

PERFORMANCE EXCELLENCE IN HIGHER EDUCATION: ONE BUSINESS SCHOOL'S JOURNEY

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ABSTRACT

The 20-plus year performance excellence journey of the Monfort College of Business, winner of the 2004 Malcolm Baldrige National Quality Award, is explored. A qualitative case study approach has been used to identify and describe the key factors and practices that have led to success. A model is proposed that links the key enablers with program design and delivery and program management and improvement to the associated results. This causal network is proposed as a system that has led to Monfort's ever-improving results.

METHODOLOGY

This article is presented as a qualitative case study where the authors attempt to identify the key variables and factors that have contributed to the more than two-decade journey to performance excellence of the Monfort College of Business at the University of Northern Colorado. Data were collected through a variety of methods, including in-depth interviews, document reviews (e.g., processes, results, and presentations), and observations.

These sources of qualitative and quantitative data are analyzed using primarily inductive methods described by Miles and Huberman (1994) including visual data displays (i.e., Figure 1. Causal Network). Following the guidelines for building theories from case study research proposed by Eisenhardt (1989), the emerging concepts are then compared to the findings in the literature.

CONTEXT

The Monfort College of Business (MCB) is located in Greeley, Colorado, a fast growing city of 87,526 (U. S. Census Bureau, 2006). MCB is one of five academic colleges within the University of Northern Colorado, a multipurpose institution with a combined student enrollment of over 12,000. MCB maintains accreditations in business and accounting by AACSB International—The Association to Advance Collegiate Schools of Business. AACSB places its seal of approval on only one in four U.S. business schools, and just four undergraduate-only programs worldwide currently maintain both AACSB accreditations (business and accounting). The College is

funded through a \$5.8 million annual budget that includes a \$4.8 million allocation from the State and \$1,000,000 in generous support from a network of private and corporate donors, including alumni. With an employee full time equivalent (FTE) of 48, MCB is large enough to deploy a student-centered mission, while small enough to react quickly to changes in its surrounding environment. In late 2004, the College became the first business school to receive the Malcolm Baldrige National Quality Award (MBQNA) from the President of the United States.

OVERVIEW

MCB's journey to performance excellence has been based on a singular core focus of improving the quality of its undergraduate business program. In order to continuously improve the quality of its student experience, MCB has targeted two main areas: (1) program design and delivery and (2) program management and improvement (see Figure 1). The design and delivery of the business program consists of three dimensions (i.e., high touch, wide-tech, and professional depth), while program management and improvement includes three key systems (i.e., management control, performance reviews, and strategy development/deployment). Both the program design and delivery and the program management and improvement areas are supported by four key enablers (i.e., accountability redefined, a singular focus on undergraduate education, faculty involvement, and constancy of purpose). And finally, the quality of the student experience is measured by two immediate results indicators (i.e., student performance and student satisfac-

tion). As performance on these two related indicators improves, so does overall stakeholder satisfaction and, in turn, the number of positive word-of-mouth referrals and the improvement of brand image. These last two trends result in a larger student applicant pool, and since the College is limited in capacity, it can then take advantage of this larger applicant pool by being more selective in the quality of admissions.

ENABLERS

Four key enablers have made MCB’s two-decade journey to excellence possible. These enablers made it possible for leaders to redesign the program delivery strategy and create and refine a student-centered management approach based on the MBNQA criteria for performance excellence. (Note: Identifiers used in the remainder of this paper are linked to Figure 1)

