

The Importance of Strategic Communication during Change Management at Palm College of Hospitality and Event Management¹

By Caroline Day, Mathilda Van Niekerk and Fevzi Okumus

Introduction

Organizations are never static, and they are part of a changing world - tomorrow's world will be different from today (Brown, 2011). Therefore, managing change is crucial for all organizations, particularly for higher education institutions. Scholars have agreed on the role and importance of strategic communication during change management (Invernizzi et al., 2012). Without strategic communication, employees, managers, and external stakeholders may feel alienated, question directives given to them, and fail to buy in to the changing mission and vision of the organization (Salem, 2008). Effective strategic communication with employees in the organization is considered as a keystone in the change management process (Barrett, 2002). When change is managed and communicated effectively, those who belong to and are committed to the organization feel included, satisfied, engaged, and remain committed to the organization. This kind of change provides a basis for growth, where appropriate, and for renewed or increased productivity, satisfaction, and loyalty.

Palm College of Hospitality and Event Management is currently undergoing a change in administrative leadership. Specifically, the dean of almost 10 years has retired in a time characterized by communication gaps, and this led to declining morale caused by inadequate dissemination of information to the staff and faculty, and a lack of a clear vision. The changes in the institution need to be communicated in such a way that it actually improves the workers' morale and provides faculty and staff the information that they need in order to support the new vision of the college. This case study concerns these changes; it is theoretically grounded in the entrepreneurial organization theory (EOT) and its contribution to strategic communication (Invernizzi et al., 2012) during change management. The main questions that this case study aims to address are:

- How should the new dean, as part of the "aligning" component of strategic communication, include, engage, and develop long-lasting partnerships with the most important stakeholders in the college?
- How can the new dean energize and stimulate organizational partners' orientation to innovate and to create collaborating

networks that drive innovation?

- Which methods should the new dean use to define and diffuse the corporate strategies, guiding values to portray the common vision of the future and the mission?
- Which strategies can the new dean use to analyze the competitive environment and organizational settings of the college?

Theoretical Foundation

Strategies for managing change effectively in higher education institutions have been studied and published extensively. For example, Matzler and Abfalter (2013) conducted an analysis of what makes a higher education institution successful and have created a checklist of what an organization in change needs to have to remain successful. The aspects identified by them are synthesized as follows: (1) a robust college culture marked by a clear vision and values, (2) innovation and entrepreneurship, (3) situational awareness of the college, (4) faculty and staff whose skills are so developed that it sets them apart from others at their college and other universities. In addition, Wilson (2014) suggests keeping people informed and being transparent in the change process to allow people to understand and support it.

Smilansky (2015), in turn, refers to the six secrets of successful change management. The first secret is communication. He suggests that fully explaining the purposes and goals behind the change can assist in forming a more positive view of the change in those affected by it. When a change comes seemingly out of nowhere, employees can resist it, feel alienated, and have questions that are entirely unanswered. By communicating the purpose, context, and intended effects of the change, employees feel included and are more likely to buy in to the change. Other secrets are to connect peers with purpose, to have capacity building prevail, to support the notion that learning is the work, to remember that transparency rules and to focus on systems learning. Morrow (2015) also provides several key elements that are necessary for successful change management. These include sharing a vision, meaningful and pertinent communication, clear leadership, and defined organizational structure. Gilley et al. (2009:90) suggest that, "leaders who address issues of motivation and communi-

Caroline Day, Mathilda Van Niekerk and Fevzi Okumus are all affiliated with University of Central Florida.

¹ This is hypothetical scenario based case study that was written for the purposes of classroom discussions. It was not intended to show effective or ineffective handling of decisions or to interrogate a managerial situation. Published materials and academic sources were used when preparing this case study.

Figure 1

Strategic Communication



Source: Adapted from Invernizzi et al., 2012

cations are more likely to successfully implement change". The above study shows that effective communication is critical and that it results in informing and motivating employees. Gilley et al. (2009) claim that failure to engage the critical tools of motivation and communication will result in change management failure.

