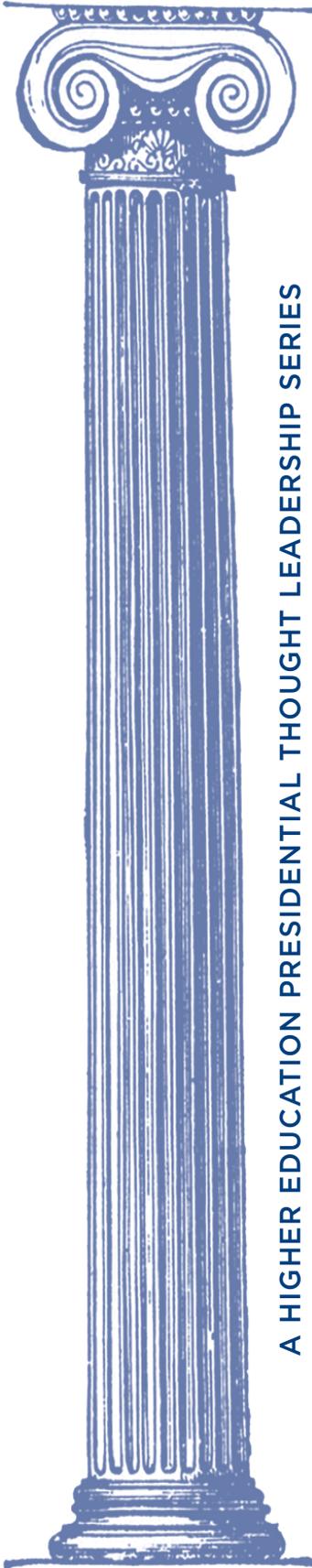
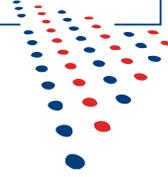


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PRESIDENTIAL PERSPECTIVES



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CHAPTER

8

**Culture Trumps Strategy;
Culture Defines the Strategy**

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Culture Trumps Strategy; Culture Defines the Strategy

Dr. Thomas L. Hellie: President of Linfield College

“After working on strategy for 20 years, I can say this: culture will trump strategy, every time. The best strategic idea means nothing in isolation. If the strategy conflicts with how a group of people already believe, behave or make decisions it will fail. Conversely, a culturally robust team can turn a so-so strategy into a winner. The ‘how’ matters in how we get performance. Yes, it does.”

— Nilofer Merchant, “Culture Trumps Strategy, Every Time,” [Harvard Business Review](#), 2011

I became President of Linfield College in 2006. Shortly after my arrival, I attended the Harvard Seminar for New Presidents, where Judith Block McLaughlin’s advice really stuck with me: to be successful, a president must understand, embrace, and articulate the identity and culture of one’s institution.

This confirmed my preconceived notion about presidential fit. In the 17 years prior to my presidency, I worked first for a consortium of liberal arts colleges and then at a private foundation. I met hundreds of college presidents and had a unique vantage point on their success or failure. There were many factors, of course. Timing was important—different periods in a college’s history call for different expertise and styles of leadership. But presidential success did not seem to result from force of will, charismatic power, or even creative brilliance. Presidents achieved long-lasting success by working with their college communities, identifying strengths and opportunities, then shepherding from behind or working from the middle; not by asserting themselves as valiant commanders on the front lines. Successful presidents engaged their boards rather than keeping them at arm’s length. And successful presidents collaborated with the faculty. In other words, successful presidents understood and embraced the nature of their institutions.

Linfield is a private liberal arts college located in the heart of Oregon’s Willamette Valley, about 35 miles southwest of Portland, 20 miles from the Coastal Mountain Range, 40 miles from the Pacific Ocean. Founded by Baptists and chartered in 1858, the college has about 2,200 undergraduate students—1,700 on the residential campus in McMinnville, 300 at the nursing school in Portland, and 200 in the oldest adult degree program in Oregon. When I arrived in 2006, the college was in good shape. During the presidency of my predecessor, Vivian Bull, Linfield had more than doubled the physical size of its main campus and added 13 new buildings. Academic quality—both among faculty and students—had steadily risen. I was recruited to continue the momentum, develop the board, and launch a new fundraising campaign.



