program: "We have to prepare our students, so they can go out and compete and raise the level of the state, so on one hand we can say we want to be elitist but we cannot because we are a state school, not a private school."	In a comment antithetical to mimetic isomorphism: "We are not preparing students to go to Wall Street [to work you there you cannot be a generalist, because they need you to have a very small skill-set in that area] but you go to Wharton or you go to Harvard because they only recruit from those schools anyway."	External Advisory Board.
AACSB accreditation.		AACSB accreditation.
Directive from university leadership that a multi-million dollar cut had to be made to the College of Business.		In a further response to what is driving change: "That's [the delivery of a generalist MBA] the basic needs of the industry"

***Coercive isomorphism.*** Although institutional ranking was not overall a significant topic of discussion during any of the interviews, the program administrator at Beta University indicated how, from a program manager's perspective, a significant move up ranking tables might encourage them to work to achieve similar gains. As with the other programs, the accreditation process is a coercive influence at Beta. The peer review process that forms part of the accreditation process may also be considered to be coercive.

The state did not target the MBA program for special cuts, but presented Beta University's President with a funding level that prompted a wholesale reexamination of revenues and cost structures. Consequently, the MBA program was fundamentally changed in format and character. Substantial, coercive pressure from just one influential source may have the potential to nullify or limit other isomorphic influences—especially when it concerns funding.

***Mimetic isomorphism.*** The program administrator at Beta University readily acknowledged that there was little, if anything, unique about the MBA program. While this statement does not necessarily indicate mimetic behavior, the director's obligation to offer only a basic, limited MBA program may indicate that the greatly reduced MBA program was based on others with similar characteristics. AACSB accreditation provides evidence of coercive, mimetic and normative influences as previously discussed.

***Normative isomorphism.*** Normative isomorphism has its basis in professionalization, and evidence of professionalization can be found throughout public institutions of higher education. Academic faculty has a clear range of ranks and work to progress through those ranks. A clearly defined bureaucracy exists in all five MBA

programs. Further, as the part of the accreditation process, aspirant schools and programs must be identified and a plan constructed as a road map to take the institution to that aspirant level. These requirements ultimately constitute both mimetic and normative influences as programs increasingly share common elements.

***Combinations of isomorphic influences.*** The isomorphic influences on Beta University's MBA were largely coercive, stemming from a directive from the president's mandate to find areas to cut. There is also evidence to support the view that mimetic and normative isomorphic influences were at play as a standard, generalist MBA program model was established, the likes of which many examples can be found.

**Gamma University.** Table 10 shows the isomorphic mechanisms influential at Gamma.

Table 10.

*Gamma University's MBA Programs through Three Isomorphic Lenses*

<b>Coercive</b> <i>Stems from political influence and the problem of legitimacy</i>	<b>Mimetic</b> <i>Results from standard responses to uncertainty</i>	<b>Normative</b> <i>Associated with professionalization</i>
Accreditation.	Accreditation.	Accreditation.
Speaking of the development of a new program concentration: "It came from our Board of Advisors from the College. It was a strategic initiative that they identified, worked in within their group and then started to include faculty."	Speaking of comparators: "Benchmarking against public institutions, generally of our size, then we would look at reputation, and then we would look [at our region] public and private [institutions] and look at every program that has [an equivalent] that track."	External Advisory Board.
	Speaking of new electives: "We would do some benchmarking of what we consider to be our competitor programs and see who else has it and how it is given."	Clearly defined bureaucracy to be complied with in case of changes being desired for core and non-core elective elements of the program
	Speaking of program differentiation: "The nice part of introducing a program is that you can click the differentiation in at the beginning. We know where we differ from other programs."	Speaking of a major curriculum review: "the faculty spent two years working on it, one year updating the curriculum and the second year was implementation."

***Coercive isomorphism.*** In addition to AACSB accreditation as a coercive force, Gamma University's College of Business Board of Advisors exercised a degree of influence over elements of the MBA program not seen in the other four cases. Respected industry practitioners influence curricular level development, even before faculty. Speaking about the contributions of the Board of Advisors to a new program strand, the MBA program administrator observed, "They identified, worked on within their group and then started to include the faculty in that, and then the faculty and myself took that over from them once it had been agreed that this is what we are going to do, but they did a lot of outlining."

***Mimetic isomorphism.*** The MBA program administrator at Gamma pays close attention to the curricular offerings and supplemental programming offered by regional peers, both public and private. In doing so, one benefit is that when developing new course sections or programs, there is an opportunity to build differentiating characteristics into the class/program. AACSB accreditation is also a mimetic influence on the MBA program, as the program has to identify peer institutions and aspirant programs. In actuality, the drive toward reaching the same position as an aspirant program is coercive, mimetic, and normative, as previously discussed.

***Normative isomorphism.*** Given that the College of Business's Board of Advisors has a broad perspective of the industries that the board members work in, their role exerts normative influence as it actively involves developing programs and program content that meet their perceived needs of the market.

***Combinations of isomorphic influences.*** The three isomorphic mechanisms seldom, if ever, exert influence on a program in isolation. AACSB is an excellent

example of this as it presents a coercive perspective, in terms of satisfying the requirements of the accrediting body; a mimetic perspective, in terms of requiring programs to develop plans to move their programs to the level of their aspirant programs; and a normative perspective in the growing number of business schools pursuing and achieving this accreditation.

**Delta University.** Table 11 shows the isomorphic mechanisms influential at Delta.

Table 11.

*Delta University's MBA Programs through Three Isomorphic Lenses*

<b>Coercive</b>	<b>Mimetic</b>	<b>Normative</b>
<i>Stems from political influence and the problem of legitimacy</i>	<i>Results from standard responses to uncertainty</i>	<i>Associated with professionalization</i>
Accreditation.	Accreditation.	Accreditation.
"The rigorousness of the accreditation body and what they ask and what they expect I think really does safeguard that there is a quality factor."	External Advisory Board.	External Advisory Board.
Speaking of certain aspects of curriculum development "That really did come out of some faculty meetings and faculty talking to us about what the students and employers are looking for."	Although there is said to be a great deal of competition for students in the area in which Delta University is situated, there were no statements during the interview that any desirable aspects of competitor programs had been adopted into the Delta MBA program.	Speaking of faculty resistance to online programming: "From the faculty standpoint, I think many feel it just isn't as good a learning experience for a student from the standpoint of interaction with the faculty member."
"I think that that's what students today want, more and more choices because today everybody is in a different situation."	"I think that that's what students today want, more and more choices because today everybody is in a different situation."	Clearly defined bureaucracy to be complied with in case of changes being desired for core and non-core elective elements of the program.
"I think that we try to meet the state's needs although the funding model, over the past ten years in [state] has really continued to have less and less support for higher education in the state, which is a shame."		

***Coercive isomorphism.*** Delta demonstrates how coercive influences may be positively perceived. AACSB accreditation was seen in a particularly positive light by Delta's MBA program administrator, who felt that the accreditation underscored the quality of the MBA program. Meeting the needs of employers is also reflective of coercive isomorphism. Influential stakeholders, including prospective employers and program students, both actively communicate their desire to contribute to curricular development.

To a lesser extent than at Beta University, the state also exerts coercive influence on Delta. The MBA program administrator acknowledged that the state did have expectations at the same time that it was providing less financial support. This funding squeeze is a constraining factor on the institution directly and the program indirectly.

***Mimetic isomorphism.*** Mimetic influence was primarily aligned with AACSB accreditation, as discussed with the other programs.

***Normative isomorphism.*** Faculty hold the view that an MBA course offered online, "Just isn't as good a learning experience for a student from the standpoint of interaction with the faculty member, on a face-to-face basis, or the interaction with other students in the classroom." This example appears in the normative section of Table 11 as it reflects how the faculty, as professionals dedicated to the delivery of a quality education product, have used their influence in a non-coercive way to maintain the method of program delivery that they believe to be in the best interests of their students and aligned with program excellence across the country.

***Combinations of isomorphic influences.*** Student influence on curricular development is both normative and coercive.



## Epsilon University.

Table 12 shows the isomorphic mechanisms influential at Epsilon.

Table 12.

