

College of Business Administration: change and growth

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Introduction

The College of Business Administration (CBA) was a private higher education institution founded in 2003. The CBA was located in Riga, Latvia, a small Eastern European country with less than two million inhabitants. The CBA provided professional higher education programs in management, marketing, law, etc.

May 19, 2021 was a special day that the CBA staff and especially the Director Signe Enkuzena were looking forward to. On this day, the Latvian national commission on accreditation of study fields announced a decision on the term of accreditation of the study field “Management” (in Latvia, as in other European Union countries, the higher education institutions and study fields had to be accredited to make sure they met international standards for higher education). This was a crucial decision for the College’s future, and there were three options – no accreditation, accreditation for two years or accreditation for six years. The decision was positive, and the study field was accredited for the maximum term of six years. This resulted from four years of persistent individual and teamwork and meant that the private education institution would be able to strengthen its achievements over the next six years and continue to develop and maintain its leading position in the distance learning market in the country. This meant new customers, income and securing jobs for employees. But there was also a new dilemma – how to sustain this growth and development in the long term?

How it all started

The process of changes at the CBA started unintentionally on a sunny summer day in 2017 when Signe Enkuzena met entrepreneur and owner of an education business – Janis Stabins. The purpose of the meeting was simple: Signe Enkuzena was looking for feedback on the former director of the College for a recruitment project that she was implementing as human resources management consultant at the time.

While Janis Stabins was late for the meeting, Signe Enkuzena talked to the College staff. She noticed that the work environment was excellent, the premises were tastefully decorated and the staff were kind and hospitable. It was nice to be there.

Although the recommendations about the previous director were negative, the conversation with Janis Stabins lasted more than an hour. During the meeting, Signe Enkuzena learned that the former director of the College had not fulfilled his obligations and had left his job suddenly, leaving the team in a difficult time. New staff members had been recruited; they had to be trained, existing staff members were overworked and lacked the capacity to perform all tasks. Two days later, Signe Enkuzena received a call from Janis Stabins with an offer to enter into a service contract with the CBA for certain activities, within certain

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deadlines and for a certain fee. Signe Enkuzena was self-employed; she could only be sure of her income for two months ahead. Despite the negative context of the conversation about the former director, Signe Enkuzena agreed without hesitation, as Janis Stabins had left the impression of a very interesting, enthusiastic and unusual entrepreneur.

First steps

Signe Enkuzena's task was to prepare a study plan for the next semester. It could not be done remotely, so she worked in a small separate office right next to the CBA staff members. Signe Enkuzena established good relations with employees; communication was necessary to obtain accurate information for the task. Signe Enkuzena's education in psychology and management, as well as previous work experience as the HR manager, had developed the competence to observe the situation and people, collect and analyze data and make evidence-based decisions. She observed that the company did not have process descriptions and instructions, job responsibilities were told to employees only orally, and employees had insufficient skills in working with the information system of the College. All employees were young, with very little work experience and very weak digital competence, as well as insufficient understanding of the educational regulations in the country and no competence in education management. There were no scheduled meetings in the office, and no long-term tasks were set. In fact, the working day of employees consisted mainly of "firefighting," making reactive actions to the current situation. They were not hosts of the organization and situations, and they were reactive rather than proactive. Another challenging fact in the day-to-day work was that employees shared office space with another Janis Stabins's company. Relations with neighbors were not friendly, and there was constant tension between the companies in the office due to arguments about the order in the common areas and the use of common items. It just seemed that the manager of the other company was deliberately looking for reasons to conflict. The premises were cramped, the staff of the CBA spent the whole day in a rather crowded and noisy place, determined by the specifics of the work.

On the other hand, customer service at the CBA, both in person and by phone, was implemented in very high quality. Signe Enkuzena observed that all employees had very good communication skills both orally and in writing. The College had a beautiful and tidy work environment. Every customer, lecturer, partner or just a "person from the street" was welcomed and served. What distinguished this educational institution from others was the kind, individual and genuine interest in the client's needs and life situation, as well as the ability and willingness to adapt to it.