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Of course I chose Linfield even as Linfield chose me. With a strong egalitarian culture and a fierce commitment to shared governance, consensus-building would be very important for any president. The culture of the college was evident in many small ways—for example, faculty rank was ignored when marching for commencement or convocation—and in bigger ones: the faculty still made institutional decisions about vacation schedules and admissions approval that are commonly associated with the administration at other colleges.

In 2007 we conducted a campaign feasibility study, formed a fundraising committee, and secured the lead gift commitment for a new academic building. We solicited our wealthier trustees for endowed chairs and scholarships. We began the quiet phase of our campaign.

And then the economy tanked.

Virtually all of our major donors saw dramatic declines in their wealth and/or health. One declared bankruptcy. Another died. Nearly everyone, aside from the lead donor, asked for time, forbearance, or forgiveness. We decided to defer the campaign. And we worried about enrollment during troubled times. My presidency had changed. Instead of pushing full-steam ahead, my first responsibility was to keep us afloat.

Like everyone else, I read the articles asserting that we must transform ourselves or die. For-profit online education would put us out of business, some claimed. Or perhaps MOOCs would be the disruptive technology that made us obsolete. Demographic change would threaten or doom small private colleges—most of our students were white. Experts encouraged presidents to use the economic downturn to justify controversial but necessary changes in personnel and programs. The times seemed to call for tough decisions; survival apparently depended on radical transformation.

But I'm not the kind of person who can lead a transformation by force of personality, nor did I want to. In fact I believed in our mission and performance more than ever; after all, our nation needed well-educated citizens more than ever. And while we felt real economic pressure, our budget was still balanced. I did what we typically do at Linfield: I turned to our college community, seeking their advice and help.

We decided that we needed to play the cards we were dealt—but we avoided disruption and we looked to improve rather than transform Linfield College. We trusted our mission and refused to abandon our personalized form of education. We banded together and looked for opportunities to strengthen the college. Our endowment was smaller than our competitors'—but we had already reduced our spending rate to 4.5%, and the stock crash made a smaller impact on our operating budget. Our traditional enrollments shrank for a couple years, but our nursing program and adult degree program saw heightened demand. Our campaign was forestalled, but when our trustees learned that construction costs had plummeted by 25%, they pledged and funded our new academic building. We did not eliminate positions or programs, so when vacancies occurred, the tight job market enabled us to hire enormously talented new professors.

When the country came out of the prolonged downturn, we found ourselves stronger than when the problems began. It was a good time to launch a strategic planning process. Because of our culture, we invited everyone to participate—alumni, trustees, parents, students, faculty, and staff at all levels. The process took a year and half. It was both exhaustive and exhausting. But we created a plan for the college that is cited at every cabinet, faculty, and trustee meeting. It defines the priorities of our reborn comprehensive campaign. It is a blueprint for improvement that flows directly from our mission and shared values—it strengthens Linfield, it doesn't disrupt or transform us.



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Certainly we recognized, and still face, real challenges. Linfield is not well-known nationally, and aside from our successful football team we aren't clearly differentiated from other good small colleges. Linfield has historically enrolled white students, mostly from Oregon, but that population is shrinking even as Hispanic numbers are on the rise. And although our endowment has doubled in the last six years, we remain highly dependent on enrollment revenue; recruitment and retention are critical to our success.

The plan calls on Linfield to become known as a welcome destination for Americans of color, especially Hispanics. When I arrived in 2006, approximately 10% of our students were Americans of color. We enlisted trustees, faculty, professional staff, hourly staff, community figures, and student leaders in making a change. Over the last five years, our multicultural enrollment has grown to 36%; the entering class of 2015 is 39% Americans of color. This growth occurred because we emphasized our traditional values of community, inclusion, equality; we didn't change our culture, we exploited it.