### *Epsilon University's MBA Programs through Three Isomorphic Lenses*

<b>Coercive</b>	<b>Mimetic</b>	<b>Normative</b>
<i>Stems from political influence and the problem of legitimacy</i>	<i>Results from standard responses to uncertainty</i>	<i>Associated with professionalization</i>
Accreditation.	Accreditation.	Accreditation.
Speaking of accreditation: “Obviously it means some form of a guarantee for quality of education and the only way for a guarantee of quality of education is to set up standards and measure your performance against those standards,”	Speaking to the nature of the MBA program: “We do quite a bit of Harvard style of cases, but that’s pretty much typical for every MBA program.”	External Advisory Board.
Speaking of the influence of the School of Business Advisory Board: “Often needs show up because of comments through the advisory board...we try to respond to those kind of comments by creating electives, and then we see how those electives perform.”	Speaking of the influence of the School of Business Advisory Board: “Often needs show up because of comments through the advisory board...we try to respond to those kind of comments by creating electives, and then we see how those electives perform.”	Clearly defined bureaucracy to be complied with in case of changes being desired for core and non-core elective elements of the program
Unionized institution: “The union establishes how many courses everybody has to teach and how much extra pay you get if you teach out of load.”		Speaking of the possibility of an online MBA program: “We do not and totally refuse to transform the program into an online degree.”
“The point of the MBA program is to serve the needs of the state.” “We have a duty to serve the state” “If you want to grow the program and to be successful you have to meet the needs of the market, it’s as simple as that. I don’t need to have anybody come down to me to tell me what the state wants.”		“The point of the MBA program is to serve the needs of the state.” “We have a duty to serve the state” “If you want to grow the program and to be successful you have to meet the needs of the market, it’s as simple as that. I don’t need to have anybody come down to me to tell me what the state wants.”

Epsilon University offers the only state-supported MBA program in its home state and

services its constituency through the provision of full-time and part-time campus based

programs and video-conferencing, which is viewed as distinctly different from online instruction.

***Coercive isomorphism.*** Meeting the perceived needs of the state is at the core of Epsilon's MBA program objectives. Meeting the needs of the state is both a coercive and normative influence on the program even though the program administrator states that no one from the state needs to tell them what to do, or how to do it. The inference taken from the administrator's frequent assertion, that the needs of the state are paramount, is that service to the state as a priority is not open to discussion, and as such, it is probably coercive in nature.

The Epsilon case brought out AACSB accreditation as a coercive influence but one that the program voluntarily submits to. Epsilon's MBA program performance will be measured by criteria that had, in part, been set by and agreed to between AACSB and the program.

A final dimension of potential coercion relates to the MBA program's advisory board. The program tries to address advisory board feedback with respect to curriculum, "by creating electives, and then we see how those electives perform." These reactions to perceived demands by the advisory board are in part coercive but may also be viewed as a normative influence on the program (most programs respond to stakeholder input).

***Mimetic isomorphism.*** As far as mimetic influences, the adoption and use of case study based instruction is common at Epsilon. The MBA program uses case studies as a means of instruction and acknowledges that in doing so it is recognized as being of the style of Harvard. Mimetic behavior also takes the form of identifying aspirant schools

and developing plans to move a program closer to that aspirant—as required by AACSB and as is also done in other programs in this study.

***Normative isomorphism.*** While Epsilon University’s MBA program operates within a clearly defined bureaucracy, the program administrator indicated the program has a great deal of decision-making autonomy regarding the development and adoption of electives. The College of Business has an advisory board in the same way other MBA programs in this study do, however, the advisory board is internal in nature. The advisory board is said to be the source of suggestions relating to new electives and program modifications, a normal consideration that MBA programs account for in the formulation of their curriculum. Additional stakeholders’ input that is normatively included in shaping program and curriculum comes from the state and the student body.

## **Summary**

This chapter reviewed strategies and isomorphic influences on strategy. Isomorphic mechanisms are constantly present and seldom operate independently of each other. Table 13 presents a representation of how strategies across the five cases relate to DiMaggio and Powell’s three isomorphic mechanisms.

Table 13.

*Strategy Types in MBA Programs Aligned with Isomorphic Lenses*

Strategy Type	Classic Strategy Types				Observed Strategy Types		
	Low-Cost Leadership	Differentiation	Focus	Focus-Differentiation	Local Differentiation	Value Proposition	Adapt –to-Survive
Isomorphic Mechanism							
Coercive	None	None	Alpha Epsilon	Gamma Delta Epsilon	Alpha Gamma	Alpha Gamma Epsilon	Beta
Mimetic	None	None	None	None	Alpha Delta	Delta Gamma	Beta
Normative	None	None	None	Delta	Alpha Gamma Delta	Gamma Delta Epsilon	Beta Delta

The shaping effect that isomorphic mechanisms may have on MBA programs works in an environment where other influences are also at play. These other influences do not always conveniently fit into an existing isomorphic description. All of the programs view themselves in a state-wide context or regional environment. With the exception of Beta, there are self-perceptions of uniqueness. Other programs, outside this study, may consider themselves to be unique in exactly the same ways the programs in this study perceive their uniqueness, which is perhaps indicative of some degree of homogenization. On the other hand, the local and regional emphasis on which the majority of competition between programs is based enables program administrators to identify and exploit program characteristics that match the needs of their local pool of potential students, so this does indicate a degree of uniqueness.

## **CHAPTER 6: INTERPRETATIONS AND RECOMMENDATIONS**

### **Introduction**

The purpose of this study was to examine if coercive, mimetic and normative isomorphic mechanisms contribute to the strategies MBA programs develop and implement in their quests to differentiate themselves. An additional purpose was to examine whether influential environmental elements impact strategy development in ways that makes these organizations more similar than different. This study was completed by undertaking five one-on-one interviews with MBA program administrators in public institutions of higher education with similar Carnegie institution classifications. The four research questions are answered and interpreted within the context of the individual and cross cases analyses and the literature. A discussion section and implications for practice section follow the interpretation of the research questions. The chapter ends identifying issues for future research followed by a brief conclusion.

### **Research Question 1**

What influences MBA program strategy formulation? There are five influences that are most prominent in terms of strategy formulation and implementation in MBA programs: strategy definition, stakeholders, institutional and program characteristics, and leadership. Of the five influences identified, four are internal to the MBA programs and the remaining one (stakeholders) external to the programs. These influences add to our understanding of MBA program strategy as each was found to be of common interest across all five case studies.

The analysis suggests that leadership is the most important internal influence. In all five case studies, the arrival of a new dean precipitated a substantial revision of MBA

programs. Changes in programming were driven from the “top-down.” Ironically, the majority of study participants in offered that “faculty owns the curriculum” yet in practical terms, it was the dean who was controlling it.

Another important internal influence on MBA program strategy is how MBA strategies are perceived and defined by the study participants. In all cases, no succinct description of a program’s strategic approach was provided. When program administrators were asked about program differentiation, the issue of AACSB accreditation was common among all five programs. Only the program administrator at Beta University failed to describe accreditation as a program differentiator, though the program administrator at Gamma University offered that “AACSB is a broad filter, but after that you have got to differentiate yourself from other AACSB schools.” In terms of strategy development and implementation, five MBA program administrators considered their program differentiated from others, generally in terms of the quality of teaching or the connections with the business community, or the level of choice that students, as customers, were afforded. The majority of MBA programs in this study offer an augmented/extended product, which perhaps differentiated their program locally. However, at a macro level, the common differentiators identified are suggestive of program homogenization across all MBA programs.

Institutional and program characteristics are two additional influences that are internal to the MBA programs. These characteristics impact the development and implementation of MBA program strategy, but not to the degree of leadership. In some cases, size of institution and program enrollment was a factor in the ability of a program to offer a wide range of MBA program variants. Epsilon University considers it necessary

to grow the enrollment of its MBA program to help fund additional electives offered to MBA students. The age of the institution's MBA program also indirectly influences strategy. Older programs may have a larger alumni base, which in turn may translate to greater support and involvement. It was the program administrator at Gamma University (lowest enrollment, oldest program) who spoke of a donation made by an alumnus that enabled an entire cohort to be provided with iPads at no cost to the students or the program. This introduction of new technology via an alumnus resulted in a wholesale revision of how MBA program classes are delivered.

At one end of the program offering continuum, Beta University has a simple lockstep cohort model of MBA program instruction, without concentrations or electives. Epsilon University is at the other end of the continuum and provides multiple choices of MBA programs. Epsilon does not impose a lockstep cohort model on students and offers many choices and electives based on student interests. Both Beta and Epsilon share a common objective, which is program growth. Beta wishes to increase competition for program admission as a means of driving up program quality and reputation, all through managed growth. Epsilon wishes to grow its program to create an opportunity to extend the range of electives to MBA students.

Stakeholders are a critical influence on public MBA program strategy formulation. The list of all stakeholders for all case study programs include: the institution, faculty, staff, students and alumni, and prospective employers of MBA students, and the community and industry.

Stakeholder influence varied across institutions and across stakeholder types. Perhaps the most influential external stakeholder overall was the state, a clear external

influence from the perspective of the MBA program. In the case of Beta, substantial reductions in state appropriations lead to a presidential decision to implement a multi-million dollar cut to the business school. MBA program choices were curtailed, among other changes in program structure. However, this drastic change also afforded the College of Business an opportunity to work toward repositioning the program.

The external board of advisors at Gamma is an influential stakeholder to a point where it operates at a strategic level in terms of program curriculum development. The MBA program advisor at Gamma spoke of an instance whereby the Board of Advisors from its college worked on a strategic curriculum initiative that involved faculty and program administrators, only after substantial program outlining had been done by the board.

