Higher Education Policy Institute

A University Turnaround: Adaptive Leadership at London Metropolitan University, 2014 to 2018

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Introduction

What personal challenges and tactical problems arise when a leader attempts to turn around an educational organisation regarded as failing and not given much prestige by the media and wider public?

I accepted the challenge to serve as Vice-Chancellor and Chief Executive Officer at London Metropolitan University in August 2014. The institution had, for many years, played a crucial role in supporting students – many from some of the poorest socio-demographic backgrounds in London – to make transformational changes in their lives. I wanted to serve those students. They, along with London Met's social mission, were the core factors that attracted me to join. When I stepped into the building, I found a university with significant potential, but also one that was struggling on several fronts. Two earlier crises, in 2009 and 2012, had led to significant reputational damage, falling revenue and, as a consequence, the need for staff cuts – all taking a toll on morale. This was a great pity, especially as the students were more deprived and more diverse than at any other university in the UK, with more than 60 per cent of students from black and minority ethnic families. The University had for several years been designated by its regulator as 'At Higher Risk'. In 2012, it had lost its 'Highly Trusted Status' and UK Border Agency licence, necessary for admitting international students. It was spending 25 per cent above average on salaries but posting some of the worst results in the country for student satisfaction and graduate employment. Industrial relations were understandably toxic, and neither staff nor students had much trust in the leadership.

But I also found, and grew to admire, a cadre of staff, supported by a strong Board who, sinews stiffened, had 'run towards danger'. They had, like me, made the choice to seek the challenge of bringing about improvement for London Met's students and graduates. They were committed to helping students develop their skills, achieve their career aspirations and change their lives. Instead of receiving esteem for the honourable work of admitting and working with largely poor, minority

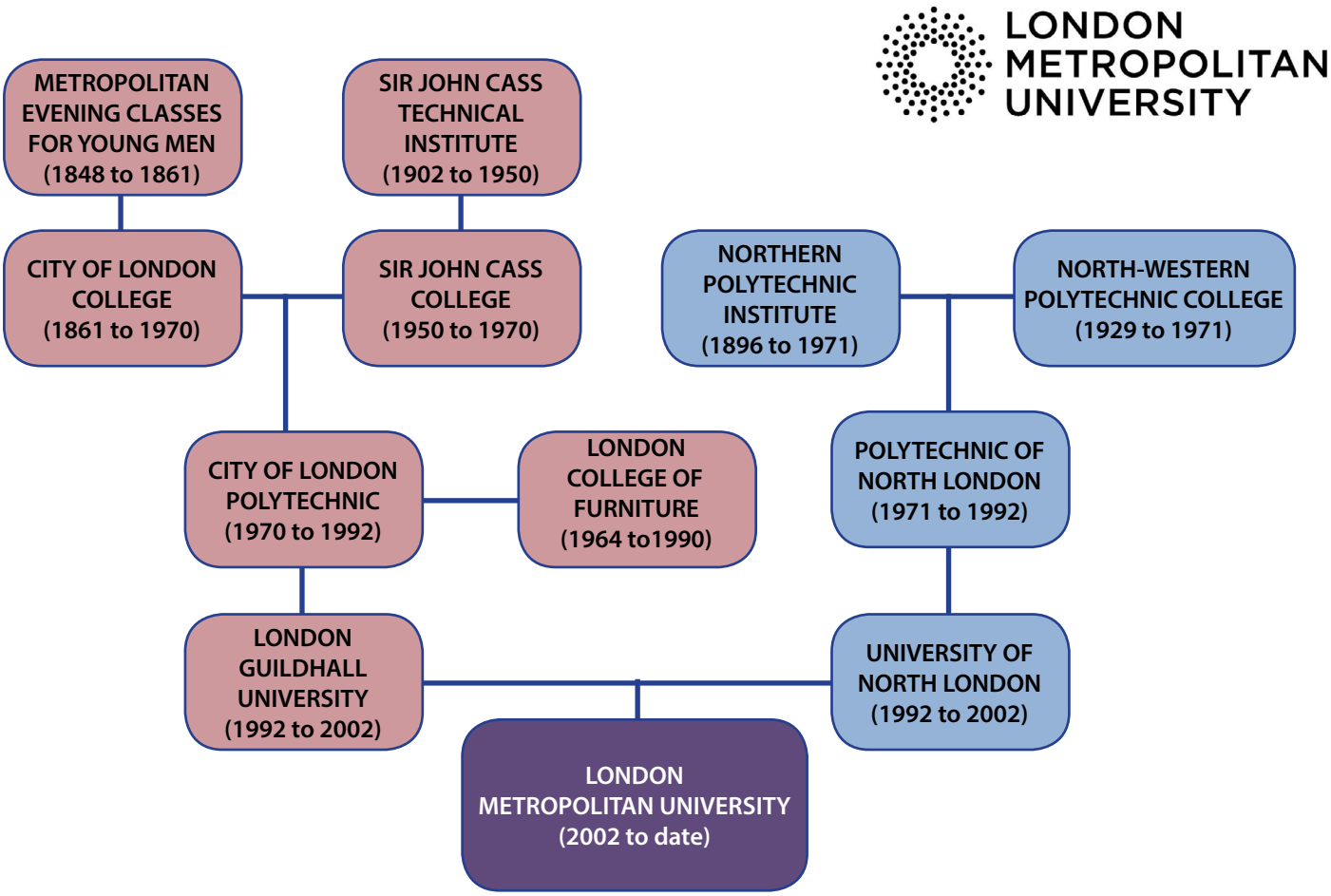
ethnic students, many of whom had relatively low academic qualifications, the University was – and to an extent still is – looked down upon by some within elites and the mainstream media. There had never been any problem with course academic quality. Alumni of London Met's heritage institutions include Sadiq Khan, Mayor of London, and Nicola Dandridge, the Chief Executive of the Office for Students. Jeremy Corbyn, the current leader of the UK Labour Party, and George Soros, the investor and philanthropist, are widely believed to have been students in the late 1950s and 1960s although we cannot find documentary proof. While neither Corbyn nor Soros completed degrees, it cannot be denied that both went on to live lives of consequence on the national and world stage respectively.