In 2017, the CBA had 12 full-time employees and approximately 30 lecturers who worked part-time for an hourly rate. Twelve employees worked in three rooms: seven of them in the Study Support Centre, one accountant, one salesperson and three in the marketing department.

Communication with the owner was key

Even though Janis Stabins was the owner of several companies, he also held the position of the Director of the College at that time because the accreditation of the College was approaching, and at least at the formal and administrative level, the CBA needed a manager. Signe Enkuzena observed that Janis Stabins was creative and inspiring, that he had great ideas and that he always found a solution to all extraordinary situations. At the College, Janis Stabins undertook the training of new employees in customer service and sales. He led marketing and sales activities. He was aware of current trends in distance learning in the world, attended international conferences and exhibitions in education regularly and tried to transfer good practice to this company. However, Signe Enkuzena realized that Janis Stabins was not an administrative manager because creativity is usually

almost incompatible with discipline and systematicity. The staff lacked time and competence, and they did not discuss Janis Stabins's instructions, even if they disagreed. This was natural because everyone had a short work experience and almost all were young people, and it was clear to Signe Enkuzena that successful cooperation with Janis Stabins required thorough armaments.

Signe Enkuzena also observed and saw things in the company that could be improved with minimal resources, but she only indicated it when someone asked. Over time, Signe Enkuzena gained not only a positive attitude from employees but also trust, thanks to her professional advice as well as the ability to listen and understand the employees. The staff was overburdened, and it was understood that part of the overload was due to unclear procedures and insufficient competence. Although many things in the company were messy and communication with the owner was a challenge, Signe Enkuzena enjoyed the relationship inside the team and other aspects of the organization's culture. It would be a lie that Signe Enkuzena did not think about improving the performance of the company. However, she had no formal power, and she did not accept unethical behavior, she believed that it was not acceptable of her to discredit the existing manager.

When the first contract task was well completed, Signe Enkuzena was offered a permanent job related to the development of the curriculum and cooperation with lecturers and communication with the state institutions to ensure the learning process in accordance with the requirements of Latvian laws. Using this statement of confidence, Signe Enkuzena offered to perform a functional audit at the CBA, explaining its necessity and benefits to Janis Stabins. The conversation was not easy, but Janis Stabins agreed.

These regular discussions between Signe Enkuzena and Janis Stabins about the place of the CBA in the state education system, about cooperation with other organizations, about creating new services, promoting customer satisfaction, the responsibilities and motivation of employees, etc., continued over the next years. These negotiations were often long and challenging until they reached joint decisions. However, they were critical to the operation of the organization. Over the years, both Signe Enkuzena and Janis Stabins had developed tactics of mutual communication without breaking the red lines and adhering to certain principles. Thanks to the courage to speak about unpleasant things, the roles and responsibilities of the owner and Director were defined, and the boundaries of areas of activity in which the other did not interfere were identified. The experience of these negotiations confirmed that without constructive conflicts, there were no dynamism and development in the organization.

“You can do everything with excel!”

In 2018, it had been less than a year since the first meeting of Signe Enkuzena and Janis Stabins. The audit confirmed Signe Enkuzena's observations and, as a result, first, service and sales functions were separated and, second, the job titles and responsibilities of existing employees were determined. It was clear that the competence and capacity of the existing employees were enough to serve customers and attract new ones, but it was insufficient to ensure the delivery of the service in a quality manner and in accordance with the regulatory framework. A lot of time was spent verifying and retrieving information, as existing IT systems did not provide accurate information on the number of existing customers, the status of study programs and incoming payments. There was no uniform and precise information on how to develop, teach and evaluate study courses. As mentioned above, employees were not aware of all the features of the e-learning environment system and worked inefficiently, for example, students sent their papers by e-mail, and then the coordinator in charge forwarded it to the course lecturer, the lecturer graded the paper, then sent it back to the coordinator and the coordinator delivered it to the student. In fact, all these activities were superfluous because the e-learning environment provided an opportunity for the student to upload their papers, and the lecturer could grade

them right there in the e-learning environment, but none of the employees knew it because their predecessors had terminated their employment without sharing their experience with the new employees. There were also no descriptions of procedures to look through, so employees did everything they could using the “error and trial method,” and they were chronically overloaded and stressed. Signe Enkuzena was facing series of serious decisions and dilemmas: how to make the work efficient and profitable?