At all but Beta, students are viewed as an extremely important stakeholder that drives program development. MBA program administrators at Alpha and Epsilon go to extraordinary lengths to make student convenience and choice central to all that they do. MBA program administrators at Gamma and Delta expend a great deal of effort working with the business community and prospective employers of their MBA program graduates to enhance the student experience. These efforts manifest themselves in an impressive array of practical business experience opportunities, which often translate into employment and career opportunities upon graduation.

Pearce, Maciariello and Yamawaki (2010) speak directly to stakeholder theory observing “stakeholder theory posits that corporations have multiple stakeholders, each of them important, and each with needs that must be balanced” (p. 52). In all of the case



studies, different stakeholders influenced action and strategy formulation in different ways, confirming Pearce et al.'s proposition.

Wolverton and Penley (2004) examined twelve MBA programs at public institutions and observed the important role of leadership: "From a chronological perspective alone, a change in leadership seemed to be a watershed event at all twelve study schools" (p. 20). This finding is mirrored by what has been found in this research study. All five of the MBA programs studied had experienced a dean change no earlier than six years prior to the study, and the link between leadership and program strategy development and implementation was clear.

From a broad perspective, much of what has been established during this study, in terms of MBA program strategy can be seen in Mintzberg's Environmental School (1998), which views strategy formation as a reactive process. An important premise of the environmental school is that the environment in which a program is located creates a set of general forces that become central to strategy-making process. The environmental school goes on to argue that leadership becomes a passive element which reads the environment and ensures proper adaptation by the organization.

**Summary of research question 1 findings.** While these premises may appear to provide a useful characterization of how the MBA programs in this study develop their strategies, it does not do so completely. In a commercial environment, profit maximization and return on investment are important drivers of strategy. In public institutions of higher education, a broader range of values and measures denote success or failure. Although the aforementioned premises of the environmental school help explain influences on strategy formation in MBA programs in this study, there is one important

difference: the environmental school holds the view that leadership becomes a passive element, which is contrary to Wolverton and Penley's (2004) and this study's conclusions.

As in the commercial environment, strategy development does not occur in a vacuum. Nor are influences in the commercial world directly comparable to those in public institutions of higher education. Existing strategy models do help at a broad level, but closer examination seems to identify shortcomings in existing literature.

## **Research Question 2**

What are the strategies that MBA programs use to address their rapidly changing environments? MBA programs at public institutions of higher education operate in dynamic environments which exert a number of pressures beyond the control of their program administrators. MBA program administrators shared insights regarding common behaviors to mitigate the effects or take advantage of these influences, including: the pursuit of assigned objectives, local focus and differentiation, product extension based on a perceived value proposition, and an "adapt-to-survive" strategy.

None of the five MBA program administrators described a single strategy but instead discussed how their programs functioned, what their program priorities were, and how they planned to achieve them. In collecting this information, the analysis suggests that strategies are pursued even if not directly articulated.

**Assigned objectives.** Program growth was mentioned by the majority of program administrators although each had growth as an objective for different reasons. At Alpha University, program growth contributes to a wider state strategy of moving more public institutions towards Tier 1 research university status. At Beta University, a forced

contraction of the MBA programs was converted into an opportunity to reposition the program. Beta's MBA plan is to increase competition and program quality, delivering an enhanced reputation. As the program reputation improves, growth will be carefully managed to maintain quality. Epsilon University is a unique institution as it delivers the only state supported MBA program in its home state. In numerical terms, modest program growth creates a critical mass of students who will help fund an extension of electives. In all these instances, growth might be described as a strategy, but it is in fact an objective that contributes to program strategy.

While assigning objectives may appear to be a popular and relatively common strategy making approach, it is not without its flaws. The pursuit of a strategy may be viewed as a medium- to long-term process, as suggested by MBA program administrators at Gamma and Epsilon universities who spoke of five-year plans. Conversely, focusing on objectives may be viewed as a short-term approach and one which is designed to address pressing issues. Unless the assignment of objectives is a collaborative process, there may be a lack of buy-in from frontline staff, which could lead to achievement at sub-optimal levels. A further criticism of an objectives based approach is the implication that there may be no long-range plan.

**Local focus and differentiation.** The single, rigid, lockstep cohort MBA program at Beta is a partial focus strategy. The program administrator indicated that recruitment emphasis is now focused on higher academic achieving applicants wishing to attend an MBA program on a part-time, evening basis. Students are no longer required to take additional elective or concentration classes, so they graduate with a common, core skill set, and seek employers who prefer to add specialty training in their own way.

The most prominent strategy MBA program administrators identified was focus, though Porter's focus strategy is not formally reflected in their comments. Alpha's MBA program has achieved national recognition serving a particular demographic, which is aligned with a focus strategy. The MBA program has removed barriers to entry for its target demographic. Epsilon University has gone to extraordinary lengths to offer MBA students a program that allows for customization and student choice. Epsilon's actions translate to a focus strategy as it has developed programs to appeal to a specific sub-set of their recruitment pool, those students who demand services that closely match their unique specifications. Alpha and Epsilon University MBA programs have built their MBA programs around convenience, accessibility and choice.

Gamma and Delta University MBA programs extend beyond the classroom experience. Both programs seek to differentiate themselves from their local and regional competitors in similar ways. High quality teaching faculty is an important characteristic of both programs. Emphasis was placed upon the closeness of relationships between the respective institutions and their local and regional business and industry partners. Administrators perceive these close relationships as differentiators, as was the additional emphasis placed on practical "real-world" problem solving and decision making through internships and class projects involving community partners.

Focus and differentiation strategies work well when pursued by programs in a local and regional context. All programs in this study pursue activities that are suggestive of such strategies. The pursuit of these strategies sets apart programs from others within a local or regional area, yet from a broader perspective, the programs undertake similar activities and deliver their programs in comparable ways.

**Product extension.** Program extensions, based on perceptions of an enhanced value proposition exist in four of the five MBA programs, delivering augmented programs. In recognition of the student challenges, Alpha University has located its MBA classes in a convenient off campus location, making it easier for MBA students to park and attend class and students also receive meals to take to class. While the convenience based elements do not add to the content or structure of the MBA program, they do add value to the customer experience, through addressing important personal needs. Gamma University has a host of supplemental programming, which is carefully focused on developing students as MBAs, as opposed to students who have completed a predetermined number of MBA classes. Delta University has an extensive network of employers and partners who provide real life project work experience and have a record of successfully placing their MBA graduates in positions to match their preferences. The MBA program administrator at Delta University is also responsible for professional certifications, which enhances access opportunities to the MBA program.

Product extension is regarded as a prevalent strategy in this study although it may be perceived as a differentiation strategy also. Product extension aligns with Levitt's (1980) notion of the augmented product, which discusses the notion of the generic, expected, augmented and potential product. Beta University has reversed the "path" that some products take as posited by Levitt, going from an augmented product back to a generic product. Conversely, institutions such as Gamma, Delta and Epsilon universities have added substantial levels of "valued added" characteristics to their MBA programs to meet or create rising expectations. These additional layers of complexity and cost have the potential to propel a program along a path which leads to a "race to the bottom" as

described by Eckel (2007). Eckel argues that competition to augment programs leads to mimetic responses and removes any competitive advantage, to leave programs similar, but with higher levels of expense with no compensating increase in revenue.

**Adapt-to-survive.** A final strategy from the cases does not currently appear in the strategy literature. This type of emergent strategy is most accurately called an “adapt-to-survive” strategy. An illustration of this strategy surfaced from Beta University.

Draconian cuts in state funding at the institutional level lead to a substantial reduction in funding for Beta’s College of Business. Beta University’s two tier response to unprecedented financial stressors was: 1) The adapt-to-survive necessity brought about a response which featured substantial changes to the MBA program, and 2) The second tier response was through assigned objectives which were to use a forced contraction to contract the program and reposition it so that in time would enhance the student and faculty experience and drive up the quality and reputation of the program.

A lockstep cohort model of instruction is cheaper to operate than a non-cohort model, and students get to know their fellow students throughout the program. As relationships develop, networking opportunities grow, delivering an added value to students in the program. The introduction of a differential tuition program is a further example of adapting to survive. The MBA program at Beta University is a very inexpensive program, though there are some perceptions that low-cost equates to low-quality. Raising tuition and increasing admission standards has helped reposition the MBA program. Fewer students admitted to the program will result in greater selectivity and is expected to drive up program quality while reducing program costs substantially.

This adaptation has not only enabled the MBA program at Beta University to survive, but it also forms the foundation of growing a better, more financially secure program.

Other adaptations also deliver direct program benefits. The MBA program at Delta University operates in a very competitive local market. As a result of their connections with the business community, the administrator has been able to secure invitations to present MBA program information to employees at program supporting businesses. This has given the MBA program administrator direct access to a recruitment pool, which the administrator believes has the tacit endorsement of the audience's employer. In a highly competitive local market, the administrator views this access as important to student recruitment.