Today, London Met is financially secure, with healthy reserves, no borrowing, staffing levels close to benchmark, a transformed culture and leading indicators suggesting an imminent move from 'Bronze' to 'Silver' teaching quality as measured by the Teaching Excellence and Student Outcomes Framework (TEF). Scores in the annual *National Student Survey* (NSS) are at an all-time high, with the scores for 'Teaching on my course' above the average for London universities and 'Assessment and Feedback' scores now at the national average. As I write this in August 2018, the Office for Students, the sector's current regulator, has just informed us that it has removed the designation 'At Higher Risk', something I and my team have been working toward for more than four years and which immediately improves the credit rating of the organisation. There could not be a better ending for this turnaround story.

What follows is a brief, high-level description of how we did it.

Adaptive leadership

Organisations confronted with persistent problems often fall back on obvious solutions such as improving communication, bringing in experts, technology or 'strong man leadership', often summarised as 'only I can fix this'. Such hierarchical approaches allocate responsibility for finding solutions to top layers of management. But this enables 'upward delegation'. Operational staff,



relieved of responsibility for change, can criticise without needing to suggest or be responsible for a better approach. Adaptive leadership is based on research by Ronald Heifetz and Marty Linsky at the Harvard Kennedy School.[1] It distinguishes between technical and adaptive change. It 'puts the work back to the people', spreading responsibility for finding solutions. Adaptive leaders cultivate a wide variety of viewpoints. They lead with empathy, experiment with solutions and reward performance with, if not autonomy, then at the very least an absence of micro-management.

Here are the steps I took, which are suggested as a programme of recovery.

1. Diagnosis
2. Interpretation
3. Intervention
4. Building an adaptive culture

1. Diagnosis: The illusion of the broken system

Formed out of a merger between the University of North London and London Guildhall University in 2002, the heritage institutions of the University stretch back to 1848 (see timeline). In the London Metropolitan University of 2014 I believe I was witnessing the 'illusion of the broken system'. Counterintuitively, the organisation was not broken. It was instead perfectly tuned to achieve the results it was getting. Students were not receiving the best outcomes possible. But staff were. For my very first meeting with any group in the university, and because I believe in the value of unions and had been a member for over 20 years, I chose to meet with the union representatives. I found that they had carved out a share (of university income) for payroll which was 25 per cent bigger than the average, but that their members were delivering around 25 per cent less than average on student outcomes, an 'x-inefficiency' of some 50 per cent. This appeared to be working for their members in the short term, but it was obvious that in the long term they would have no members. 'Why would a rational student take their scores to London Met', I said, 'when they could get admitted to one of our competitors and have a 25 per cent better chance of a good degree and a good job afterwards?' This question, and how to address it, became a core focus of our dialogue during the next few years.

