

THE STATE OF

INSTITUTIONAL STRATEGY IN HIGHER EDUCATION

A Survey Analysis of Leadership & Institutional Alignment

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Introduction

Higher Education is navigating a period of intensifying pressure: the demographic cliff, population migration, financial constraints, scrutiny around return on investment (ROI) and the ‘value’ of a college degree, and evolving federal policies and regulations.

To better understand how our institutional leaders are addressing this reality and planning for it, *Stevens Strategy* surveyed a sampling of presidents, board members, and cabinet officers, which includes provosts, vice presidents, and deans across the institution. The survey explored:

- Perceived strategic threats (near-term and long-term)
- Institutional strategic posture
- Confidence in shared strategic direction
- Governance effectiveness and decision-making
- Leadership capacity
- Enrollment strategy priorities
- Assumptions leaders believe institutions must reconsider

Throughout the survey, one common theme emerged: **Higher education institutions are encountering misalignment and misunderstandings between the vision and strategic plan developed by the president and the board versus the lived experiences of cabinet members as they implement them.**

This misalignment can be thought of as a “gap”. This gap is particularly evident at smaller, independent institutions where it can, and in many ways already has, intensified the current external pressures and hindered innovation.

This report identifies four key gaps present on campuses and is not meant to be a conclusive account of strategy in higher education, nor a verdict on any single institution. The sample is small by design, with the questions pointed and the findings directional. The intention of this report is to spark conversations at all levels of the institution by asking one simple question: **Are any of these gaps present on my campus, and, if so, how do we begin addressing them?**

Background

A strong majority of respondents report that the threats facing their institutions have increased over the past two years. When asked to identify the single greatest strategic risk facing their institution in the next three to five years, respondents most frequently cited **(1) declining enrollment, (2) fragile business models, (3) the perceived value of higher education, and (4) the demographic cliff.**

Enrollment Decline

“Declining enrollment and operating deficit.”
 “Loss of enrollment either through public perception, demographic declines, perceived cost.”
 “Declining enrollment in the fact of public sentiment, largely fueled by political leaders, that a liberal arts education holds no value.”

Financial Fragility

“The level of tuition discounting.”
 “Declining net tuition revenue.”
 “Research funding.”
 “Operating funds.”
 “Cash flow.”
 “Loss of Grad Plus loans and the new rules on what is a Professional program for the purpose of loans.”

Public Perception and Value Narrative

“Remaining relevant.”
 “Public perception that broad-based undergrad education is not worthwhile.”
 “Lessening of state support.”

The Demographic Cliff

“Demographic shifts.”
 “Expansion into other markets.”
 “New Student Loan caps for graduate education.”
 “Federal policies and regulatory issues impacting international enrollment.”

Responses like “**growth is not inevitable**” and “**what we have done in the past will not serve us well now**” speak to an acknowledgment that the time for proactive change is diminishing and the pressure, both internally and externally, to get it right is increasing.

Part I — The Gaps

Four findings converge on the same conclusion: leaders occupying strategic positions (presidents and board members) and those involved in the day-to-day management of the institution (cabinet members) perceive their institutions through different lenses.

#1 - Strategic Direction

SURVEY QUESTION						
How confident are you that your institution has a clear, shared strategic direction?						
ROLE	VERY CONFIDENT	SOMEWHAT CONFIDENT	NEUTRAL	SOMEWHAT UNCONFIDENT	NOT CONFIDENT AT ALL	TOTAL
President / Chancellor	43.5%	52.2%	0.0%	4.3%	0.0%	100.0%
Board Member	75.0%	25.0%	0.0%	0.0%	0.0%	100.0%
Other Senior Leader	14.3%	42.9%	7.1%	21.4%	14.3%	100.0%

The gap: the leaders building direction believe it is understood. The leaders implementing it do not.

Three-quarters of board members (75%) are "very confident" that their institution has a shared strategic direction, whereas only 14% of cabinet members share that confidence. Further, more than a third of cabinet members (35.7%) are somewhat or fully unconfident, a category in which zero board members appear.

Confidence in the plan and direction is a prerequisite for effective execution. When a board approves a strategic plan or a new strategic direction, believing it is understood and shared, and 36% of the people who have to carry it out lack confidence in that direction, the plan may have been approved in a way that cannot produce the outcome it describes.