All MBA programs in this study have, to varying degrees, demonstrated that they have an adapt-to-survive philosophy to their program delivery. The adapt-to-survive strategy may be viewed as no strategy; however, what it does represent is a deliberate choice to follow a reactionary path, as opposed to adopting a proactive approach to strategy making. Two of the program administrators spoke specifically of five year strategic plans. One of the administrators observed that their plan was in its third year and had required modifications over time, the other viewing their strategic plan as a guide or framework, as opposed to anything more prescriptive. In a highly dynamic environment, where individual stakeholders can have substantial power, even the most clearly defined strategic plan can become an adapt-to-survive plan. What the adapt-to-survive strategy does afford a program administrator is flexibility and agility that more formal strategy processes may limit.

**Summary of research question 2 findings.** The majority of program administrators identified how they viewed their programs as differentiated from their competitors. This notion of product differentiation appeared to be used interchangeably with the notion of differentiation as a competitive strategy, defined by Porter (1980) as “creating something that is perceived *industry-wide* as being unique” (p. 37). The notion that differentiation must be industry-wide further limits the strict application of the model in terms of the programs studied. The majority of MBA program administrators identified: program quality, faculty experience and knowledge (quality), and very well developed ties to the business community as key differentiators. These common characteristics fail to meet the definition of differentiation, other than on perhaps a local or regional basis.

### **Research Question 3**

What are the similarities or differences in strategies that MBA programs use? The five MBA programs in this study showed variation in the strategies they adopted and implemented. From a macro perspective, MBA programs should be broadly similar, especially given a common core of classes, the professional nature of the qualification, and the accreditation oversight of the AACSB. At the micro level of analysis, both similarities and differences in strategies emerge.

At one end of a strategy continuum, is the assumption that strategy is deliberate and executed in alignment with purposeful intention. The environment in which the five MBA programs operate is dynamic, and there was little evidence of deliberate strategy whose execution was weighed against expectations of that strategy. At the other end of the continuum lays an emergent strategy, which is by default to choose no intentional



strategy. No program administrator in this study succinctly defined their program strategy. However, all provided details of how they were positioning their programs. Their statements of program objectives are not strategy but an expression of strategic intent. As MBA program administrators pursue their program objectives, they employ tactics which change as environmental conditions change. Accordingly, program administrators may move backwards and forwards along a strategy continuum, dependent on environmental changes over time.

**Strategy at the macro level.** Alpha University's MBA program pursued a focus strategy by targeting an important student demographic. Epsilon also pursues a focus strategy, but the focus is on meeting the needs of the state. All MBA programs in the study, except Beta, consider AACSB accreditation as a differentiator. The MBA program administrator at Gamma views accreditation as a differentiator in local environments only: "You know, AACSB is a broad filter, but after that you have got to differentiate yourself from other AACSB schools."

Accreditation by the AACSB imposes requirements on MBA program administrators that include the development of strategic planning documents, indicating some degree of deliberate strategy. The MBA program administrator at Epsilon University advised, "Obviously because of the accreditation we do need to have all sorts of strategic plans." Gamma is in year three of implementation of its five year plan. In both cases, the programs were primarily reacting to their environments, dissimilar from the ideals of strategy, which are more in keeping with shaping one's environment.

An MBA program is highly dependent on resources from external stakeholders. This high level of dependence can result in MBA programs having to adopt reactive type

strategies as the level of support cannot be considered guaranteed year on year. In some cases, this dependence makes a reactive type of strategy almost inevitable, even when program deans have overarching visions as to where and how their MBA programs ought to be positioned.

**Strategy at the micro level.** MBA programs in this study pursue hybridized strategies, to take account of their environments. A differentiation and focused strategy combination is evident in all of the programs. The extent and nature of differentiation and focus strategies is dependent upon the objectives. Alpha University has been successful focusing on a particular subset of its local population and has differentiated its program locally, by paying considerable attention to the convenience of its students. Beta University, although compelled to follow a particular path due to economic challenges in its home state, still presents a program that shows elements of focus, through pursuing high academically achieving students, and differentiation through offering a program to students who want a “no frills” MBA program with an established track from start to end.

While Epsilon University has the most focused MBA program strategy, it is a far reaching focus, described as: “The point of the MBA is to serve the needs of the state.” The MBA program at Epsilon is the only state supported MBA program in its state, yet the program administrator goes to great lengths to offer MBA students a wide range of programmatic choices.

The MBA program administrators at Gamma and Delta pursue similar objectives. Both administrators extend the MBA program as a product beyond its academic boundaries. At Gamma, the MBA program administrator has gone well beyond the provision of a “bare bones” MBA program as provided by Beta University. Gamma’s

program has been augmented with conferences, organized networking opportunities, and hands-on project experience in real businesses, along with supplemental programming designed to educate an MBA student holistically, far beyond just classroom based instruction. At Delta University, the program administrator has experienced increasing difficulty in attracting new MBA students, and has developed professional certifications and reached out to new populations.

What all of the case study MBA programs have in common is that they are driven by the necessity to meet the needs of external constituencies. In all cases, program funding comes from external constituencies and consequently the sources of these funds needs must be met. A strategy that fails to consider the underlying needs of its stakeholders is unlikely to succeed. This reality gives rise to the adapt-to-survive strategy, which exists alongside more widely recognized strategies such as focus and differentiation.

The adapt-to-survive strategy is not the same as an emergent strategy. The adapt-to-survive strategist is one who can make adjustments whether they are required to implement a planned strategy (from a central authority) or an imposed strategy, as essentially happened at Beta University.

**Objective oriented strategies.** All of the MBA administrators involved in this study shared some common characteristics. Objectives, often regarded as strategies by MBA program administrators in this study, were sometimes shared amongst the majority or programs or sometimes were only present in a smaller number of cases; the most noteworthy are briefly addressed below:

**Growth.** Growth was an objective for all but Gamma University. Program administrators had differing reasons for pursuing program growth. The administrator at Beta University saw that controlled growth could be a source of enhanced reputation, as restricted admission levels were expected to drive up the quality and reputation of the recently overhauled MBA program. Controlled growth was also seen as a means of driving up program revenues without immediately driving up expenses by an equivalent amount. Epsilon saw growth as a means to fund an expansion of elective classes in order to provide students with a broader range of choice in terms of their programming.

**Real world business experience.** Real world business experience was viewed as a differentiator by Gamma, Delta and Epsilon. The emphasis on real world experience stemmed from the desire to adequately endow students with market demanded skills and because students had placed a high priority on meeting employer requirements and developing career enhancing networks. The MBA program administrator at Gamma University tries to balance technical skill acquisition and the “big picture perspective” required by decision-makers, offering “our program is structured to look at them [students] in two different ways: one is how are they doing in individual courses where they will get a grade, and then we are also looking at how they will develop as MBAs.” Khurana (2007, p. 350) has a less optimistic view of how the business school is now being viewed by its “customers” offering “In 2005, Harvard Business School’s annual survey of graduating MBA students found for the first time that students regarded developing a social network as the number-one benefit of attending business school.”

**Quality.** Quality of program was identified as an objective of every MBA program examined in this study. The MBA program administrator at Beta University

indicated that a contraction in the current MBA program would result in fewer academic faculty members needed to teach, allowing for the “best” teachers to teach, which would drive up program quality. At Gamma University a holistic approach to program quality has been developed offering a range of supplemental programming extending considerably beyond simply classroom instruction. MBA program administrators at Gamma, Delta and Epsilon Universities held the view that AACSB accreditation served as an indicator of program quality, especially given the rigor of the accreditation process and the peer review inspection aspects of it.

**Program delivery and choice.** Differing attitudes towards means of program delivery and choice were found to be indicative of differing strategy perspectives. The MBA program administrator at Epsilon University is working to grow program enrollment in a bid to create a “critical mass” that would fund an expansion of elective classes available to students. With a strong emphasis on student choice, it was surprising to note that an online MBA program at Epsilon was considered inconceivable, despite the university reporting significant success with their delivery of distance education offerings. The MBA program administrator at Delta University expressed disappointment at the perceived reluctance of faculty to embrace online classes and views expansion into an online MBA program as a key to accessing a wider audience and addressing a decline in enrolment. Similarly, the MBA program administrator at Alpha University felt that despite extensive growth in MBA programming at their institution, an online component was “missing.” Beta University presents a unique aspect in terms of program accessibility, convenience and choice, having converted to a single cohort lockstep MBA

program, offered only on-campus and with neither concentrations nor electives being offered.

**Summary of research question 3 findings.** All of the programs examined in this study view themselves in regional settings as opposed to national or global environments. In all cases, a geographical characteristic was expressed as a defining boundary. From a macro perspective, the programs examined are broadly similar. When the administrators speak of differentiation, they speak from the perspective of an offering that is differentiated from their local competition, where it exists. The growth of online study options was seen only as an opportunity to program administrators, and there was no discussion at all concerning how online access from other providers might compromise their own programs.