2. Interpretation: 'The song beneath the words'

There is plenty of science of course, but also some art in leadership. A good example of the latter is having the mindfulness to listen attentively to what is *not* being said and to find meaning which leads to actionable insight. Standing on the balcony and observing the dynamics below, the key question is, what is really going on here? Some 2,000 people had jobs and had become accustomed to low expectations of standards of work from themselves and their students. The dominant narrative I encountered was that of poor leadership, of being a 'victim' of events and that external forces were somehow hostile. To be fair to the unions, the University's prior leadership had not been blameless in the two crisis scenarios the institution had faced. It had been inadequate (to put it most kindly) in the first crisis in 2009, and unlucky in the second, where it had its Border Agency licence withdrawn. It was 2012, and ministers were making early moves to implement what has now become known as their 'hostile environment' policy for immigrants, leading latterly to the Windrush scandal. As the *Guardian* newspaper recently reported, 'More than 1,300 changes [to Visa rules] were made in 2012 alone, coinciding with Theresa May's introduction of the hostile environment policy when she was home secretary'.[2] London Met was only one among many institutions which had not quite kept up with these changes, but it had little political capital and thus presented itself as a useful example for a new policy.

I am told that the initial execution of the Government's unprecedented decision was poor, resulting in thousands of existing students in good standing being thrown off courses by Home Office officials with little understanding of universities which were not Oxford or Cambridge, and that this trauma was unnecessary and avoidable. When I arrived two years later, the bitter taste of resentment was still lingering and the University community had united to defend itself, becoming close to a classic example of an organisation focused on the needs of

1 See Ronald A. Heifetz and Marty Linsky, *Leadership on the Line*, 2017, Harvard Business Press. Also, Ronald A. Heifetz, Alexander Grashow and Marty Linsky, *The Practice of Adaptive Leadership*, 2009, Harvard Business Press.

2 Martha Bozic, Caelainn Barr and Niamh McIntyre, 'Revealed: immigration rules in UK more than double in length', *Guardian*, 27 August 2018 https://www.theguardian.com/uk-news/2018/aug/27/revealed-immigration-rules-have-more-than-doubled-in-length-since-2010?utm_source=esp&utm_medium=Email&utm_campaign=Guardian+Today+-+Collection&utm_term=284323&subid=15187177&CMP=GT_collection

the producer (the staff) not the users of the services (the students). The victim narrative conveniently absolved the staff from looking at their own part in the past and produced no impetus for writing the script for the future.

The texts on adaptive leadership make clear that drawing attention to what is really going on, 'the song beneath the words', is unlikely to make you popular. My experience suggests they are correct. Resilience was required in the face of public and personal attacks from staff, and derisory remarks about the University from commentators. It became a regular feature of my life to receive a long email from one of the union representatives at around 5pm on a Friday letting me know about some indefensible treatment of a colleague, or a 'Health and Safety' violation which would likely result in me personally going to jail, and then wishing me a pleasant weekend. In forums where staff had elected representatives, these had mostly been filled by politicised union members skilled in blocking, delaying and abstaining from votes on decisions. Some 20 per cent of staff were 'actively disengaged' (from the organisation that paid their salaries) according to a staff engagement survey that we commissioned shortly after I arrived. Someone made lapel badges which said, 'Actively Disengaged'. In 2015, I saw some staff wearing these buttons even when dealing with the public on University Open Days. In effect, what was happening, in plain sight, was repeated self-sabotaging behaviour. These tactics were intended to block change and absorb a disproportionate amount of time from me and my close team. I shall always be grateful to Robert Fisher, our Director of Human Resources, who volunteered to take responsibility for dealing with that correspondence, working with then Deputy Chief Executive Officer, Paul Bowler, to give me clear headspace for creating and implementing the turnaround. One connected immediate step I took was to exit from social media, recognising that my 'bandwidth' is finite and that the University would be best served by my eliminating time and mental energy spent unnecessarily responding to personal attacks.