According to the Entrepreneurial Organizational Theory (EOT), the strategic contribution of communication to organizational change management process is based on four core components (Figure 1): (1) aligning, (2) energizing, (3) visioning, and (4) constituting (Invernizzi et al., 2012). The "aligning" component of strategic communication focuses on the environmental scanning of the organization (Hallahan et al., 2007). It is important to interpret and monitor the ongoing changes within the environment, both internally and externally, and to align the organization accordingly. The organization aligns itself with its most important stakeholders, developing long-lasting partnerships and relationships. The "energizing" component deals with the important role that communication plays in stimulating the organizational partners' orientation to innovation. It is important to create networks during this phase that drive innovation through the development of capabilities, existing resources, and the spread of knowledge. Strategic communication is used to transmit the spirit of innovation in the organization and its stakeholders and also to stimulate them to express their opinions. Strategic decisions are therefore taken with the involvement of the most important stakeholders. The "visioning" component of strategic communication is then used to communicate the corporate mission, guiding values and strategies that were agreed on during the energizing component phase. Strategic communication is used to transmit the spirit of innovation in the organization and its stakeholders and to stimulate them to express their opinions, as well. Strategic decisions are therefore taken with the involvement of the most important stakeholders. The "visioning" component of strategic communication will then be used to communicate the corporate mis-

sion, guiding values and strategies that were agreed on during the energizing component phase. Strategic communication is used to shape a clear organizational position in the minds of all the stakeholders and assist with the development of a long-term vision. The last component is identified as the "constituting" component. Constituting refers to the organizational settings and the representation of the competitive environment through communicative activities that makes sense to all stakeholders. Stakeholders understand the way forward by communicating decisions. These four identified components are not related to each other and must be evaluated and used independently. For this reason, there is no starting point, and each component of strategic communication can follow a different path.

Case Synopsis: Palm College of Hospitality and Event Management

Palm College of Hospitality and Event Management is a private college. Since 2006, it has been under the leadership of the same dean. Financially, the college has demonstrated positive performance, making millions of dollars annually, even in the face of an economic downturn. Enrollment has been consistently, albeit marginally, on the rise. Substantial grants and donations have been received at rates previously unseen in the college's history. Overall, the college has been on a consistent growth trajectory that can be summarized in three topics.

Firstly, in construction, there is an incredible amount of work being completed. Since 2006, the college has constructed the following major buildings: a residence hall that has doubled the number of available beds for on-campus housing; a classroom building with tutoring labs, research labs, and faculty offices; a welcome center that houses the administration and functions as an elite event space. In the coming months, the library will be razed to make way for a new student center, due to open in 2017; staff, offices, and books have been temporarily relocated. For the next ten years, the college has the following construction projects on the horizon:

two more residence halls, more classroom buildings, parking garages, and supporting infrastructure on campus and in the surrounding area. Each campus also has a training hotel where students have the opportunity to practice what they are taught in the classroom.

Secondly, the college has grown from one campus to three campuses under the leadership of the current Board of Trustees and the previous dean. In addition to the main residential campus in Florida, USA, a second residential campus in Colorado, USA, was purchased in 1990. These two campuses have continued to add new physical locations and to grow their online enrollment, known as the worldwide campus. In the last two years, a third campus has been added to the college portfolio in Bangkok, Thailand: Palm College of Hospitality and Events Management in Asia. This campus is not a residential one at present, but functions as its own campus, independent of the worldwide campus. Currently being explored is the possibility of a potential campus in Brazil.

Thirdly, the college has also grown its academic offerings. During the tenure of the retiring dean, the college has begun to offer a doctoral degree in hospitality management and has also expanded both the undergraduate and master's level offerings in hospitality and event management. The latest accreditation cycle brought a renewed focus on knowledge discovery, manifesting itself, largely, as an undergraduate research program. The Honors Program continues towards bringing in more and more impressive students, raising the overall quality of the college. The Study Abroad/Global Engagement office has created partnerships with countries around the world, expanding the experience of the students and the reach of the college.

It is easy to see the college's dedication to growth and to improving student experience in the examples cited here. However, there is another factor to consider in the success of this college: faculty and staff. Three campuses with three different staff and faculty bases and three different campus cultures require significant management and strong leadership to continue on a successful path. Every four to six months, the organizational chart changes; titles of the executive officers change, and departments change their reporting lines. While these adjustments are quite frequent, the faculty and staff would tolerate the changes better if the changes were communicated to them effectively and timely. The morale of the staff and faculty has reached an all-time low and people feel confused - as if they were drawn in different directions. To exacerbate the situation, no seed funding is provided for research, which adds to the low morale of the faculty.