#### **Research Question 4**

Does isomorphism help explain the strategies that MBA programs use or wish to use? Isomorphism helps explain the strategies that MBA programs use or wish to use. This section discusses coercive, mimetic and normative influence on strategy making.

**Coercive isomorphism.** DiMaggio and Powell (1983) state “Coercive isomorphism results from both formal and informal pressures exerted upon which they are dependent and by cultural expectations in the society within which organizations function” (p. 150). Within the five case studies, a number of coercive elements exist: the State, the AACSB, Business and Industry, and Institutional Bureaucracy and Faculty.

**The State.** All of the institutions in this study are funded, in part, through state appropriations. None of the program administrators interviewed spoke of direct “interference” by their state funding authority, yet they all spoke of the effects that their

respective states have had on their program operations. Alpha University is included in a state-wide initiative to drive four or five state institutions toward Tier 1 Research University status. Beta University found that as a direct result of significant reduction in state appropriations, the College of Business was assigned multi-million dollar cuts in funding which led to a wholesale change in the MBA program. The program administrator at Delta University spoke of a history of reducing state support, and discussed how program enrollment was falling. Epsilon's MBA administrator identified a position unique in this study where it provides the only state supported MBA program in its home state and 95 percent of MBA students are in-state. The administrator at Epsilon stated that the overriding priority of their MBA program was to meet the needs of the state, although the state as a governing body had not articulated what those needs are.

**AACSB.** All MBA programs in this study are AACSB accredited and common comments were made with that regard. While AACSB accreditation was seen as a source of commercial advantage, site visits and peer evaluations whereby programs are “measured” against outcomes that they have committed to pursuing may also be regarded as coercive. AACSB accreditation also imposes specific mandatory requirements on program administrators. The administrator at Beta University provided an indicator of how AACSB had changed to a mission driven focus observing “So now, AACSB is very big on assessment of learning, because you can say ‘I want to do this’ and they will say ‘OK, tell me how you are going to do it’” going on to observe “don’t be too ambitious, because they don’t care what it is, all it needs is ‘you say that you want to be the best in the west’ and then they say ‘well you’re not,’ so you’re dead.”

**Business and industry.** This stakeholder group exerts coercive influence on MBA programs. Alpha University's College of Business has an External Advisory Board made up of alumni who are currently industry practitioners. The MBA program Administrator at Beta University has been instructed to set up a Board of Advisors for their MBA program, and Gamma University has an influential External Board of Advisors which actually works on curriculum development. Delta's advisory board primarily meets with staff at the Associate Dean and above level. Discussions revolve around what employers want from the MBA program and what the program needs to do to earn the board's continuing support. The MBA program administrator's description of one input captures the boards influence: "It was a strategic initiative that they identified, worked on within their group and then started to include faculty" illustrating the level of influence the Board of Advisors had over the MBA program.

**Institutional bureaucracy and faculty.** This stakeholder was an unexpected source of coercive isomorphic influence. Alpha University MBA program administrator spoke of "programs that have employees that have been there forever, and employees who are resisting change." Beta referred to a reluctance of faculty to vote for change remarking "We almost never vote for any changes" and administrators at both Delta and Epsilon also spoke with a degree of frustration at faculty resistance to the delivery of online classes. All program administrators also spoke of clearly defined bureaucracies that had to be navigated to secure programmatic changes. Structural bureaucracies are a well-documented characteristic of established organizations (DiMaggio and Powell, 1983).



**Mimetic isomorphism.** Uncertainty encourages imitation and organizations model themselves on other organizations that they consider as successful and legitimate (DiMaggio & Powell, 1983). Mimetic isomorphic influences originate from two principal sources in this study: 1) AACSB accreditation, which requires MBA programs to identify aspirant programs and to develop strategies to reach that next level of attainment, and 2) Benchmarking or peer analysis activities. One inference from the requirement to identify aspirant programs and then move toward them is that a continuum exists at the end of which will be located an archetypal MBA program. This is an unreasonable proposition as an MBA program that functions exceptionally well in one environment may not in others. Benchmarking and peer analysis can also serve to inform an MBA program administrator what not to do.

What is not clear is the extent to which mimetic isomorphism influences MBA program strategy. While mimetic behavior is often a response to uncertainty, little is known about how such behaviors can mitigate the future impacts arising from uncertainty. Central to the premise of mimetic behavior is the argument that it will lead to homogeneity, but what is not factored into the discussion is, to what extent do differing resources and environmental influences prevent homogeneity.

**Normative isomorphism.** This third isomorphic mechanism used as a lens in this study has defined by DiMaggio and Powell (1983) as stemming “primarily from professionalization” refining the definition to “professionalization as the collective struggle of members of an occupation to define conditions and methods of their work.” Universities are an excellent example of normative isomorphism with professors having completed their terminal degree studies, then moving through a clearly defined career

progression from Assistant to Associate to Full Professor and subsequent professional ranks. In an MBA program, core subjects are taught in a way that prevailing knowledge is spread amongst the relevant student body and ultimately into the workforce and industry. As graduates of MBA programs change positions or employers, their knowledge is shared and applied in new environments and norms are ultimately established. At the five institutions examined in this study, academic faculty are the overriding source of normative isomorphic influence as they implement and maintain academic standards as owners of the curriculum.

Isomorphic influences have varying degrees of influence on individual programs in this study, dependent upon the program's location and operating environment. Beta University's MBA program has a wide range of stakeholders and an experienced, well qualified expert staff. Beta was well positioned to exploit the future, however, the State indirectly exerted its coercive influence over the program and the result was the removal of all MBA program options and the adoption of a cohort lockstep program with a new cohort being limited to 60 students. This outcome is not attributable to a poorly managed or ineffective program; it was as a consequence of one stakeholder with a disproportionate amount of coercive power imposing its will on the institution, which had a knock-on effect on Beta's MBA program.

The three isomorphic influences were addressed separately but they can also be found working together simultaneously. As an example, AACSB accreditation was an isomorphic influence identified as visible through all three isomorphic lenses although none of the types of influence were found to be sufficiently powerful to significantly influence program strategy.

In viewing important elements of the MBA program environment it has been possible to identify various isomorphic mechanisms at work. What is apparent is that these mechanisms are, for the most part, environmental factors that need to be taken account of when program strategy is being developed. The ability for an isomorphic mechanism to influence an MBA program is greatly dependent upon the power of the influence being exerted. As seen in the case of Beta University, state influence was sufficiently powerful to bring about the entire restructuring of Beta's MBA program, whereas in the case of Alpha University's MBA program, the influence of the state was considerably less impactful.

This study has found that isomorphic influences do impact the strategies that MBA program administrators pursue but not typically in the way experienced at Beta University. Interviews undertaken for this study have revealed that isomorphic influences may either constrain or enable an MBA program administrator to pursue their program objectives.

### **Implications for Practice**

MBA programs in public institutions of higher education are at a crossroads according to Gupta et al. (2007). This finding is mirrored in this study with the decision to offer a general MBA program or an MBA program with specialization. This study examined MBA program offerings ranging from a small single cohort, lockstep program at Beta University that offers neither concentration nor electives, to Gamma University which offers a range of MBA programs options and specializations. Gupta et al.'s survey reported that the top 13 MBA programs in the United States offered specializations, yet a content analysis of job advertisements requiring an MBA credential indicated that

employers expressed no preference for an applicant with a specialization. MBA program administrators must weigh these factors carefully when determining the level of service and choice that they want to offer their prospective students. As more demands are made of MBA programs, program administrators will face even greater challenges in an environment where access to resources is increasingly restricted.

**Administrators must balance faculty concerns with other stakeholder interests.** Program administrators must balance different stakeholder interests, and this seems to be part of the challenge inherent in the position. An internal constraining factor found by this study is the reluctance of faculty to embrace change. MBA program administrators at Alpha, Beta, and Delta universities spoke of either risk aversion, resistance to change, or unwillingness to embrace new methods of program delivery, as issues that hindered program development. In contrast, program administrators at Delta, Gamma and Epsilon Universities have embraced change, developing very close collaborative relationships with business and industry in order to maintaining current business and industry. These relationships allow MBA programs to draw on industry expertise while simultaneously learning what business values in the preparation of MBA students. Business and industry has, as an external stakeholder, become part of the MBA program education experience. “Real-life” experiences that these relationships bring to MBA students are said to be highly valued by them and a source of future career opportunity.

**Public MBA program differentiation is and should be primarily local.** All MBA program administrators discussed strategy at the local or regional level, perhaps because none were elite schools with high overall media lead rankings that generate

national attention. Programs were designed to maximize the use of local differentiators, like alternative energy sources at Gamma and Delta, and to meet the needs of local populations, as at Alpha University. This seems to be an effective strategy, as opposed to an effort to compete with elite and highly visible MBA programs that have received national acclaim.