3. Intervention: We write our own script

We needed to go beyond short-term technical fixes and to bring about adaptive change. My intention, outlined in the Strategic Plan which we published in 2015, was not merely to fix a range of problems, but to build an organisation that routinely identifies and fixes its problems, an organisation that learns to regenerate and adapt to change through building its own adaptive leadership capacity. In identifying areas where the university was underperforming, we needed to be fearless and forensic. We also needed to work quickly and spread responsibility for designing and implementing solutions.

Encountering a lot of upward delegation, it became crucial to ripen some issues, educate staff about long-term consequences of current behaviours (with oft-repeated messages from me such as 'this organisation will not survive a third crisis'), then give the University community a high-level of agency in developing and implementing solutions. I learned of conversations where well-meaning, frustrated co-workers would quietly sympathise with the leadership team and lament the hostility and blocking tactics used by the union representatives. Whenever an opportunity presented itself in large public forums within the organisation, I communicated the unpopular message that they themselves bore responsibility for who represented them and that they (not me) had the power to change it. This was reinforced by advice I had received from a senior trade union official elsewhere that we should, as much as possible, talk directly with staff rather than just going through their rather unrepresentative locally elected 'representatives'. This 'putting the work back to the people' did not make me popular. I appeared to be criticising the very people who supported the changes I wanted to bring about, but it was necessary for them to confront these issues before then becoming active agents of change.

We held an unprecedentedly large consultation exercise, listening to those within our learning community, to develop the Strategic Plan for 2015 to 2020. Open events involved more than 440 staff. There were 148 written contributions and we interviewed over 400 students to help us learn more about their needs and aspirations. That work led to two deceptively simple institutional priorities – improve student outcomes and achieve financial sustainability. Offering back to colleagues these two key strategic aims helped mobilise them and focus our collective energies. I also brought in outside help. A team from EY-Parthenon led by Matt

Robb provided badly needed additional capacity in analysis and change management.

Over the following four years, we worked sensitively to draw up job descriptions for the modern era, reducing payroll and other costs by some £17 million each year and eliminating hundreds of job roles that no longer contributed to the University's strategic priorities. This was arduous, emotionally exhausting work, but the organisation was facing the existential question and it was the only right course of action. We adopted an approach of maximal consultation with staff. Of course, morale did drop, but then it improved as we delivered on transparency, intensified communication and interacted widely with staff about the vision for the University. Looking back, the single most important intervention was the disintermediation made possible by electronic media. This enabled a complete change of culture and substantial improvement in organisational health. I communicated *directly* with staff, through email and frequent Town Hall meetings, taking questions on any topic. The union representatives were free to attend these open meetings but no longer would they get to edit and spin my messages; instead, staff could interact directly with me. Before long, the union representatives stopped attending those meetings. Their power to distort my messages and present an alternative reality had been entirely removed.

A staff survey in 2017 showed improvement on all indicators compared to 2014. The sole exception was that staff felt their roles had become more demanding. This was unsurprising. Taking responsibility is difficult and demanding work. By 2017, most staff had processed the fact that their future was in their own hands, that 'outside forces' were neither against the University, nor would they come in and rescue it. Many had also by then stepped up to the stressful, arduous work of actively sharing responsibility for designing solutions which helped students and helped the University. Morale had miraculously improved overall, despite large-scale redundancy programmes and sweeping organisational change in the intervening years. I was asked recently, 'What was the turning point? When did you know you could turn around the institution and make consistent and significant improvements to student outcomes?' My answer was, 'when the "Actively Disengaged" badges had become a thing of the past'.

The adaptive leadership approach was underpinned by four other key interventions. First, a Programme for Improving Student Outcomes (PISO) led by Dr Liz Charman, combined with a special and spectacularly successful focus on graduate employment led by Professor Dominic Palmer-Brown. Second, a programme of financial discipline and investment known as One Campus One Community (OCOC). I led this personally, supported initially by Paul Bowler and Chief Financial Officer, Pam Nelson, and since 2017 by John Duffy, Chief Operating Officer. Third, an intensive, interactive communication effort amplifying my core purpose (and London Met's mission) of transforming lives through excellent education and connecting and mobilising people to that end. Fourth, all new staff had to show they were prepared for the heavy lifting work of turning around an organisation and that they possessed a 'coaching and developing' mind-set. I said many times at internal meetings, 'We write our own script. We will not allow others or external commentators to do so.'