Signe Enkuzena understood that it was vital to determine the organization’s current status using some quantitative criteria to decide how to divide work and priorities. These criteria were the amount of projected income and expenses per month, the number of existing customers, clear regulatory requirements and compliance. It was also clear that the organization needed additional resources to develop financially and in terms of human resources and expertise. The company did not have money for investments, and the owner already lent his private funds to the CBA to pay salaries to employees. Despite the critical situation, Signe Enkuzena was firmly convinced that it was possible to start and develop the company. Its uniqueness and potential were in the teamwork and employees’ belief that results can be improved, as well as in the special treatment of each client. This belief was also maintained and confirmed by Signe Enkuzena with her example in her daily work: in situations when employees had high levels of stress, she often said: “Nervousness does not solve anything. It is destructive. There is a solution for all situations!”

Signe Enkuzena invited employees to think about the purpose of their activities, the value of each activity, and whether it is close to the expected result. “No stress!” – Signe Enkuzena’s words were both encouragement and consolation. Her second statement, which was very popular among employees, was “You can do everything with Excel!” The history of this statement was related to the first victories in the sorting and compilation of information. Due to the lack of a unified information system in the company, Excel data tables were initially used to obtain accurate information. Signe Enkuzena taught employees many of the analytical and job simplification features of this relatively simple MS Office program.

Forming a team

Work at the educational institution gave Signe Enkuzena satisfaction. The fact that Janis Stabins’s confidence in her ability to grow was important – the owner of the company, paying for participation in international conferences in the USA and Canada, introduced Signe Enkuzena to the current trends in distance learning. During their meetings, she managed to convince Janis Stabins that the company needs employees who have the competence of education management and experience in raising funds because development would be very slow with the existing income without additional investments. At this point, a new stage began, as responsibility was delegated to Signe Enkuzena not only to sort out the current situation but also to form her own team for further development of the company. There was a need for additional staff with other types of competencies and enthusiasm that, like Signe Enkuzena, would see their professional fulfillment and growth opportunities at work in a private higher education institution.

Signe Enkuzena had a wide range of acquaintances among educators and managers, as well as good knowledge and skills in staff selection. She was convinced that a strong management team should be formed, where everyone would have some unique competence. During the first half of the year, three employees were attracted to the company and later one of the existing ones was promoted, and the work performance of these employees was extremely important for the company’s success. So, in a few months, Signe Enkuzena formed her own management team of Janis Supe, Jana Roze, Evija Krakopa and Daiga Kalderauska.

Janis Supe referred to the announcement of the lecturer’s position. Although he had no pedagogical work experience, he had a lawyer’s education and experience in working with

legal documents. He had an excellent knowledge of English, and language skills were a critical factor in developing international cooperation at the CBA. He was delightful and diplomatic in communication, as well as extremely capable of work. Janis Supe worked as a part-time lecturer. Soon, in addition to the duties of a lecturer, Janis Supe was offered to lead one of the two study fields, and starting from November 2020, Janis Supe was a full-time employee and held the position of Deputy Director for Development.

The contract with Jana Roze was signed based on recommendations from Signe Enkuzena's colleagues at the former workplace. More than 15 years ago, Jana Roze and Signe Enkuzena had worked for the same employer, but as this organization was large, and they worked in different departments, they did not have common teamwork experience. Jana Roze's uniqueness was the ability to write project applications for the acquisition of European funds and the desired competencies in administrative work – she was able to communicate with public authorities and officials in their language. And the administrative work did not cause Jana Roze any difficulties but joy. She could wade through piles of different documents for a long time until they were all neatly arranged in marked folders. Jana Roze was recruited as Deputy Director for Studies, and this position was the next step in her professional career.