The strategic actions taken by program administrators were typically at the micro level suggesting that they understood their sphere of influence and played to their strengths given their limited resources. Formal strategic planning was a background characteristic of the management of the MBA programs examined, with a more dynamic approach evident in the general operations of the programs. As many MBA program students study part-time, it follows that they are employed within the locale of the university offering the program. With this in mind, program administrators would do well to carefully address the needs of the “captive” market.

**Online offerings must be weighed against stakeholder input and program philosophy.** The MBA programs in the study have not fully embraced the opportunities that an online program offering may present. One reason for the lukewarm response has been resistance to change on the part of faculty; another is out of concern that the personal interaction, so important in an MBA program, will be diminished and the student’s experience will be lessened as a result. Not all MBA program administrators believed the online option was a good option either, which seems to indicate that administrators and faculty, with consideration of student, employer, and advisory board input, need to weigh the value of online offerings given their individual context. MBA program administrators ought to be alert to the notion that while an online offering might

widen their sphere of influence and broaden their reach, the same will apply in terms of programs that currently do not pose a threat to them, as capacity to compete increases overall.

**MBA programs are alike and different; administrators can be comfortable with this paradox.** Isomorphic mechanisms can be seen at work in multiple aspects of MBA operations and may be coercive, normative or mimetic in nature. They have also been found to act in isolation and in concert. What has been noted is that despite the presence of isomorphic influences, a range of unique, situational/environmental characteristics prevent the homogenization of MBA programs. At the macro level MBA programs in this study may seem alike because they share a common program core, they seek to produce the same outputs, MBA students, and they share the same accreditation body. However, when students search out the best MBA program for themselves, they typically focus on micro level issues, such as quality of teaching, accessibility, convenience, access to career opportunities and real-life experience, and it is these characteristics, that differ from program location to program location and confound what some people view as an inexorable path to homogenization.

**Make use of faculty expertise.** Evidence gathered in this study suggests that MBA programs do not actually appear to formally engage strategic expertise and conceptualizations into their own strategic plans and movement forward. An implication of this is that MBA programs, like so many other organizations, are “falling into particular strategies” rather than consciously and explicitly defining and moving toward those strategies. Programs should aim to make greater use of their faculty expertise, given

that strategic expertise lies within MBA programs and that is what they teach their students to do.

### **Future Research**

A number of further research opportunities stem from the study. Program administrators were the sole interviewees for this study, but multiple stakeholder interviews would allow strategic choices to be compared from a broader perspective. This study confirmed that external advisory board members, business and industry representatives, program deans, program faculty, MBA graduate employers, students, and state policy makers are all stakeholders who care about business education and likely have important opinions about it.

A further opportunity for research might be a broader study examining any relationship between the arrival of a new MBA program dean and a comprehensive MBA program review, with comparisons made between pre-arrival and post arrival programs. In all five cases, the arrival of a new dean was a significant event that, according to program coordinators, influenced strategic choices of MBA programs. Many questions would accompany such a study: how much did program strategy really change? How influential is a dean's influence relative to other stakeholders, in terms of strategy formulation?

A final area for potential future research concerns the intersection between isomorphism and strategy. A larger pool of public MBA programs, as subjects of study, would help confirm, revise, or even challenge the findings in this study, that certain types of strategy are aligned with different types of isomorphism. Does, for example, accreditation, really lead to mimetic behaviors that make programs more alike than

different? Is the state really a coercive isomorphic force—and at what level of support is its influence weakened?

## **Summary**

This chapter discussed the research findings, including what strategies MBA programs use to address their rapidly changing environment, what influences MBA program strategy formulation, the similarities and differences in strategies that MBA programs use, and if isomorphism helps explain the strategies that MBA programs use or wish to use.

None of the five MBA program administrators described a single strategy but instead described how their programs functioned, what their program priorities were, and how they planned to achieve them. Common approaches to strategy were: the pursuit of assigned objectives, local and regional approaches to program focus and differentiation, and product extension.

The programs experienced common influences on their strategy formulation, the most prominent were: strategy definition, stakeholders, institutional characteristics, and leadership. It was apparent that each MBA program administrator viewed their program's sphere of influence as local or at its widest, regional. Coercive, mimetic and normative isomorphic mechanisms were present and influenced the MBA programs. The power of individual stakeholders could be seen to greatly influence the extent to which isomorphic mechanisms affected programs.

This study has recognized that program administrators must balance faculty concerns with stakeholder interests, that program differentiation should be pursued primarily at the local level, that online programming should be weighed against



stakeholder input and program philosophy and MBA programs can be alike yet different, and that administrators should be accepting of this paradox. The MBA program is a multidisciplinary program that has sections from a range of experts in their fields, including the field of strategy, this expertise should be tapped into and used by program administrators.

Finally, opportunities for further research have been identified in terms of broadening the selection of stakeholders to be interviewed, examining the role and impact of new leadership on a program and extending the study to a wider base of MBA programs, to see if different research findings emerge.

## APPENDIX 1

### Dimensions of the Ten Schools – Henry Mintzberg and Joseph Lampel

School	Sources	Base Discipline	Champions	Intended Message	Realized Message	School Category	Associated Homily
<b>Design</b>	P. Selznick (and perhaps earlier work for example, by W. H. Newman) the K.R. Andrews	None, (architecture as metaphor)	Case study teachers (especially at or from Harvard University), leadership aficionados – especially in the United States	Fit	Think (strategy making as case study)	Prescriptive	“Look before you leap”
<b>Planning</b>	H.I. Ansoff	Some links to urban planning, systems theory, and cybernetics	“Professional” managers, MBAs, staff experts (especially in finance) consultants and government controllers – especially in France and the United States	Formalize	Program (rather than formulate)	Prescriptive	“A stitch in time saves nine”
<b>Positioning</b>	Purdue University work. (D.E. Schendel, K. J. Hatten), the notably M. E. Porter	Economics (industrial organization) and military history	As in planning school, particularly analytical staff types, consulting “boutiques,” and military writers – especially in the United States	Analyze	Calculate (rather than create or commit)	Prescriptive	“Nothin’ but the facts ma’am”
<b>Entrepreneurial</b>	J.A. Schumpeter, A.H. Cole, and others in economics	None (although early writings came from economists)	Popular business press, individualists, small business people everywhere, but most decidedly in Latin America and among overseas Chinese <sup>3</sup>	Envision	Centralize (then hope)	Descriptive (some prescriptive)	“Take us to your leader”
<b>Cognitive</b>	H.A. Simon and J .G. March	Psychology (cognitive)	Those with a psychological bent – pessimists in one wing optimists in the other	Cope or create	Worry (being unable to cope in either case)	Descriptive	“I’ll see it when I believe it”

<b>Learning</b>	C.E. Lindblom, R. M. Cyert and J.G. March, K.E. Weick, J.B. Quinn, and C.K. Prahalad and G. Hamel	None (perhaps some peripheral links to learning theory in psychology and education). Chaos theory in mathematics	People inclined to experimentation, ambiguity, adaptability – especially in Japan and Scandinavia	Learn	Play (rather than pursue)	Descriptive	“If at first you don’t succeed, try, try again”
<b>Power</b>	G.T.Allison (micro), J. Pfeffer and G.R. Salancik, and W.G. Astley (macro)	Political science	People who like power, politics and conspiracy – especially in France	Promote	Hoard (rather than share)	Descriptive	“Look out for number one”
<b>Cultural</b>	E. Rhenman and R. Normann in Sweden. No obvious source elsewhere	Anthropology	People who like the social, the spiritual, the collective – especially in Scandinavia and Japan	Coalesce	Perpetuate (rather than change)	Descriptive	“An apple never falls far from the tree”
<b>Environmental</b>	M.T. Hannan and J.Freeman. Contingency theorists (e.g. D.S. Pugh et al.)	Biology	Population ecologists, some organization theorists, splitters and positivists in general – especially in the Anglo-Saxon countries	React	Capitulate (rather than confront)	Descriptive	“It all depends”
<b>Configuration</b>	A.D. Chandler, McGill University group (H. Mintzberg, D. Miller, and others). R.E. Miles and C.C. Snow	History	Lumpers and integrators in general, as well as change agents. Configuration perhaps more popular in the Netherlands. Transformation most popular in the United States	Integrate, transform	Lump (rather than split, adapt)	Descriptive and prescriptive	“To everything there is a season...”

## APPENDIX 2



### Informed Consent

#### Department of Educational Research, Cognition & Development

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**TITLE OF STUDY: THEORY VERSUS PRACTICE: A STUDY OF STRATEGY MAKING AND EXECUTION IN FIVE PUBLIC MBA PROGRAMS**

**INVESTIGATOR(S): Dr. Mario Martinez, Michael Alwyn Wilde**

**CONTACT PHONE NUMBER: (702) 895-2895**

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#### **Purpose of the Study**

You are invited to participate in a research study. The purpose of this study is to examine whether coercive, normative and mimetic isomorphic mechanisms contribute to the strategies MBA programs develop and implement in the quest to differentiate themselves. An additional purpose is to examine whether influential environmental elements impact strategy developments in ways that make these organizations more similar than different.