In this work, I was supported and also challenged by highly professional and brave members of the Board of Governors, to whom I was accountable as the University's Directors and Trustees. The entire Board, the Audit Committee and the CEO had been replaced in 2009 when the University was judged by its funding council, effectively its regulator, to be misfiling its student number returns, leading it to receive more Government funding than was due. The Board which appointed me in 2014 was led by the highly skilled new Chairman, Clive Jones, a former senior television executive. It had broad, deep skills, forged in the crucible of a major crisis

which had attracted national and international attention. As members' terms of office came to an end, an important task was to find new members for the Board with agility, change-leadership skills and the professional confidence and bravery to join a turnaround Board facing existential questions where there were no guarantees of success.

Working with Tony Millns, the seasoned Chair of the Governance Committee, and my close colleague, University Secretary Peter Garrod, who had joined at the same time as me (and who reported jointly to me and to Clive), we set about presenting the exciting reality to long-listed candidates. It was clear to us that integrity demanded full disclosure, and we assumed we would scare off most interested candidates. That did not happen. We found new members, including a new Chair, Mark Anderson, with backgrounds in Ed Tech, Government Service, Banking, Law, HR, IT and Public Affairs, all of whom actively sought the substantial challenge of guiding an organisation facing existential questions. We improved gender balance. For the first time in the history of the University we currently have three female alumnae on the Board; a former Chief Information Officer in global fashion, a very senior public servant, and a communications professional who has worked for the Department of Defence, NATO and in the office of two Prime Ministers. Professionals working in portfolio careers who take on unpaid positions such as these deserve far more credit than they are usually given, particularly in light of increasing regulatory demands and the reputational risks of the university governor role. This turnaround could not have been done without the challenge and support of the Board.

Also crucial was the support of the students and their elected representatives. I was clear from the outset that London Met is a teaching-focused institution and that improving outcomes for students should be at the heart of our efforts. With very few exceptions, the student sabbatical officers that I worked with have recognised the importance of this, however difficult and challenging the remedies might be. Unlike the Students' Unions at many British universities, the London Met Students' Union did not actively oppose the NSS in 2017, nor did it allow itself to be suborned by the agenda of the staff trade unions, despite their relentless efforts to influence the students. I ensured that our partnership with the Students' Union was authentic and deep. In order to build trust, I invited the President of the Students' Union to join our fortnightly Senior Management Team meetings, in addition to the students' representation on the Board of Governors and the Academic Board. We gave students significant leadership responsibilities in each of the PISO programme strands and, we invited students to run our SLMF (Student Led Module Feedback) which became a significant factor driving course improvements.

4. Building an adaptive culture

Building an adaptive culture is a long-term project, but we have made good progress. 'Elephants' (as I write, further improvements are needed to address drop-out rates, which are improving but too slowly) are routinely named, responsibility is shared and interventions are designed from the ground up, often involving large numbers of staff and students. The organisation regenerates itself through maintaining some focus on experiment, innovation and developing its leadership capacities while also running its 'business as usual'. I continue to meet with the Wider Management Group (WMG) of about 100 staff on the third Wednesday of each month, and in addition hold Town Hall meetings (with between 60 to 150 attendees) at roughly six-weekly intervals, where we share problems and proposed solutions. Experiment, reflection and continuous learning are institutionalised. One consequence of an adaptive culture is that the leader becomes dispensable. The WMG is not the 'Me' show. This is as it must be in an organisation with distributed leadership. There is today a good working relationship with union representatives who play an important role in the life of the organisation and in assisting their members in casework.

Upward trajectory in student outcomes over four years

By applying adaptive leadership, and bringing the majority of our learning community on a journey, we have been able to better support our students. In the period from 2014 to 2018, London Met has continued its upward trajectory, outperforming most of its closest competitors by closing gaps, matching and exceeding both London and national averages. In its overall score in the *National Student Survey*, London Met held its position at 78 per cent in 2018 while many of its close competitors fell by as much as five or six percentage points. There were 21 improvements among the 46 subjects returned.

