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# **Social Innovation: Creating New Business Models for Adult and Continuing Higher Education**

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***Abstract:*** *Using a qualitative approach to inquiry this paper highlights results of a study, which focuses on (1) the current challenges facing continuing higher education (CHE) divisions; (2) how these divisions engage in social and systematic innovation in an effort to foster social responsibility. It demonstrates a model strategy for mitigating the challenges using Drucker's (1985) eight sources of systematic innovation. CHE divisions will be better prepared to respond to societies' needs and pursue their mission and that of their parent institutions.*

## **Introduction and Purpose**

The Fifth International Conference on Adult Education held in Hamburg (July 14–18, 1997) signaled renewed commitment, hope, and solidarity for adult education's promise. However, challenges of globalization, socialization, and survival for all humanity in the new century remain. In the United States (U. S.), a nation that is undergoing a crisis of unemployment and underemployment, there is an urgent need for new dimensions of adult and continuing education (ACE) with respect to provisions of lifelong learning that will foster the need for human capital and workforce development. With the attention currently being given to the urgency of workforce development skills, the social component of ACE's mission and initiatives are expected to help in coping with competitiveness of the U. S. Accordingly, accountability relates to increased emphasis on the university's mission of serving the social and educational needs of society. Recently, the changing demographics that are compounding the dynamics for higher educational institutions warrant much focus. As colleges and universities grapple with current socio-economic challenges, proponents and continuing educators are confident that higher education should promote ACE in proffering quality programs and benefits to the society at large (Breneman, 2005; Pusser, et al., 2007; Stokes, 2006).

CHE is a very complex structure comprising of degree, noncredit, distance education, community outreach, and summer programs, all with the mission of serving adults and nontraditional students. The 2004-2005 result of the National Household Education Surveys (National Center for Education Statistics) verifies the increase in participation of the number of adult students who use post secondary education as a means of access to university degree and some non-degree programs. Accordingly, the "report presents selected data on adult's participation in educational activities in the United States" (p. 1). The study shows that of 211.6 million "adults," five percent (5%) or greater than 11 million participated in adult education (part-time) degree programs and work-related courses via colleges and or universities. These statistics support the significance of ACE activities in proffering the social and economic mission of our societies. Hence, the philosophy of social innovation as a means of fostering organizational initiatives towards change and social responsibility is encouraged. This paper illustrates how factors and attributes associated with social entrepreneurship and systematic innovation (Drucker, 1985) are used to mitigate the effects of social, political, and economic challenges experienced in ACE organizations. Propositions about social entrepreneurship, social

innovations, and the attributes of systematic innovation within such marginalized organizations produce societal transformation that promotes symmetry between effectiveness and efficiencies.

### **Social Entrepreneurship and Innovation**

Social entrepreneurship combines the resourcefulness of traditional entrepreneurship with a social mission to change society; it refers to organizations that have created models for efficiently catering to basic human needs that existing markets and institutions have failed to satisfy. Traditional approaches perceive entrepreneurship as a rational response to competitive pressures designed to generate personal wealth for individuals. Schumpeter (1934) identified the entrepreneur as an innovator able to find "entirely new combinations of resources" (p. 83) He perceived the entrepreneur as motivated by selfish rather than philanthropic needs. Many recent works have broadened the traditional dimensions of entrepreneurship to include the entire organization (Shane & Venkataraman, 2000). Social entrepreneurship offers insights that may stimulate ideas for more socially acceptable and sustainable business strategies and organizational forms. For example, a trend of using entrepreneurship to inform a particular style of management and personal attitude that are not primarily motivated by individual profit, but by a social mission (Alder & kwon, 2003) essentially, to make a positive social change. Managers who use entrepreneurship in a way that is philosophically based on developing the community achieve outcomes for the good of the society.

Enhancing levels of innovation and entrepreneurship is the focus of much organizational effort in education. This concept includes a "culture of change" in policy and bureaucracies related to organization and curriculum structure in schools (McLendon, Heller & Young, 2005). The process of change and innovation includes ideas of quality in education, cost reducing techniques, policy issues, new product or process, and research and development (Claudet, 1999; Everhart & Doyle, 1980; Leydens & Schneider, 2009). These studies are indicative of the many proponents of social entrepreneurship and innovating efforts by education, business, and other organizations. Hence, social entrepreneurship and innovation may also encourage established adult and continuing education organizations to pursue greater social responsibility. CE divisions experience several internal and external challenges that must be addressed strategically. Systematic innovation then can be used to respond to challenges and to create great ideas for an entrepreneurial venture and chances of success. Systematic innovation consists in the purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic or social innovation (Drucker, 1985). Systematic innovation offers a combination of environmental scanning and opportunity analysis (Crossley & Ellis, 1988; Leydens & Schneider, 2009). Organizations hoping to measure and diagnose areas of change and entrepreneurial opportunities are encouraged to use Drucker's eight sources of innovation as a model strategy for monitoring challenges and implementing such change. The eight sources are demarcated into internal versus external sources. Each of these sources requires separate diagnosis and analysis because each has its own characteristics although they may overlap in some areas. The sources are in order of predictability. The internal sources are more predictable than the external sources.