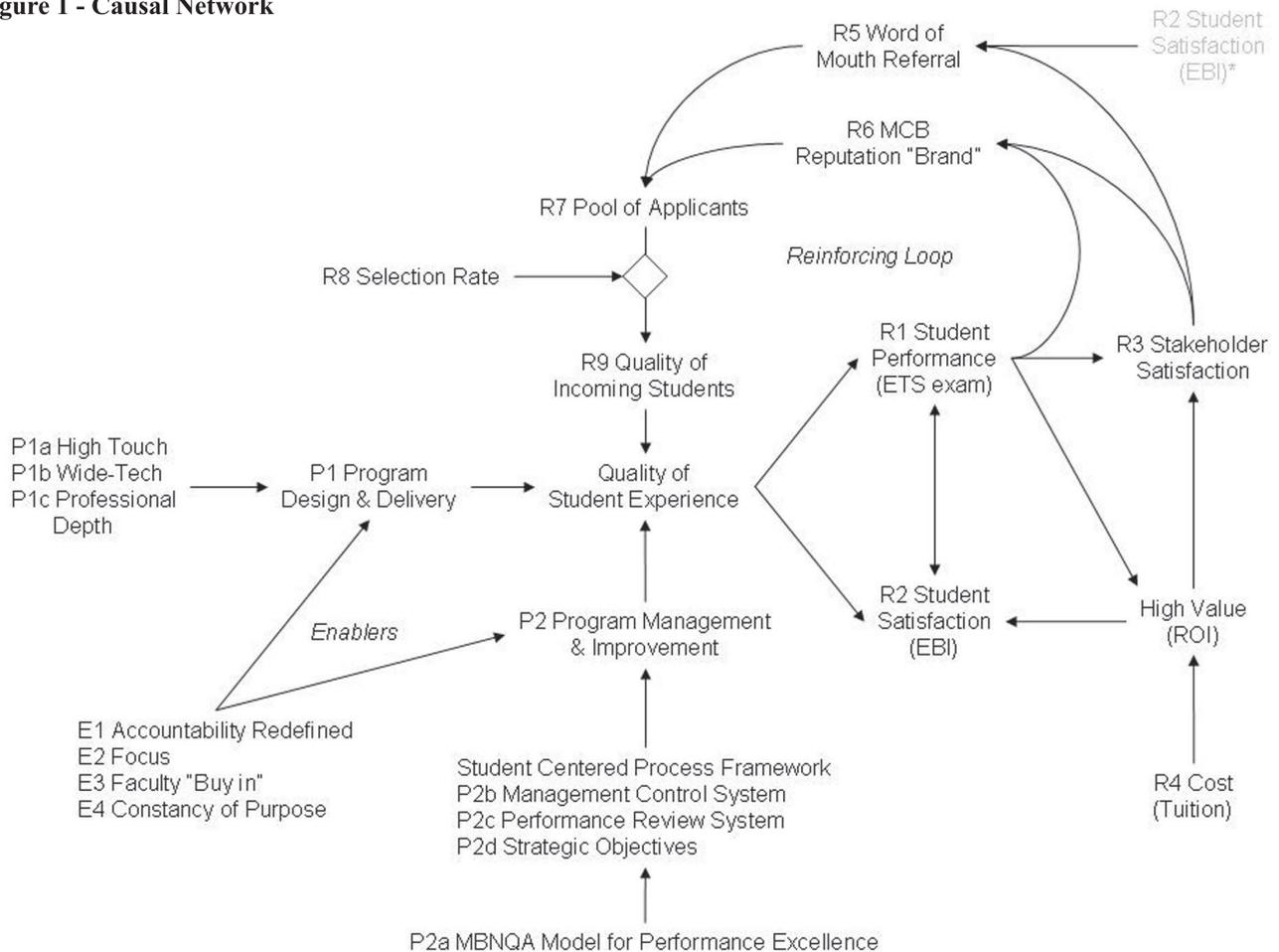
E1 - Accountability Redefined

Higher education has often “formally” dealt with quality assurance only when forced to do so. That pressure has tended to originate from any number of ex-

ternal stakeholder groups, including accrediting bodies, taxpayers and government officials, boards of trustees, and parents, to name but a few. Earlier on its journey, operating from within this traditional mind set had MCB “boxed in a corner” in some respects, as public support for higher education was beginning to erode. The College’s leaders, much like those within many higher education organizations in the U.S., began each day with the unspoken question of what was needed at that time to satisfy the stakeholder *du jour*. When a primary stakeholder said “jump” – MCB reacted by asking “how high?” Such behaviors have been more widely evaluated on a national scale in recent months as the higher education community first awaited and subsequently debated the findings of the Spelling Commission in its Report on Higher Education (2006).

What MCB has observed over the years is that when such accountability pressures build from the outside, creativity and performance are not as likely to be maximized. So, in 2002, MCB’s employees began to consider how the College could transition from a reactive and often reluctant approach toward accountability

Figure 1 - Causal Network



to one that was more proactive and positive in nature. Ultimately, the path chosen was to begin approaching these stakeholders with more of a partnership mentality.

So as the College began to embrace the Baldrige model in late 2002, its accountability approach changed more to one where it decided to take primary responsibility for its own achievement, raising the bar (in a sense) above what any external stakeholder would have expected, much less what they would have demanded. As this new model evolved, the College then began educating these outside groups of its goals and its progress, making sure to note that while that group may have expected a certain level of performance, MCB was actually thinking of a performance level much higher. The result for most of these groups was that they were then freed up from their previous role as police person or quality assurance officer and could then transition to more of a College partner role.

Several studies have proposed that the external environment and pressure are an important factor in the success of quality initiatives. Angell (2001) found that, “successful quality and environmental initiatives are driven by a mixture of external and internal pressures. Conversely, unsuccessful quality and environmental initiatives tend to be driven primarily by internal management pressures (p. 312).” Ford, Evans, and Matthews (2004) identified pressure from powerful external entities as one of five factors that connect the conduct of self-assessment to an organization’s external environment. In MCB’s case they took this external pressure and turned it into a positive force. The external pressure can also serve to motivate change. Beckhard and Harris (1987) proposed that the level of dissatisfaction with the status quo is an important factor in overcoming resistance to change. And finally, Karathanos and Karathanos (1996) concluded that the “goals of the [Baldrige] Criteria parallel those of the Accreditation Standards of the AACSB” (p. 276). However, they go on to add “that the Baldrige criteria provide more explicit guidelines for business schools in their pursuit of ongoing excellence and AACSB accreditation” (p. 276).