#### **Participants**

You are being asked to participate in the study because you fit this criteria: Public Institution of Higher Education, Urban Location, Master of Business Administration (and variants) program, accredited by the Association to Advance Collegiate Schools of Business.

#### **Procedures**

If you volunteer to participate in this study, you will be asked to do the following: participate in an interview which is digitally recorded and be available to clarify any issues that arise through the interview process.

#### **Benefits of Participation**

There will be no direct benefits to you as a participant in this study. However, we hope to learn more about strategy making in MBA programs and what environmental elements influence strategies developed.

### **Risks of Participation**

There are risks involved in all research studies. This study may include only minimal risks. *State the level of anticipated risks (i.e. you may become uncomfortable when answering some questions).*

### **Cost /Compensation**

There will be financial cost to you to participate in this study. The study will take two hours of your time. You will not be compensated for your time.

### **Contact Information**

If you have any questions or concerns about the study, you may contact Dr. Mario Martinez at **(702) 895-2895**. For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact **the UNLV Office of Research Integrity – Human Subjects at 702-895-2794 or toll free at 877-895-2794 or via email at IRB@unlv.edu.**

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### **Voluntary Participation**

Your participation in this study is voluntary. You may refuse to participate in this study or in any part of this study. You may withdraw at any time without prejudice to your relations with the university. You are encouraged to ask questions about this study at the beginning or any time during the research study.

### **Confidentiality**

All information gathered in this study will be kept completely confidential. No reference will be made in written or oral materials that could link you to this study. All records will be stored in a locked facility at UNLV for a minimum of three (3) years after completion of the study. After the storage time the information gathered will be securely destroyed.

### **Participant Consent:**

I have read the above information and agree to participate in this study. I am at least 18 years of age. A copy of this form has been given to me.

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Signature of Participant

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Date

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Participant Name (Please Print)

***Participant Note: Please do not sign this document if the Approval Stamp is missing or is expired.***

## **APPENDIX 3**

### **Interview Questions**

1. Demographic Questions
  - a) What is your official title?
  - b) How long have you been involved with the MBA program at X University?
  - c) How did you get to hold your current position?
2. Program Related Questions (If answers to these questions are available from institutional/program web-sites, then they will not be asked at the interview stage)
  - a) Tell me about the MBA Program
    1. How many students?
    2. How are classes offered/made available?
    3. What is the structure of the MBA program?
    4. What are the core programs/concentrations?
    5. Program characteristics
      - i. Curriculum
      - ii. Careers Services
      - iii. Other Differentiators
    6. What differentiates your MBA program from its competitors?
    7. Do you/how often do you survey peer institutions or collect data on them?
3. Strategy Related Questions
  - a) What internal and external elements influence the program in terms of its strategic direction?
  - b) How do those influences manifest themselves?
  - c) At that point do these influences directly affect program strategy?
  - d) How do you formulate program strategy?
  - e) Do your strategies compare to other programs?
  - f) If so, how so?
  - g) Which, if any, programs do you consider to be similar to you?
  - h) How do the program's strategies correlate with, or differ from those of the College of Business and the University?
4. Change Related Questions
  - a) How often are changes made to the program?
  - b) What prompts changes to the program?
  - c) How are program changes managed?
  - d) What is/are the change/s processes at your institution?
  - e) Please provide me with an example of a change and "walk" me through it.
  - f) What do you think constitute the main drivers of change?
  - g) Why do you think that?
  - h) What were the most recent significant changes to the program?

- i) Are there any now being contemplated?
- 5. Planning
  - a) Does the MBA department undertake any structured planning processes?
    - 1. How would you define the processes?
    - 2. How would you describe these processes?
    - 3. Who is responsible for the planning processes?
    - 4. How frequent are your planning activities?
    - 5. How are decisions made during planning activities?
- 6. Challenges
  - a) What do you consider to be the challenges you face, in terms of the MBA program?
  - b) From where do these challenges originate?
  - c) How do these challenges manifest themselves?
  - d) Do these challenges directly or indirectly influence the MBA program?
- 7. Stakeholders
  - a) Who would you identify as the program's stakeholders?
  - b) How would you rank these stakeholders in terms of their importance?
  - c) Why would you assign these stakeholders the ranking that you did?
  - d) How do you balance any conflicting demands of the program?
- 8. Future Issues
  - a) Looking to the future, what challenges do you see heading the program's way?
  - b) Why do you anticipate these issues arising?
  - c) How do you expect you will address these issues?
  - d) If you could change your existing program:
    - 1. What changes would you make?
    - 2. Why would you make those changes?
    - 3. How would you make those changes?
- 9. Do you have anything to add that we have not already addressed?
- 10. What were the key issues raised in your most recent AACSB accreditation review?
  - a) How did your program change in response to these issues?
- 11. What program changes have you made, if any, due to resource constraints imposed by funding reductions due to the recent recession?

## APPENDIX 4

### External Forces Influencing Public Institutions of Higher Education

Institution	Alpha	Beta	Gamma	Delta	Epsilon
Category of Influence					
<b>Service Area Population</b>	<ul style="list-style-type: none"> <li>Geographically isolated student body</li> <li>Non-traditional student body</li> <li>Regional, smaller “pool” to recruit students from</li> </ul>	<ul style="list-style-type: none"> <li>Historically high levels of population growth have recently stalled</li> <li>Somewhat geographically isolated</li> <li>Recent program changes will effectively reduce number of international and out of state students admitted</li> </ul>	<ul style="list-style-type: none"> <li>Considers service area as regional</li> <li>Unique geographic characteristics exploited to provided specialist programs</li> </ul>	<ul style="list-style-type: none"> <li>High population concentration, highly urbanized</li> <li>Located in an area where several global commercial brand leaders have their headquarters of operations</li> </ul>	<ul style="list-style-type: none"> <li>Very large geographical area with relatively small population</li> <li>Absence of major corporation headquarters and operations in the state</li> <li>95% of students from home state</li> </ul>
<b>Economy/ Labor Market</b>	<ul style="list-style-type: none"> <li>Lower income levels</li> <li>Labor market low owing to recession</li> </ul>	<ul style="list-style-type: none"> <li>Service based sector, devastated by economic downturn</li> <li>Very high levels of unemployment</li> <li>Prior ability to secure well-paying jobs with low need for high academic performance</li> </ul>	<ul style="list-style-type: none"> <li>Very mixed economy, wide range of industries</li> <li>Successfully placed all graduating MBA students</li> <li>“Corporate partners”</li> </ul>	<ul style="list-style-type: none"> <li>Economy has led to fewer applicants to MBA programs</li> <li>Fewer businesses sponsoring their employees for higher education</li> <li>Very close relationship with employers</li> </ul>	<ul style="list-style-type: none"> <li>Very close relationship with the business community and employers</li> <li>Unionized institution</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Perceived need for an online program</li> <li>Online program can be supplied globally, isolated student body no longer isolated</li> </ul>	<ul style="list-style-type: none"> <li>Online program can be supplied globally, isolated student body no longer isolated</li> </ul>	<ul style="list-style-type: none"> <li>Uses technology in a wide variety of ways to enhance service delivery</li> <li>Technology innovation directly funded by alumnus</li> </ul>	<ul style="list-style-type: none"> <li>Slow to develop online program, some faculty resistance</li> </ul>	<ul style="list-style-type: none"> <li>Serving multiple locations</li> <li>Distance education provider</li> <li>Multiple channels of communication</li> </ul>



<b>Education</b> <ul style="list-style-type: none"> <li>• Attainment Level students</li> <li>• Knowledge of MBA program characteristics</li> </ul>	<ul style="list-style-type: none"> <li>• Lower education levels</li> <li>• Very limited direct competition from other providers</li> </ul>	<ul style="list-style-type: none"> <li>• Very low level of educational attainment</li> <li>• Higher education not publicly supported in state</li> </ul>	<ul style="list-style-type: none"> <li>• Business community highly engaged with MBA program</li> <li>• Well informed applicant pool</li> </ul>	<ul style="list-style-type: none"> <li>• Evident increase in competition for students</li> <li>• Highly informed student applications with clear objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Very limited direct competition from other providers</li> <li>• Business community highly engaged with MBA program</li> </ul>
<b>Public Policy/Regulation</b>	<ul style="list-style-type: none"> <li>• State plan to move towards Tier 1 Research University status</li> <li>• Demands of AACSB accreditation</li> <li>• Availability and cost of student loans</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of state support</li> <li>• Increasing demands for accountability</li> <li>• Increase in imposition of performance criteria</li> <li>• Demands of AACSB accreditation</li> <li>• Availability and cost of student loans</li> </ul>	<ul style="list-style-type: none"> <li>• Demands of AACSB accreditation</li> <li>• Availability and cost of student loans</li> </ul>	<ul style="list-style-type: none"> <li>• Demands of AACSB accreditation</li> <li>• Availability and cost of student loans</li> <li>• Less state level financial support for higher education</li> </ul>	<ul style="list-style-type: none"> <li>• Demands of AACSB accreditation</li> <li>• Availability and cost of student loans</li> <li>• Strong support from state politicians</li> <li>• State-supported program, not self-supporting</li> </ul>