Internal sources  
Measuring the unexpected

External sources  
Demographics and population change

Incongruities	Changes in perception, mood, and meaning
Innovation based on process need	New scientific and nonscientific knowledge
Changes in industry and market structure	Leveraging bright ideas for innovation

### Methodology

The study was conducted using a qualitative, social constructionist, approach to research. Social constructionism refers to the construction of knowledge about *social* constructs and reality, not about constructing the reality itself. Qualitative research is the concept that seeks to interpret peoples' construction of reality and to identify patterns in their perspectives (Patton, 2002). Participating units and their informants were obtained from University Continuing Education Association's (UCEA) 2006 regional listing: UCEA's *Who's who in college and university continuing and professional education membership directory, 2006-2007*. One private and one public institution was purposefully selected from each of four geographical regions of the country as delineate by the (UCEA) 2006 regional listing: Mid-America, Great Plains, Mid-Atlantic, and South. These participating universities offer undergraduate and graduate degrees, noncredit, training, and other programs via their CE divisions. The representative informants were 17 higher education administrators with titles such as provosts, vice presidents, vice chancellors, deans, who held their respective roles for a minimum of three years.

Through the use of 17 semi-structured, face-to-face interviews with the informants, I was able to gain an understanding of the role of social, political, and economic factors on continuing higher education. I was also able to explore each individual leader's understanding and experiences of the role of CE within the current climate of higher education. The interviews were based on a pre-written interview protocol, tape-recorded and later transcribed (deMarrais & Lapan, 2004). In addition, documents including annual financial reports, policy documents, mission-vision-value statements, and future strategic planning documents spanning five or more years provided a second set of quantitative and qualitative data. Finally, recorded field notes served as a management and reflective tool, and in some instances as supplemental data. Accordingly, the interviews, documents, and field notes triangulated the data set for the study. The data were analyzed using constant comparative analysis and they revealed highly detailed descriptions of uniqueness as well as important shared patterns that exist across the various units. "Comparative analysis constitutes a central feature of grounded theory development" (Strauss & Corbin, 1998, p. 490), constantly reviewing and comparing the data, line by line, for codes, themes, similarities, and differences of interpretation, an *open coding* process. After the open coding process, axial coding (Charmaz, 2006; Strauss & Corbin, 1989) followed with the development of the majority categories.

### Challenges and Sources of Innovation

Participants' responses to challenges that affect ACE divisions as well as issues of possible entrepreneurial strategies as proffered by Drucker's (1985) eight sources of innovation are discussed in this section. Table 1 gives an overview of internal and external challenges and sources of innovation.

## Internal Challenges

Internal challenges are of two major dimensions: organizational capabilities and operational processes. These two dimensions can be further categorized into three distinct types and relate to the internal politics and policies that the organization confronts on a daily basis. First, these challenges encompass the unit as a whole and include, policies related to program and structure, administration and management nuances, and the organizational culture within which the unit operates. CE as a division of a major public or private university must adhere to the policies and cultural context of the institution which often poses a problem for operational efficiency and effectiveness. Second, there are challenges and issues related to the academic relationship between the division and the parent university. For example, issues of the adult learner paradigm shift, issues of maintaining quality in academic programs, and issues of affiliate faculty. These issues are compounded by the need for quality and maintaining institutional branding, while catering to nontraditional students. Third, there are challenges related to institutional governance. These are politically ingrained challenges because; CE is engrossed with administrative activities that do not necessarily include having its own full-time or tenured faculty who traditionally share governance with university administrators. Issues of delivery and long distance learning opportunities which are not yet fully embraced by traditional higher education are linked to institutional governance. However, the overarching issue relative to institutional governance is that of fiscal and entrepreneurial attributes. The notion of CE being entrepreneurial within higher educational institutions often poses a political and cultural conflict between its operational stance and the need to acquire revenues to support the institution.