E2 - Focus

The benefits of maintaining a narrow focus for an organization like MCB have already been discussed by Funk (2005) in an article titled, “Narrow Focus Provides Widespread Benefits.” A more accurate characterization might be, “an appropriate focus – appropriate for the available resources.” MCB’s journey began in 1984 when its employees began pursuing their version of “A Road Less Traveled” by committing to a strategy of pro-

gram *focus* rather than program *proliferation*. Between 1984 and 1990, the College eliminated its one doctoral program, a large M.B.A. program, and all but one of its undergraduate degree programs (i.e., the bachelor of science in business administration). The result was that MCB could then focus 100% of its available resources on a single market segment of undergraduate students. For the last two decades, MCB has relentlessly pursued this focused strategy of being the *best at one thing*, rather than remaining mediocre at many things. MCB’s first pillar of performance excellence “focus,” represents its two-decade commitment to that single degree program. Collins (2001) labels this “hedgehog” concept as a key factor in going from *good to great*. The hedgehog concept is essentially being great at one thing instead of attempting to be good at many things.

E3 - Faculty Involvement and Buy-in

Faculty engagement was a critical enabler during the entire journey, beginning with establishment of the narrow undergraduate focus through the decision to utilize the MBNQA criteria. The original decision of focus was made by the faculty and leaders at a series of strategy meetings held at the Dean’s home in 1984. All faculty were engaged in setting the course and, in a sense, charting their own future.

That same approach was critical to the decision to begin using the Baldrige criteria for diagnosis and redesign of MCB’s management systems in 2002. The College’s faculty, staff, and leaders came to consensus on the need to make a long-term or stretch goal toward quality but without detracting from their focused mission. The result was a commitment to utilize the Baldrige criteria as a primary model for self assessment and organizational learning (Funk 2005, p. 41).

Arif and Smiley (2004) found that University of Wisconsin Stout (UW-Stout), the first higher education Baldrige recipient in 2001, included inputs from all stakeholder groups as a regular part of their strategic planning. They found that this increased the “sense of ownership” and reduced the resistance to change (p. 326). As part of the engagement process, a UW-Stout leader was invited to MCB’s campus in 2002 to discuss the Baldrige system and to help faculty, staff, and leaders evaluate the potential impact of a Baldrige journey on the College.

E4 - Constancy of Purpose and Leadership Involvement

The last of four key enablers has been the consistency of leadership from 1984 to 2007, with only three deans and one shared vision during that time frame. Prior

to being placed into the senior leadership role, each dean rose through the ranks of the faculty and served as the associate dean for several years, thereby developing both an appreciation for and understanding of the College's unique organizational culture. While an occasional idea has surfaced within the ranks to venture down other paths (e.g., adding a graduate program), the vision for the College has continued to enjoy broad approval between faculty, staff, and leadership.

While such resistance to changing course is healthy when an organization is on the right path, it can also inhibit progress in other situations. Deming (1986) proposed "constancy of purpose" as the first of his fourteen points for the transformation of American industry (p. 23). In addition, he goes on to identify the lack of a constancy of purpose as one of seven deadly diseases (p. 98).

Over the last two plus decades, MCB has been resolute in its commitment to a focused undergraduate mission—not viewed blindly as being a "forever" but rather as long as the College's strategic planning processes continue to identify undergraduate-only as the best path for organizational success. It is interesting to note that many of the stakeholders who were most critical of the college's elimination of graduate programs in the beginning are among the most vocal supporters of the decision today – and among the most ardent proponents of maintaining the strategy.

In addition to constancy of purpose and faculty involvement, leadership involvement was also important to the MCB journey. Senior leaders (dean, associate and assistant deans, department chairs, etc.) were personally involved with the self-assessment and improvement initiatives. Flynn, Schroeder, and Sakakibara (1995) found that top management support was critical to both infrastructure and core quality management practices. In addition they found that "quality management is a philosophy that pervades the entire organization, rather than the responsibility of a few isolated individuals or departments (p. 683)."

PROGRAM DESIGN AND DELIVERY

As stated earlier, MCB has embraced three key dimensions to help guide the design and delivery of its program. Detailed below, these dimensions collectively represent MCB's second pillar of performance excellence. Each of the three dimensions has a direct positive impact on the quality of the student experience within the College.

P1a - High Touch

MCB defines a "high-touch" program as one that results in a learning environment characterized by significant opportunities for interaction between students and high quality faculty. To accomplish this, the College addresses both parts of the equation: (1) average class size (instead of student-to-faculty ratios, which may be less representative of the actual classroom environment) and the qualifications of its faculty.

First, MCB manages its enrollments to maintain reasonable class sizes that are, on average, far smaller than those of its public peers. Historically, by having focused its resources toward a single program, the College has managed to set average class sizes (~30 or less) that are more typically found at a private university. In a recent fall semester, while MCB's average business core class size was running parallel to that of its closest private peer, its two regional public peers were averaging 100 or more for a comparable set of classes.