#2 – Strategic Posture

SURVEY QUESTION					
Which best describes your current strategic posture?					
ROLE	FOCUSED ON GROWTH	FOCUSED ON STABILIZATION	FOCUSED ON RETRENCHMENT	UNCLEAR / COMPETING PRIORITIES	TOTAL
President / Chancellor	56.5%	39.1%	0.0%	4.3%	100.0%
Board Member	0.0%	100.0%	0.0%	0.0%	100.0%
Other Senior Leader	42.9%	21.4%	7.1%	28.6%	100.0%

In this sample, all board members describe their institution as 'focused on stabilization,' while nearly 57% of presidents describe the same institution as 'focused on growth.' Whether this pattern holds broadly or not, the divide is clear to those on campus. Cabinet members fracture: 43% growth, 21% stabilization, 7% retrenchment, 29% "unclear or competing priorities." That 28.6% figure signals that the divide felt between presidents and board members trickles down to cabinet members.

In our experience, a significant root cause of this gap is a lack of transparency and communication. It is not that the board is looking at a different institution, but rather a filtered version of the best ideas, high-level numbers, and key decisions. Yet cabinet members know the “unfiltered version”: struggling with day-to-day issues, tackling hard questions, and, as they note, battling many fronts with limited resources.

When the Governance and Management Teams have different mental models of strategic posture, it leads to situations in which major decisions are made without a clear definition of success.

#3 - Governance Effectiveness

SURVEY QUESTION						
How effective is your governance structure (board + administration) at making timely, difficult decisions?						
ROLE	EXTREMELY EFFECTIVE	VERY EFFECTIVE	MODERATELY EFFECTIVE	SLIGHTLY EFFECTIVE	NOT EFFECTIVE AT ALL	TOTAL
President / Chancellor	17.4%	47.8%	26.1%	8.7%	0.0%	100.0%
Board Member	0.0%	75.0%	25.0%	0.0%	0.0%	100.0%
Other Senior Leader	0.0%	0.0%	64.3%	28.6%	7.1%	100.0%

The gap: from the boardroom and cabinet, governance looks effective. From the rooms where the work happens day to day, it feels moderate at best.

75% of board members rate their governance structure "very effective" at making timely, difficult decisions, yet no senior leader in the sample rates governance "extremely" or "very" effective. 64% rate it only "moderately effective," 29% "slightly effective," and 7% "not effective at all."

Ironically, shared governance is the engine meant to close that gap. It is the mechanism by which the board's direction reaches the front lines, and the mechanism by which the front lines' reality returns to the board. When leaders on both sides of that engine grade it differently, the engine itself becomes part of the problem, and divergent confidence in governance is how the gap becomes part of campus culture. Once deeply embedded, it is hard to adjust course and fix.

#4 - Decision-Making Processes

SURVEY QUESTION					
When major initiatives are proposed (new programs, facilities, hires), decisions are typically:					
ROLE	GUIDED BY A CONSISTENT, EVIDENCE-BASED FRAMEWORK	INFLUENCED BY DATA BUT INCONSISTENTLY APPLIED	LARGELY REACTIVE OR OPPORTUNITY-DRIVEN	HEAVILY CONSTRAINED BY POLITICS OR TIMING	TOTAL
President / Chancellor	69.6%	13.0%	13.0%	4.3%	100.0%
Board Member	100.0%	0.0%	0.0%	0.0%	100.0%
Other Senior Leader	14.3%	35.7%	42.9%	7.1%	100.0%

The gap: the leaders making decisions believe they are evidence-based. The leaders carrying out those decisions don't agree.

100% of board members describe major decisions as "guided by a consistent, evidence-based framework," and over two-thirds (69%) of presidents agree. Yet only 14% of Cabinet Members do. Instead, 36% of Cabinet Members describe decisions as "influenced by data but inconsistently applied," and 43% call them "largely reactive or opportunity-driven." The board is describing one decision-making process. The leaders actually executing that process are describing another.

Part II — Where Alignment Exists

Regarding two of the most significant issues confronting these institutions, enrollment strategies and academic portfolios, the disparity among boards, presidents, and Cabinet Members noticeably goes away.

#1 – Understanding that Enrollment Is a Multi-Front War

SURVEY QUESTION					
Your enrollment strategy over the next 3 years will primarily emphasize...					
ROLE	EXPANDING ACCESS	DEVELOPING NEW ACADEMIC OR WORKFORCE-ALIGNED PROGRAMS	IMPROVING RETENTION AND STUDENT SUCCESS	REDUCING PROGRAM COMPLEXITY	TOTAL
President / Chancellor	26.1%	39.1%	30.4%	4.3%	100.0%
Board Member	0.0%	0.0%	100.0%	0.0%	100.0%
Other Senior Leader	14.3%	21.4%	57.1%	7.1%	100.0%

No single lever captured a majority on its own, which illustrates an important point: leaders who have been working together on enrollment recognize, across all three levels, that it is a multi-front war.