*Internal sources of innovation.* Drucker' first four sources of systematic innovation will pose a solution to the internal challenges noted above. These sources of systematic innovation call for organizations to celebrate the *unexpected success or failures*, which can open to way to new opportunities. The leadership within these divisions is best able to observe and capitalize on these known conditions and existing operating and organizational culture and structure. The key is to design several "what is best" questions that will lead to innovative changes. Likewise, the leadership should look for *those incongruities or discrepancies* that exist among the stakeholders of the divisions. The challenges above reveal several of these dissonances. For example, the issue of shared governance is definitely one dissonance that must be exploited with a new approach to sharing governance with all faculty and professional staff who are engaged in fostering the mission of CE. Maintaining quality is definitely an opportunity for *innovative process needs*. This should focus on the task of perfecting or redesigning the program or curriculum to proffer total quality in program offerings. This innovation would describe an increase in highly qualified faculty, innovations in technology and focus on effective teaching and learning strategies. The fourth source of innovation, *industry and market structures* requires leadership to question the nature of the industry and how CE fits into the mosaic of higher education. The distinction must be made among the various providers of CE. This strategy is especially important as CE is often considered marginal to other areas of higher education. Hence, it is critical that CE proffers its position of value to society under the guise of an entrepreneurial division within higher education. Making certain that its organizational and program structure suites it mission and that of its parent institution, to serve society as a social enterprise.

## External Challenges

Both public and private universities deal with external challenges, issues, and constraints. These external challenges are divided into two main groups namely, economic and social. The external social and economic challenges that CE encounters have four dimensions: These include a new national focus on CE's engagement, a movement toward serving the public good with fewer public resources, assessing and meeting the needs of adult learners, and addressing changing demographics and the needs of citizens and communities. The study reveals that administrators confront issues of lack of financial aid for the students they serve, and the need to satisfy, as it were, industry needs by providing educational opportunities that foster workforce development. Further, they face issues of competition within the current educational market as many companies and educational providers are vying for the nontraditional students' dollars. In addition, there are profound social challenges including fulfilling the social needs of the adult and nontraditional learners, dealing with population diversity and attitudes towards higher education, and various other barriers to educational attainment. Participants agree that it is indeed overwhelming for CE administrators to withstand such challenging matters and still remain effective in their efforts.

*External sources of innovation.* The last four strategies are used to respond to external challenges. The demographic needs of our societies are increasingly becoming an issue for higher education as a whole and have the most predictable consequences. Demographic shifts tend to have a longer lead time and predictable data are readily available. Innovations based on *demographics* changes are critical to CE's mission of serving a diverse population of nontraditional learners. As an entrepreneurial and social enterprise CE must determine how best to interpret and use these data to address such external challenges and to sustain its mission. *Changes in perception* are also an issue for CE. The perception of CE being a marginal division in higher education institutions is associated with the quality of its program and mission. In order to CE must constantly devise innovative ways to mitigate these negative perceptions and proffer its value proposition in society and in the higher education industry. The correlation between *New knowledge and bright ideas* are necessary for CE's leadership. The idea that policy activity occurs both in government and in society is important. Researching and developing new and innovative models that lay out the financial and fiscal policy process at the national level are significant bases for CE. Analysis and understanding of the process of fiscal structures and students' financial aid need environmental variables when figuring the causes of policy responses to such financial needs. CE must be cognizant that governmental policy activity is important and requires careful analysis, but equally important is the activity in society that helps shape the general nature of all policy activity. In addition, policy actors' perception of the environment is also important knowledge for CE's leadership.

## Implications for Adult & Continuing Education

The ideas of entrepreneurial and systematic innovation are the need to constantly search for change and change management. ACE divisions should constantly be in a pursuit of innovation. They should always be exploiting opportunities to respond to the demands being placed on them, demands for advancing the social good through knowledge creation and workforce development. It is important that leadership within these divisions measure innovation in terms of economic and social dimensions rather than technical term. Their mission should drive this new outlook as

they try to create value and make contribution to the society at large. The implication then is that leadership must take the time to discuss the sources of innovation, and how these will impact their daily vocation.

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Table 1. overview of internal and external challenges and sources of innovation. "M or L" denotes that the issue was more/less prevalent in that respective institutional typology.

<b>Major Internal Categories: Political &amp; Policy</b>	<b>Public</b>	<b>Private</b>	<b>Drucker's Sources</b>
Organizational & Program Structure	M	M	Industry and market structures
Administration and Management	L	M	Unexpected
Organizational Culture	M	M	Unexpected
Academic Relationship and Quality	M	M	Innovative process needs
Institutional Governance	M	L	Incongruities
<b>Major External Categories: Economic &amp; Social</b>			
Government Policies and Financial Aid	M	M	New knowledge and bright ideas
Economic Stability and Industry	M	M	Changes in perception
Social Challenges and Issues	M	M	Demographics