Second, the College places a high proportion of doctorally-qualified faculty in its classrooms (historically, here again, well above what is typical for its public peers) to provide students with a solid foundation in business theory *and* practice. And since the College offers no graduate programs, the temptation to deploy graduate students within its classrooms is remote. Approximately 95% of MCB faculty are either academically or professionally qualified within the context of AACSB accreditation standards. The majority hold their doctorate in the area in which they teach and are maintaining currency in field through related research and publishing. All but a handful of the remaining qualified faculty are what are considered to be professionally qualified and are part of the executive professor program (described under professional depth).

P1b - Wide-Tech

An MCB business student simply cannot avoid significant exposure to business technology within the degree program. Wide-tech refers to an assurance of learning that students are ready to hit the employment marketplace ready to go upon graduation through program exposure to a *wide array* of existing and emerging business technologies. The College stresses those business technologies that students are most likely to confront in industry and adapts the curriculum immediately as the marketplace reaches a tipping point toward a new software solution (e.g., Macromedia Dreamweaver replacing MS-Frontpage). Prospective students are told during their campus visit that "they do not have to *love* technology to attend MCB, but since it cannot be avoided, it will be helpful if they at least *like* it."

Arif and Smiley (2004) found that UW-Stout also

employed what they refer to as a high-tech strategy that includes websites for courses, software development to support the educational experience (simulations, etc.), and a Wi-Fi campus with laptops for every student.

P1c - Professional Depth

Professional depth involves creating a learning environment that offers students opportunities to gain practical experience *prior* to graduation through exposure to business executives and seasoned business professionals in the classroom, as well as through hands-on learning projects in and out of the classroom.

The Monfort Executive Professor Program (MEPP) was established in 1990 with a \$1 million gift from Kenneth and Myra Monfort that was targeted toward increasing the professional depth of the undergraduate program. MEPP brings nationally-known professionals and senior executives to campus to work with students. These “executive professors” can either visit campus for a day (e.g., Teruaki Aoki, COO of Sony, America), teach portions of a course on a 2-3 week appointment (e.g., Dan Guy, VP of the AICPA), or teach in residence for one or more semesters (Junius Peake, former governor/vice chair of the N.A.S.D.). The one-day visitors are often used as Business Plus speakers for outreach to the local business community as well. The program was expanded in 1999 with part of an additional \$10.5 million gift—half of which is focused on MEPP.

In 2006, the Monfort Institute Lecture Series was added to the program to bring senior executives from other Baldrige recipient organizations (e.g., Boeing, Ritz-Carlton) to campus, along with other thought leaders in performance excellence. Through these executive professor programs, students gain significant insights from recent and/or practicing business professionals.

Consistent with much of what is prescribed in the management education literature, MCB believes that it is important to offer its students opportunities for active (as opposed to passive) learning—a curricular strategy it implements through such tools as real world projects and regional/national student competitions. Kolb (1984) defined “experiential learning” as the “process whereby knowledge is created through the transformation of experience” (p. 38). Examples of hands-on experiences deployed within the MCB curriculum include a real stock/bond portfolio for finance students, an annual tax challenge contest for accounting students, a national direct marketing competition for marketing student teams, and a small business resource center for entrepreneurship students, to name but a few.

More specifically, MCB finance students manage a stock/bond portfolio of *real* money. This student-run

portfolio boasts a current value in excess of \$1.2 million, and in 2004, students earned a 34.5% return on the portfolio’s growth-equity portion, which was good for 1st place nationally in the R.I.S.E. investment competition. Innovest Portfolio Solutions LLC recently evaluated the performance of this portfolio and ranked it in the top 7% of a universe of professionally-managed, domestic balanced funds.

MCB tax students have finished in the top 6 in the U.S. two out of the last three years in the Deloitte Tax Challenge, competing head-to-head against other national universities such as Brigham Young, Boston College, and William & Mary. Many accounting students also gain experience through helping out in the Volunteer Income Tax Assistance (VITA) program.

The College’s direct marketing student teams have also performed very well nationally, placing 1st or 2nd in the DMEF’s Echo competition on ten separate occasions, including 2007.

In 2004, the College introduced a Colorado Business Resource Center (CBRC) where 50 to 60 students per semester staff a resident call-in/walk-in center for regional small business owners (and hopefuls). Arif and Smiley (2004) reported that students at UW-Stout also learn from real world experiences including internships and observations.

PROGRAM MANAGEMENT AND IMPROVEMENT

MCB uses a student-centered process framework (SCPF) as its primary tool for organizing, aligning, and integrating its management systems (see Figure 2). The framework’s processes begin with the recruitment of new students and end with the production of alumni, who ultimately leave the program as potential employees ready for careers in business. With students at the core of this model, MCB seeks to identify and manage the primary components over which it has some degree of control, in order to create the highest-quality graduates. This SCPF serves as the primary structure for the management control system, the performance review system, and the strategic planning process.