## APPENDIX 5

### Internal Influences Identified by MBA Program Administrators

Institution	Alpha	Beta	Gamma	Delta	Epsilon
Category of Influence					
<b>Students</b>	<ul style="list-style-type: none"> <li>• Accessibility to program</li> <li>• Flexibility of program</li> <li>• Convenience of program</li> </ul>	<ul style="list-style-type: none"> <li>• Time to graduate</li> <li>• Career services</li> <li>• Graduate assistantships</li> </ul>	<ul style="list-style-type: none"> <li>• Bring forth ideas for study</li> </ul>	<ul style="list-style-type: none"> <li>• Time to graduate</li> <li>• Flexibility of program</li> <li>• Certificate programs</li> <li>• Format changes</li> <li>• Demand more choices</li> </ul>	<ul style="list-style-type: none"> <li>• Student interests</li> <li>• Diverse community</li> </ul>
<b>Program Academic &amp; Administrative Faculty</b>	<ul style="list-style-type: none"> <li>• Responsive to events in their discipline</li> <li>• Department level</li> <li>• MBA Policy Committee</li> <li>• Benchmarking</li> <li>• Peer analysis</li> <li>• Faculty partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• MBA Advisory Committee</li> <li>• Responsive to events in their discipline</li> <li>• Curriculum Committee</li> <li>• Graduate Committee</li> <li>• Research Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Responsive to events in their discipline</li> <li>• Supplemental programming</li> <li>• Comprehensive Exam</li> <li>• College Advisory Group</li> <li>• Curriculum Committee</li> <li>• Peer analysis</li> <li>• Curriculum Redesign Committee</li> <li>• Curriculum Implementation Committee</li> <li>• Tablet based program</li> </ul>	<ul style="list-style-type: none"> <li>• Responsive to events in their discipline</li> <li>• Format changes</li> <li>• Innovative scheduling model</li> <li>• Dedicated Careers Center</li> <li>• MBA &amp; MS Taskforce</li> <li>• Performance of students serving internships</li> <li>• Academic Faculty Director of MBA programs</li> </ul>	<ul style="list-style-type: none"> <li>• Faculty Senate</li> <li>• College of Business</li> <li>• Graduate Council</li> <li>• Refusal to transform the program into an online format</li> <li>• Independent study option</li> <li>• MBA Committee</li> </ul>
<b>Institutional Administration</b> (Considered internal as seen as a guiding hand.)	<ul style="list-style-type: none"> <li>• Dean &amp; Associates</li> <li>• Graduate Council of the University</li> <li>• Higher Education Coordinating Board</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Regents</li> <li>• President and Provost</li> <li>• Dean &amp; Associates</li> <li>• Differential tuition</li> </ul>	<ul style="list-style-type: none"> <li>• Deans &amp; Associates</li> <li>• Department Chairs</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional mission</li> <li>• Deans &amp; Associates</li> </ul>	<ul style="list-style-type: none"> <li>• Dean</li> </ul>

<b>Alumni</b> (Considered Internal due to nature of and relationship to program, as products of it.)	<ul style="list-style-type: none"> <li>• Members of External Advisory Board</li> <li>• Career services</li> </ul>	<ul style="list-style-type: none"> <li>• Program quality</li> </ul>	<ul style="list-style-type: none"> <li>• Support and fund program innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Providers of recruitment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Providers of internship &amp; industry project experience</li> </ul>
<b>Advisory Boards</b>	<ul style="list-style-type: none"> <li>• College External Advisory Board (drawn from alumni)</li> </ul>	<ul style="list-style-type: none"> <li>• College External Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>• College Board of Advisors</li> </ul>	<ul style="list-style-type: none"> <li>• Business Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurship Group</li> </ul>

## APPENDIX 6

### MBA Program Administrators' Perceptions

Institution	Differentiators as Identified by Program Administrators	Emphasis of Program as Described by Program Administrators	Evidenced By
<b>Alpha</b>	<ul style="list-style-type: none"> <li>Geographically isolated location.</li> <li>Caters predominantly for a specific population sector.</li> <li>Multi-formatted programs.</li> <li>Full-Service Program</li> </ul>	<ul style="list-style-type: none"> <li>Accessibility.</li> <li>Convenience.</li> <li>Non-traditional students.</li> </ul>	<ul style="list-style-type: none"> <li>We have a very geographically isolated student body, or service area.</li> <li>There are certain things that we are doing really with the population that generally lower income letters and lower educational levels.</li> <li>Everything that we do has to be mindful of the fact that there are people trying hard to get through their education, and raise a family and work and run a household.</li> <li>We have created an environment for them that is accessible, most of our courses are located in a downtown facility, where students have parking that is accessible, we feed our students when they come in, part of their fees cover dinners.</li> </ul>
<b>Beta</b>	<ul style="list-style-type: none"> <li>None claimed.</li> <li>Has the ambition and intention of driving up program quality through greater input selectivity, from both student and faculty perspectives.</li> </ul>	<ul style="list-style-type: none"> <li>Intentionally focused on the provision of a generalist MBA as a product.</li> <li>Plan to reduce size of program in a bid to build reputation for quality over time.</li> <li>Competition to join program will drive up quality of students.</li> <li>Fewer sections to teach will lead to the best teachers teaching.</li> </ul>	<ul style="list-style-type: none"> <li>It's what we call producing a generalist, somebody who wants an MBA and then after that they will be trained by their company to do whatever they want to do.</li> <li>By reducing [number of sections taught and students admitted] that will drive interest and value, because, one, you get better teachers; you get better students, my God, better product right?</li> </ul>
<b>Gamma</b>	<ul style="list-style-type: none"> <li>AACSB accreditation.</li> <li>Extensive and deep rooted relationships with the business community.</li> <li>Intimacy with the</li> </ul>	<ul style="list-style-type: none"> <li>State and international business community.</li> <li>Business leadership.</li> <li>Focus on developing decision-makers and problem-solvers.</li> </ul>	<ul style="list-style-type: none"> <li>AACSB is a broad filter, but after that you have got to differentiate yourself from other AACSB schools.</li> <li>We have been fortunate that we've placed all of our students from last year.</li> <li>Every Friday we bring in one or two business leaders,</li> </ul>

	faculty. <ul style="list-style-type: none"> <li>• A great value.</li> <li>• Takes advantage of natural resources to develop uniquely focused programs.</li> </ul>	<ul style="list-style-type: none"> <li>• Practical “in-business” project work.</li> </ul>	political leaders, to campus and they sit down with and students and faculty and talk about their companies. <ul style="list-style-type: none"> <li>• What we have, located where we are is access to all different aspects of the energy industry.</li> </ul>
<b>Delta</b>	<ul style="list-style-type: none"> <li>• AACSB accreditation.</li> <li>• Ties to industry.</li> <li>• Quality of faculty.</li> <li>• Ranking.</li> <li>• Value for money.</li> </ul>	<ul style="list-style-type: none"> <li>• Long history of employer respect and alumni success.</li> <li>• Flexible class scheduling model.</li> <li>• Relationships with major business providing internships.</li> <li>• Not only educating but making better citizens.</li> </ul>	<ul style="list-style-type: none"> <li>• Accreditation is extremely important to us as a school.</li> <li>• Differentiate by the quality of our faculty, the fact that most are terminal degree holders.</li> <li>• You can sit there and your price points are competitive or even lower than some institutions that may not have that accreditation.</li> <li>• We want them to be active employees, active members of the community, so not only are you teaching just the schooling part of it, but hopefully you are making better citizens as well.</li> </ul>
<b>Epsilon</b>	<ul style="list-style-type: none"> <li>• Only State supported MBA program.</li> <li>• Extremely flexible and customizable program.</li> <li>• AACSB accreditation.</li> <li>• Real, practical business experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneurship.</li> <li>• Flexibility and customization of programs.</li> <li>• The needs of the State.</li> <li>• Practical hands on experience with real companies, underpinned by theory.</li> <li>• Generalist MBA, no majors or concentrations.</li> </ul>	<ul style="list-style-type: none"> <li>• We have a study plan made for every single student based on their interests and their needs.</li> <li>• Overall I would say that there is more interest in entrepreneurship than anything else.</li> <li>• The point of the MBA program is to serve the needs of the State.</li> <li>• It’s still only one program and students can chose to take classes depending on what their needs are so we do have students who chose, evening classes, video-conferencing</li> <li>• If you want to grow the program and to be successful you have to meet the needs of the market, it’s as simple as that.</li> <li>• It is important to have an accreditation certificate shield because you know there are about 5,000 MBA programs out there and half of them are no good for anything.</li> </ul>

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