Changes to assessment and feedback have driven a 12 per cent rise in 'Good' degrees. London Met participated in the TEF subject-level pilot and seven of the eight subjects chosen by the panel were judged to be 'Silver', which we consider to be a good leading indicator for future assessments.

In 2018, London Met climbed to above the average for London universities in its score for 'Teaching on my Course' in the NSS. In 'Student Voice', London Met has now exceeded the much more challenging national average (by 1 per cent) and on the sub-scale for 'Assessment and Feedback', London Met has risen a further 1.6 percentage points up to the national average. No longer is the University an outlier off the bottom of the tables.

There has been positive progress too in reducing non-continuers and bringing them closer to the benchmark of 14 per cent. Drop-outs have been reduced by around 17 per cent or four percentage points from 23 per cent to 19 per cent. We expect this improvement to continue as a result of a series of interventions and increased student support implemented in 2017/18. The figures for 2018 will be available in October.

On the employment measure for UK based-students (excluding high-performing EU students), London Met is now ahead of 87 other institutions, including Cambridge, Oxford, and King's College London, a 17 per cent increase over the last four years.

London Met's UK-based students ('E1A') going into Highly-Skilled Jobs ('Graduate Jobs') have increased by 56 per cent over the same period. This growth is in the top five in the sector and is the cumulative effect of our policies on Work-Related Learning and careers over the past four years.

The future

The work described here will of course be better resourced in an institution with growing revenues and to that end we have started two new businesses this year. London Met Apprenticeships and London Met Global Online (LMGO). Both are expected to grow our services to students. LMGO aims to offer bite-sized skill certification alongside traditional modules that directly link across to the student's

LinkedIn profile. So, as students are accumulating credits for soft or '21st century' skills, employers can see them. We want to make it easier for employers to find our students on LinkedIn while they are still working their way through their programmes of study.

It was important to me that London Met redirects its energies away from dealing with crises and towards the innovations which it needs to go forward competitively. I am confident it will be a success. We are planning for over 1,000 higher apprentices and 4,000-5,000 people doing online postgraduate courses in four years' time.

Turnaround through adaptive leadership

The successes have to be approached with an air of humility. Is London Met today perfect? No. Like other modern universities in London and nationally, it faces an exceptionally challenging recruitment environment, linked to demographic factors and the marketisation of higher education as Government policy. That demands that we continue efforts to make the University a more attractive place for students to invest three years of their time, energy and money. In this climate, enrolments have continued to fall, but proportionally more students are completing their courses more contentedly and getting good jobs. Drop-outs have been reduced but, in my view, not fast enough. Although there is still much to do, the evidence shows that the approach taken annually is delivering improved student outcomes. Early interventions we made on degree attainment and drop-outs were not effective enough and for those ailments we are revising the prescriptions now. We have started two new and potentially significant delivery approaches for higher education in order to better meet the needs of potential students in 2020. The turnaround since 2014 at London Metropolitan University is an illustrative example of what is possible when a university 'gets a grip,' and takes both ownership of its past and responsibility for its future.

I write this in my final weeks as Vice-Chancellor, fulfilling my promise to leave during the fifth year. As I pass the baton to my successor it is clear that the first phase of London Met's turnaround has worked. We focused intently on changing organisational culture, improving outcomes for students and, consequently, repairing reputation. This must continue. In addition, the stage is set for my successor to bring forward her plans for re-growth. These will likely demand continued organisational agility, innovation and experimentation.

'Colleagues in Higher Education do not, on the whole, do what they are told', said Graham Upton, with whom I worked at Oxford Brookes University, 'instead they do what they believe in.' Belief in mission and values is paramount in universities. London Met exists to transform lives through excellent education and has been doing this for over 170 years, offering opportunity for those with the aspiration and ability to succeed in higher education. It was this mission, amplified through adaptive leadership, that drove the turnaround. This turnaround is just the beginning. I am currently working with the incoming Vice-Chancellor on her transition into the University. She will find a more responsive and adaptive organisation, engaged in innovation and the continual search for more effective ways to serve its students and meet the human capital needs of our time.

Acknowledgements

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