P2a – MBNQA Model for Performance Excellence

The Malcolm Baldrige National Quality Award (MBNQA) Criteria for Performance Excellence served as the basis for the diagnosis and redesign of the College’s management systems. The widely-used MBNQA model is composed of seven categories that address organizational processes, as well as results. The seven categories include leadership, strategic planning, customer-focus (student and stakeholder focus), information and analy-

sis, workforce focus, process management, and a comprehensive six-panel scorecard (NIST 2007).

MBNQA self-assessments are context-based process and performance assessments congruent with the theoretical frameworks proposed by Van de Ven (1976) and Duncan, Ginter, and Swayne (1998). Argyris (1994) proposed that double-loop learning is a powerful approach to change and involves challenging the underlying assumptions, altering the governing variables, and then modifying the actions.

Ford and Evans (2001) and Benavent (2006) each found that self-assessments using the criteria for performance excellence encourages and supports double-loop learning. It is the redesign of key processes that is the most powerful aspect of an MBNQA assessment.

Pannirselvam and Ferguson (2001) found the MBNQA framework provides a model that helps organizations go beyond focusing on controlling the quality of individual process to assessing and improving the overall system, including employees, customers, and leadership supported by a solid information system. Prybutok and Stafford (1997), in describe the Baylor Health Care System’s use of Baldrige as a tool for self-assessment, reported that the “results of the MBNQA survey helped focus the planning team’s efforts on improvement, rather than dwelling on Baylor’s considerable successes (p. 47).”

P2b - Management Control System

A somewhat traditional college committee structure is aligned with the SCPF tied into the key areas that support MCB’s central value chain. The College has also developed a network of key partnerships to assist in improving organizational performance, including a

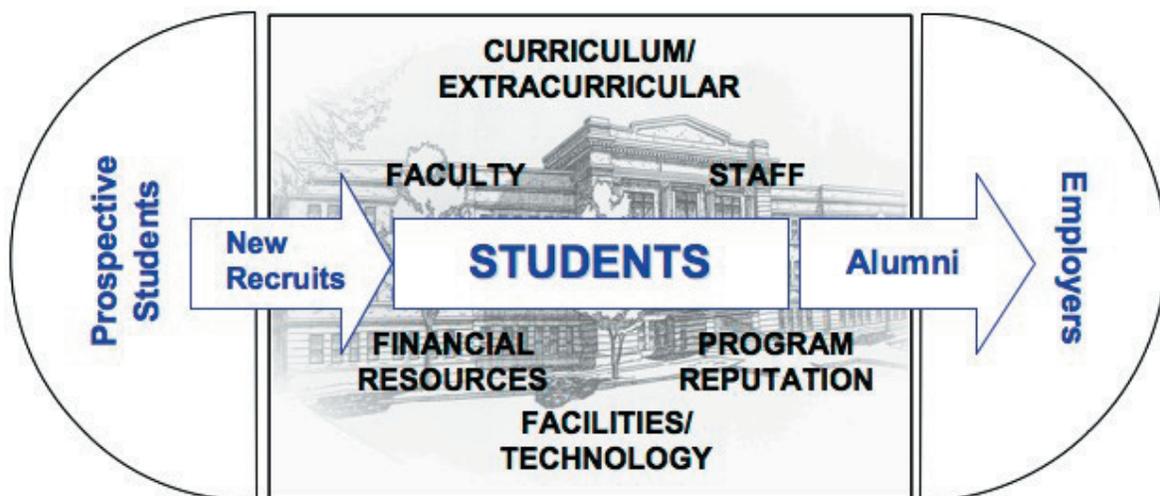
board of advisors, multiple on-campus partner entities, and parents of current students.

The Dean’s Leadership Council (DLC), which meets on campus each fall and again in the spring, consists of approximately 30 senior executives from Colorado and the surrounding states. These individuals provide counsel and assistance to MCB’s senior leadership team. The DLC includes practicing professionals such as the co-founder of Boston Chicken, a regional vice president of State Farm Insurance, and the President of Major League Baseball’s Colorado Rockies, among many others. Such individuals not only have valuable experience from which the College can draw, but are well-connected within the employment market where the Colleges graduates begin their careers. One of the DLC members currently has 27 MCB graduates working within his company.

The College also works closely with its key on-campus partners (e.g., admissions, campus information technology, library, UNC Foundation, etc.). MCB leadership meets regularly with each partner to review respective performance and identify opportunities for improvement. Each on-campus partner has been identified based on its fit within the College’s student-centered process framework and the ability to enhance joint partner performance through interaction.

As one example, MCB’s dean meets monthly with the director of admissions to review areas that are working as desired, as well as opportunities for improvement in the recruitment of new students. Over a four-year period, this partnership has proven of such value that each partner has worked to reschedule numerous other commitments in order to assure that time is preserved for these monthly check-ins.