The main goal of the college seems to have shifted and away from offering exceptional hospitality and event management education to a new focus that is increasingly set on cutting costs and improving the bottom line. However, such a change in this strategic goal has not been communicated within the college; the notion of this strategic goal shift is the result of guesswork by the faculty and staff based on directives issued and college level decisions being

made. Without a clear vision or direction to work in, campuses as well as different departments on each campus have been creating their own goals, causing the college to move in multiple directions. Morale across the board has also started to drop; any scrap of information from the executive level has been met with both a hunger for more and some skepticism in light of the frequent changes.

In March of 2015, the current dean announced his impending retirement with the intention to stay on through March 2016 to allow the Board of Trustees sufficient time to find a replacement for him and to allow for a smooth transition. An email was sent to the entire college community, one of the first real pieces of information communicated in recent months. Within four weeks of this very public announcement, the Board of Trustees met, moved up the impending retirement of the current dean to June 1, 2015, and named a new dean after a perfunctory search was conducted.

The person who was named the new dean previously ran the worldwide campus of Palm College of Hospitality and Event Management and was well-liked by his campus, even though his reputation was that of "do more with less" or "spend less, across the board". This reputation was cemented when, within days of his deanship being announced (and before he actually assumed the role), he began calling departments who had made purchases over a certain amount and asking them for justification, and in most cases, to return the items and try to make due with resources currently available.

A draft of a memo from the Chief Financial Officer (CFO) was sent to the budget managers asking for "reasonability of spending" rather than "allowableness of the purchase" without any reasoning as to why this shift in policy was happening. This circulated for several weeks before the full memo was published by the CFO's office. This memo set the stage for the next communication that would be sent by the new dean. An email arrived in every college faculty and staff member's inbox on the Monday after the new dean assumed his duties. This email provided several key information points to the community:

- Vision: Strong internal communications and an environment of information transparency.
- Leadership: The structure is changing again to include a Campus Associate Dean for each campus; the cabinet has been expanded back to eight members from a low of four members under the previous dean's last reorganization; the new dean will focus externally.
- Financial Strength: Realignment and reallocation of budgets to effect strategic goals; fundraising push.
- Academics: Research cornerstones will be a focus and will align with industry and government needs; student traditions will be enhanced.
- Globalization: Continued growth worldwide; meet demands of a changing global economy.

In one email, the college community had received more information related to their workplace than in several past years combined, with a promise of more to come. As the administration continued to shift and develop into this direction, there were many questions circulating through the faculty and staff grapevine, including whether or not this dean would be able to maintain his vision without too much active interference from the Board of Trustees, and whether this unprecedented information flow would continue. If so, what effect it would have on the flagging morale of a college kept in the dark for too long?

Concluding Thoughts and Discussion Questions

This case study aimed to highlight the importance of strategic communication during the change management process at Palm College of Hospitality and Event Management. As indicated above, Palm College of Hospitality and Events Management has been financially stable and demonstrated sustained growth. The college is in the process of an administrative change, as one dean is retiring and a new one is taking his place. Communication between those in the old administration has been significantly lacking in past years, and this created a sense of disconnect and discontent among the faculty and staff, who feel that they lack a unified vision, clear goals, and a specific direction of the college.

Managing change is a critical issue facing Palm College of Hospitality and Events Management at this point. How this change is handled and communicated to all stakeholders will determine whether the current faculty, staff and other stakeholders will buy in and support the new vision and goals. The initial communication from the new dean was necessary, but one may question the effectiveness of sending such strategic information via email without having a platform for further open meetings and discussions. Such important changes should be taken and communicated to the stakeholders with caution. Several questions can help us to analyze the case study and generate discussions.

- How should the new dean as part of the “aligning” component of strategic communication, include, engage, and develop long-lasting partnerships with the most important stakeholders in the college?
- How can the new dean energize and stimulate organizational partners’ orientation to innovate and to create collaborating networks that drive innovation?
- Which methods should the new dean use to define and diffuse the corporate strategies, guiding values to portray the common vision of the future and the mission?
- Which strategies can the new dean use to analyze the competitive environment and organizational settings of the college?