Our plan especially focuses on the experience and success of our students. When surveying our alumni, they invariably spoke of personalized education, close work with faculty, and experiences outside the classroom. Thanks primarily to new gifts to the endowment, we have now increased the size of the faculty by 5% in the last three years and hope to double those results by 2018; our student-professor ratio now stands at 10.5 to 1. We have invested significantly in experiential learning; 87% of our 2015 graduates report one or more off-campus internships, double the number from five years ago. For many years our freshman-sophomore retention rate averaged 81%; last year it was 88% for all students, 90% for our Hispanic population. These improvements occurred because the people who created the strategic plan—the board, the faculty, and the staff—were committed to enact it.

While we're not well known nationally, we are located in one of the most attractive places in America. We needed to take advantage of our location, so we created the Linfield Center for the Northwest capitalizing and focusing on opportunities at the nearby coast, in adjacent forests and mountains, among Hispanic agricultural workers, and in Oregon's booming wine industry.

For nearly 30 years, Linfield has hosted the annual International Pinot Noir Celebration, which brings 1,500 wine enthusiasts, journalists, and producers to our campus. Oregon now boasts 670 bonded wineries; 300 of them are within a 40-mile radius of our college. Three years ago, we established the Oregon Wine History Archive at our library, preserving not only the artifacts and papers of Oregon's wine pioneers, but also allowing students and faculty to interview and record the stories of the founders—not just the winemakers but also the vineyard workers who have tilled local fields for half a century.

We have created a wine lecture series that brings to campus many of the people who work in the industry. We have recruited six trustees affiliated with the wine business. Faculty in accounting, biology, chemistry, history, marketing, mass communications, and sociology have directed student research or included wine-related components in their courses and scholarship. We have established a January Term program for our students, who first interview the founding families of Oregon's wine industry, and then travel to Burgundy to learn of Oregon's 50-year partnership with wineries there.



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We are building a unique identity for the college by taking advantage of our location, but we do so primarily within the departments and disciplines that have existed here for generations. We also hope enhance net revenue by providing educational experiences for adults wishing to advance in the industry—or for enthusiasts who want to combine learning with tourism during Oregon’s beautiful summers. We do not aspire to become like University of California-Davis, which boasts America’s greatest wine training and research programs; rather, we will study wine by employing the traditional methods and disciplines of the liberal arts.

This strategy takes advantage of our location and remains consistent with our culture. We are changing, but we are not transforming. Linfield’s Baptist founders would probably be alarmed to see our students studying about wine, but they would recognize the disciplines we employ and the culture we embrace.

Different times and different institutions call for different kinds of leadership and innovation. But I remain convinced that the old maxim about culture dominating strategy remains true. I also continue to believe that private residential undergraduate colleges are as important as they have ever been. And so far, at least, we have been able to adjust to the challenges, and get stronger, without undermining our identity or our mission.



Dr. Thomas Hellie has been President of Linfield College in McMinnville, Oregon, since 2006. A native of Minnesota, he studied speech and theatre at Luther College (Iowa) and earned his M.A. and Ph.D. in theatre history at the University of Missouri. He began his academic career at Hiram College, where he was associate professor of theatre and English; he spent ten years as vice president of the Associated Colleges of the Midwest (Chicago) and then led the James S. Kemper Foundation for seven years prior to the Linfield presidency.

At Linfield, a liberal arts college with approximately 2,200 students, Hellie has led successful campaigns that endowed four new faculty positions, built or renovated six buildings, and doubled the college endowment. He created the Linfield Center for the Northwest, an interdisciplinary hub for programs and research in Oregon’s Willamette Valley, and he founded Oregon’s Wine History Archives. During his presidency, Linfield’s multicultural student population has grown from 10% to 35%.

In 1996, Palacky University (Czech Republic) awarded him its highest honor, the Pametni Medal, for his contributions to Czech higher education following the Velvet Revolution. In 2010 he was named “Outstanding Alumnus” by Luther College. He has served as Secretary of the Board of the Foundation for Independent Higher Education, Chair of the Student Aid Committee of the National Association of Independent Colleges and Universities, and Chair of the Oregon Independent Colleges Association. In January 2016 he will become Chair of the Board of the Council of Independent Colleges.