Figure 2 - MCB’s Student-Centered Process Framework (SCPF)



As another partnership example, the economics program and faculty are housed within the College of Humanities and Social Sciences at UNC, even though economics is regarded as a core component within the business curriculum. As a result, MCB works very closely with the economics faculty to align curriculum delivery in such a manner so as to assure learning of core economics concepts by MCB students. Since 2001-02, MCB performance by graduating seniors on the economics portion of the national ETS major field test has improved from the 56th to the 85th percentile.

Overall, MCB's student-centered process framework and its cross-functional employee teams are each aligned to these key partnerships. Each on-campus partner ties to an identified area of the SCPF, providing definition and direction to key areas of focus for those campus representatives. And the DLC, as a more specific example, not only works to identify executive professor candidates for the faculty, but also assists in raising private financial support, reviews the College's curriculum for relevancy, helps to build program reputation, and works to identify employment opportunities for graduates.

Most recently, the College added "parents" of current students as an additional key partnership group. Even though the Family Educational Rights and Privacy Act (FERPA) creates some significant barriers regarding the sharing of student information with parents, many significant opportunities for college/parent partnerships remain, and MCB has continued to derive significant value from its interactions with parents as a key stakeholder group. For example, the College sends various program notices to parents so that they can influence their students to attend. Following one such parent announcement regarding the availability of a free on-campus student seminar on resume building, student attendance increased dramatically over the previous year with no other MCB intervention.

P2c - Performance Review System

Beginning in 2002, MCB began refining a rudimentary system consisting of hundreds of informal performance indicators (i.e., key success measures) into a streamlined and more actionable scorecard system of 60 metrics. In 2003, the 60 metrics were further refined by segmenting the overall set into 20 key performance indicators (KPIs) and 40 supporting performance indicators (SPIs). Furthermore, many of these measures now represent broad-based national comparisons, with a general MCB goal of performing at or above the top 10% level. Performance reviews are now conducted within each of the College's committees, with the standard task

of identifying how performance can be improved in any given area.

One tool used for gauging performance on these individual indicators is a "stoplight system" of red/yellow/green assignments based on whether performance is increasing, staying the same, or declining within a given measurement cycle, typically annual in length. The College now maintains a single SCPF diagram with color-coded KPIs (round) and SPIs (square). This diagram enables MCB to present a single visual diagram of annual performance to any given stakeholder group that quickly and easily provides a snapshot of overall organizational performance at a glance.

Performance review systems require a comprehensive set of measures, a method to make sense of the results, and an information system to support the collection and analysis of said measures. Leaders need a comprehensive scorecard to help them guide the organization to higher levels of performance and create value for multiple stakeholders (Bell and Elkins 2004 and Kaplan and Norton 1992). In addition, Karathanos and Karathanos (2005) propose that the alignment of all the measures with the organization's vision and strategic objectives is a critical factor for an effective balanced scorecard (p. 222). MCB uses its SCPF to select its performance indicators and align those indicators with the College's five strategic objectives. The SCPF helps MCB analyze the overall system and make changes at key leverage points.

Finally, Prybutok et al. (2001) identifies information and analysis as one of three factors that most influences senior leadership (p. 55). The performance review system is dependent on a solid information system to collect, store, analyze, and present the results to support senior leader reviews.

P2d - Strategic Management System

Kaplan and Norton (1996) connect the scorecard and the analysis of organization performance (P2c) with strategic management (P2d). MCB has created five strategic objectives (e.g., recruit and retain a high quality student population), each in response to a strategic challenge and based on a component from within the SCPF. All 20 KPIs align directly with one of these five strategic objectives, which helps to assure that the College's energies and resources are focused on what has been agreed are the most mission-critical areas.

Arif and Smiley (2004) found that the strategic management system was also a central feature of UW-Stout's journey to performance excellence. Gilmour and Hubbard (1997) found that strategic management was also at the "core" of Northwest Missouri State

University's efforts to improve their strategic position (p. 81).

There are significant connections between strategic management and MBNQA assessment and improvement. First, MBNQA assessments support the continued assessment and redesign of an organization's strategic management system (Benavent 2006, and Ford and Evans 2000). In addition, the assessment and improvement of the organization's systems, process, and scorecard can also be a key part of the overall strategy (Ford and Evans 2001).

RESULTS AND OUTCOMES

To validate, as well as to continuously learn from its actions and experiences, MCB measures the performance of each of these key processes and practices. The key results and outcomes that MCB focuses on are related to student and stakeholder performance and satisfaction, the value of the education, and the resulting benefits (e.g., improved program reputation, word-of-mouth referrals, and the quantity and quality of its student applicant pool).

Evans and Jack (2003) confirm the linkage between system improvement and results. Hendricks and Singhal (1997) found that "overall, the results provide strong evidence that firms that have won quality awards outperform a control sample on operating income-based measures." Over a ten year period, starting six years before to three years after the year of winning the first quality award, the mean (median) change in the operating income for the test sample is 107% (48%) higher than that of the control sample (p. 1271)." Jacob et al. (2004) found that "award winners are more successful firms and are valued higher by investors. However, the award itself has not created value, since it did not create any value differences subsequent to the firms receiving the awards (p. 911)."