Notably, board members in this sample emphasized retention above all else, rather than selecting program development or simplification, suggesting a potential blind spot in how boards engage with academic portfolio questions.

#2 – Understanding that Academic Portfolios Must Meet Both Student & Labor Market Demand

SURVEY QUESTION					
How well do you feel your current academic portfolio aligns with student demand and labor market outcomes?					
ROLE	EXTREMELY WELL	VERY WELL	MODERATELY WELL	SLIGHTLY WELL	TOTAL
President / Chancellor	13.0%	30.4%	52.2%	4.3%	100.0%
Board Member	25.0%	25.0%	50.0%	0.0%	100.0%
Other Senior Leader	0.0%	42.9%	50.0%	7.1%	100.0%

Presidents (52%), board members (50%), and cabinet members (50%) cluster in the same place: the portfolio is "moderately well" aligned with student demand and labor market outcomes. Where collaboration exists, alignment follows.

In Their Own Words: What Leaders Would Change

“If you could change one assumption your institution is making today, what would it be?”

Academic Portfolios, While Aligned, are Finished Products

The most frequently cited assumption was that the current academic portfolio is strong enough and does not require meaningful review or change. Respondents pushed back on this directly.

“Academic programs are OK and do not need change.”

“Just because our budget is balanced does not mean we should keep all the current suite of academic programs.”

“The we can continue to support programs that are no longer relevant through continued growth.”

“Academic program is fine. Offerings are adequate to attract and retain students.”

Enrollment as a Silver Bullet

Several respondents flagged an over-reliance on enrollment as the solution to broader institutional challenges

“That enrollment increases will solve all issues.”

“Be more conservative with enrollment projections.”

“That we can recruit our way out of enrollment challenges at the graduate level.”

“That we can replace declining undergraduate enrollment with transfers.”

Sense of Security Based on Institutional Reputation

A cluster of responses reflected concern that the institution is operating under a false sense of security by assuming its identity, model, or past success will protect it from the pressures reshaping higher education.

“That we are in a safe position.”

“That we can stay small, smart, and a hidden gem.”

“Growth is not inevitable.”

“I would change the assumption that what we have done in the past will serve us well now and in the future.”

Governance and Shared Decision-Making

Respondents raised concerns about the role of faculty governance and the confusion of activity with impact.

“Conflicting understanding of shared governance and its role in institutional decision making.”

“That pursuing lots of activity outside of core mission and delivery will ‘change higher education.’”

“Strategy will carry the day.”

External Environment Underestimated

Some respondents felt the institution is not adequately accounting for external forces

“Underestimating the desperation of our competitors.”

“That federal policies will support higher education at consistent levels.”

“Philanthropy is declining, don’t assume there are Big Bucks out there.”

“That we are a traditional liberal arts institution.”

Closing — Naming Gaps is the First Step

The divergence documented by this survey is not merely a curiosity of governance; it constitutes a significant strategic risk. Strategies formulated at the executive level are being implemented, or not, by leaders who do not always share a common perspective or understanding of the institution's direction, posture, governance, or decision-making processes. **In the current external environment, small and independent institutions cannot afford to sustain such internal asymmetry.**

The gaps identified in these findings are not universal or definitive. They serve as starting points. The real work begins when a president, a board, or a cabinet takes one of these gaps back to their own campus and honestly asks whether it exists there too. If it does, who on the team already knows of these gaps? What can we do to address them? **For presidents and boards, the first step is to name these gaps honestly with all stakeholders. This report is an attempt to make that conversation easier to start.**

The institutions that will navigate the next decade successfully are the ones that close these gaps now, not after they've cost them enrollment, momentum, or their mission. Our firm exists for small, independent, mission-driven institutions navigating a time that demands more than good intentions. We have worked with over 450 presidents, boards, and cabinets to find and close these gaps through structured listening, honest diagnostics, and a disciplined process built on 26 years of experience with institutions like yours.

If this report raises a question worth answering on your campus, let's talk: Reach us at www.stevensstrategy.com.

Respondent Profile

The survey drew responses from leaders across a range of institutions.

Respondents by Role

Role	N	%
Presidents / Chancellors	23	56%
Board Members	4	10%
Cabinet Members	14	34%
Total	41	100%

Respondents by Institution Size

Enrollment	N	%
Under 2,500	29	71%
2,500 – 5,000	9	22%
5,000 or more	3	7%
Total	41	100%