R1 - Student Performance

MCB has achieved top 10% results on a number of its key learning metrics. Each of the College's graduating seniors completes the ETS major field test (MFT) in business as a comprehensive assessment experience in the BAMG 456 capstone course. The MFT was administered at 513 peer business programs across the U.S. between 2003 and 2005. Since 1993-94, MCB's overall performance has improved from the 66th to the 95th percentile, and 2005-06 seniors recently earned the College's highest-marks ever. Worth noting here is that while the College's overall ETS performance did slowly improve over a several year time frame, it was not until the Baldrige framework was formally integrated that the

rate of performance improvement began to accelerate and the performance variation between sub-assessment areas was drastically reduced. For example, in 2001-02, MCB's performance on the various sub-assessment areas ranged from the 56th to the 97th percentile, with six of the eight scores below the 80th percentile. By 2005-06, the range had tightened to the 85th to the 95th percentile, with only one area below the 90th percentile.

R2 - Student Satisfaction

Student satisfaction is influenced by three key factors: student experience, student performance, and cost. Utilizing data from the national EBI undergraduate benchmarking study regarding the extent to which MCB enhanced student ability to use and manage technology, MCB was rated in the top 1% and 2.5%, respectively. On the additional measurement of alumni (an assessment that reaches farther into past performance), MCB scored in the top 5% in the U.S. on perceived student ability to apply technology. Each of these results ties directly back to an assessment of the College's program delivery dimension of wide-tech.

As a more encompassing measure of meeting customer expectations, the College also tracks overall graduating senior satisfaction and has performed in the top 1% in the U.S. for four straight years. In short, graduating student satisfaction was already good when MCB started using Baldrige, but here again, the rate of improvement and the overall level of performance began to improve more rapidly as the College's understanding and deployment of Baldrige principles continued to mature.

In their study linking firm performance to MBNQA implementation Davis and Stading (2005) found that managers, in addition to expecting higher financial performance, also expected to see a significant rise in customer satisfaction over current levels (p. 28).

R3 - High Value - Return on Investment

MCB's third pillar is the creation of high value for its student customers. Given that its pricing is highly regulated by the State of Colorado, the College made a decision in 2002 to translate its pursuit of excellence into a "value" strategy (i.e., quality divided by price). As price increases at a slower rate relative to quality improvements, customer value goes up.

In 2003, MCB's tuition price was 47% of the national average for 4-year institutions and one of the lowest in the Rocky Mountain Region. However, its student placement rates have improved to 97% or higher within eight months of graduation, and students now rate MCB as an excellent investment with a graduating

senior score that is in the top 2.5% nationally. Furthermore, the average starting salary for an MCB graduate, divided by four years of tuition and fees was equal to a student “return-on-investment” that was 29% above the U.S. average for 2004.

R4 - Stakeholder Satisfaction

MCB measures the satisfaction of two major stakeholder groups—parents and employers. The College’s students and parents expect and deserve a high-quality education at an affordable price, and the eventual employers need interns and graduates who are prepared to think critically, communicate effectively, and behave ethically, all within a technologically-advanced business setting. In addition, Colorado’s taxpayers value the production of graduates who will enhance economic development and add value to the nonprofit and government sectors within the State, and MCB’s alumni want to see that the value of their degrees are enhanced through continued improvements in the quality and reputation of our College. MCB parent satisfaction has held steady at 97% or above since 2004 since tracking of that variable was initiated.

R5 - Word of Mouth Referral

The increase in word of mouth referrals has led to a reinforcing loop similar to the one proposed by Senge (1990) when he describes the loop of (a) sales – (b) satisfied customers – (c) positive word of mouth – (d) more sales (p. 81). Further evidence of word-of-mouth referral improvements is evidenced based on the results from MCB’s annual surveys of continuing students. The College has shown consistent improvement in the proportion of current students who would recommend MCB to a family member or friend, with a 2006 score of 97.4% which compares very favorably with other high

performing organizations. Worth noting, is that MCB had never scored higher than 84% on this variable prior to implementation of the Baldrige criteria.

R6 - MCB Reputation

While the College had earned a strong local reputation prior to 2002, it was not until its successful results in other areas began to garner greater national attention that it began to move up in the national rankings. More specifically, MCB was unranked in U.S. News and World Report’s *Best Undergraduate Business School* rankings for 2004 and prior. The College was listed at 250th for 2005, moved up to 199th in 2006, and climbed all the way to 116th for 2007.

Undoubtedly, receipt of the Baldrige Award helped in this regard, but student successes in the national accounting, finance, and marketing competitions, as well as best practices sharing by MCB faculty and leaders have also helped to build awareness and a growing reputation for excellence at the national level. For the first time in Fall 2006 and Spring 2007, the University of Northern Colorado on-campus recruiting fair for potential business employers reached capacity limits and had to be closed to additional requests for interview space.

R7 - Pool of Applicants and R8 – Quality of Incoming Students

Positive word-of-mouth referrals and reputation-building have led to steady increases in the size of MCB’s student applicant pool, and in turn, subsequent improvements in the average quality of the student population. Since the College has a limited capacity (i.e., constrained by fixed faculty resources and targeted average class size of approximately 30 in order to maintain a “high-touch” program delivery), MCB can be more selective in its applicant pool to raise the average quality of the incoming student (e.g., average composite ACT score). In fact,

Table 1 - Summary of Key Results

		'00	'01	'02	'03	'04	'05	'06	'07
R1	Student Performance ETS Field Test ¹	73 rd	89 th	77 th	89 th	90 th	90 th	95 th	
R2	Student Satisfaction (EBI Factor 16) ²	5.69	5.66	5.63	5.84	5.89	5.94	6.30	
R4	Stakeholder Satisfaction (Parents)	n.a.	n.a.	n.a.	n.a.	100%	97%	100%	97%
R5	Word of Mouth Referral (EBI Q 66) ²	6.00	5.93	5.93	6.18	6.21	6.17	6.57	
R6	Reputation (Ranking)	n.r.	n.r.	n.r.	n.r.	250	199	116	
R7	Number of Applicants	n.a.	n.a.	n.a.	n.a.	773	941	1071	1,081
R8	Quality of Student Population (ACT) ³	n.a.	n.a.	23.3	23.5	23.6	23.1	23.6	

¹National Percentile

²Average Score on 7 pt. scale (higher is better)

³R9 decreased in '05 due to a significant increase in the applicant pool; MCB responded by raising admission standards for '06, and the average score increased again.

n.a. = not available

n.r. = not ranked



the rate of admits to applicants has dropped from 67% in 2004 to 43% in 2007 (i.e., 43% of those students admitted to the university are subsequently admitted to the more-selective college). If additional faculty resources became available, the College could increase its capacity and use this reinforcing loop to grow in size. As things currently stand, though, the increased student quality has helped the faculty improve the student experience which, in turn, improves student performance, satisfaction, etc. This also helps to explain the continued improvement even after receipt of the Baldrige Award.

LIMITATIONS AND FUTURE RESEARCH

This study was based on a single case profile with little comparisons to other high performing higher education organizations or a control group of average performing higher education organizations. There is a need to continue this research by conducting case studies at other high performing organizations within the higher education community and then using those case studies to conduct cross-case analyses with MCB to determine the common themes and confirm or adjust the findings in this study. Eventually, additional research will need to be done that compares the findings to a control group and tests the propositions identified by the cross-case analysis.

CONCLUSION

As the model presented in this paper suggests, many of MCB's performance results in various areas appear to reinforce and contribute to higher performance in other areas of the College. Students that are satisfied with their experience and engaged in their program of study (high touch) perform at a higher level on measures of learning outcomes.

And the proactive approach MCB has taken by making accountability an inward instead of outward-driven mentality has created a stakeholder relationship model that is far more "partnership friendly." Although potentially risky in some respects, MCB has found that such an approach creates a much greater measure of shared ownership for the College's stakeholders, particularly for students. For example, through an understanding that one's achievement on nationally-normed tests can directly impact the value of one's degree (e.g., attractiveness of recruiting on campus by area employers), MCB students have increased their efforts on such curricular assessments. This, in turn, better informs the MCB faculty on effective versus ineffective segments of the curriculum and instructional practices, thereby enabling more informed improvement cycles.

Certainly one question that begs further research is

the relationship between performance and satisfaction over time. One might hypothesize that initially, the publicity of higher performance would increase student/stakeholder satisfaction. However, as new students are attracted to the organization because of its prior results, they may bring with them higher, if not unrealistic, expectations. This relationship between satisfaction (and perhaps student engagement) and performance, it seems, will require additional study and certainly careful management over time.

And finally, while positive change is reinforcing, it also presents the achieving organization with an ever-present pressure to improve. Stagnant or declining performance can undoubtedly quickly erase gains in fundraising, reputation, and rankings. Therefore, another challenge to organization that do determine how to perform at an exceptionally high level is how to "sustain the gain" over an extended period of time.

Undoubtedly, the debates over which market segment(s) to pursue and how many to divide one's resources between will carry on for decades to come within the higher education community. However, the example of the Monfort College of Business offers some compelling evidence of the inherent power that can be found within a combination of market focus, constancy of purpose (including consistent leadership) and a Baldrige-based performance improvement platform. Wilson and Collier (2000) found support for the general theory behind the MBNQA criteria and a causal model—namely, that leadership drives system performance, and these two factors combine to produce business and customer satisfaction results (p. 379). MCB employees and stakeholders would undoubtedly agree with such a conclusion based on their own direct experiences.

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