Evija Krakopa joined the College of Business Administration initially as an assistant to the owner. Janis Stabins needed an assistant, and Signe Enkuzena found and recommended Evija Krakopa. The duties of the company's assistant occupied only a part of the contracted working hours, so Evija Krakopa was involved in various small but essential office environment tasks, document management and maintenance work. In fact, she was an office administrator who arranged for every employee to have all the necessary work equipment, both physically and emotionally. Evija Krakopa was responsible for keeping records. In addition, she took care of fresh flowers, clean mugs, water, office equipment. She did not forget about her colleagues' birthdays and helped to organize various joint leisure and work trips. Evija Krakopa was a binder that held the whole team together with a gentle and supportive substance.

Daiga Kalderauska became the Head of the Study Support Centre because the previous employee who held this position terminated her employment contract. For a while, Signe Enkuzena and Jana Roze led this unit, but it was clear that it needed its own leader. Daiga Kalderauska grew from a client coordinator to a leader, and this path was difficult and challenging. She had to learn a lot both in development courses and from her mistakes. Daiga Kalderauska was provided with management support, advice and individual and group coaching sessions to strengthen her position as a leader. Daiga Kalderauska's strengths were an excellent understanding of customer service processes and the ability to teach and control them in the work of other employees, a rational understanding of problem-solving and perseverance.

At the beginning of the recruitment process, job descriptions were created for all posts in advance to avoid a situation where some responsibilities would overlap or not be made. The goals and main duties of the posts were also set for everyone so that employees were clear about what they had to do.

Becoming director

In November 2018, Signe Enkuzena received a job offer to become the Director of the College. This was natural and necessary, as the actual head of the organization's operational and tactical work also needed formal and administrative authority to sign documents and meet officially with partners. It was another step towards mutual trust between the business owner and Signe Enkuzena. Janis Stabins's confidence in people came very slowly because he had a previous negative experience – several times, people

had used his business ideas to start their own business and copied the organization's database.

The position the Director of the College was not only the highest point in Signe Enkuzena's professional career, where she could realize all her experience in one place – her education in psychology and management, practical work experience in human resource management, as well as her pedagogical vocation – but also confirmations of trust and friendship.

There was a lot of work. The first task was to plan the budget for 2019. Signe Enkuzena planned an increase in the number of students by 20% and an increase in turnover by 30% in 2019. In 2018, the number of students at the College was 870, and the turnover was 580,000 euros. Until then, budgets were planned formally, but for Signe Enkuzena, the budget was a real working instrument. Also, together with Jana Roze, the company's strategy was revised and rewritten, which until then was also only a formal document. From then on, the strategy was an important tool that was used daily, and every month it was discussed how far the organization had reached the strategic aims. A job description was written for each existing employee, and individual goals were linked to the company's strategy. The strategical action plan was developed with smaller and short-term tasks (also employees responsible for each task were indicated), which would eventually lead to reaching the strategic aim. The plans and challenges were huge, and the team did not doubt for a moment that they were achievable. Signe Enkuzena did not have to consciously engage in motivating her deputies, as the content of the work itself and the desire to achieve the goal was the biggest challenge. There was a mutual trust between the deputy directors as well as confidence that the other will carry out their tasks with the best consensus. Jana Roze was responsible for the content and quality of studies, compliance with current market trends, as well as the qualification of the lecturers. Signe Enkuzena and Jana Roze, and later Janis Supe as well, attracted new professional and enthusiastic lecturers to work at the College, for whom teaching was a hobby, but the main job was directly related to the professional subject they taught. By 2021, the number of lecturers had doubled, and they taught a certain study subject according to their professional qualification, instead of teaching three to six study courses as before. Lecturers – practitioners were highly valued in professional higher education, fewer theorists – this was also one of the strategic tasks.

Significant improvements

As mentioned above, the role of the management team was invaluable. Jana Roze was actually the one who, together with Janis Supe, by writing a project application for the European Social Fund, attracted 150,000 euros for the development of the company. It was also a successful coincidence, as it was the first time in a long time that private or non-public educational institutions were eligible for European funding, and the rules of the competition did not require college co-financing or a deposit to start a project.

The obtained financing within two years helped to arrange and develop the company's activity areas and attract competent specialists to perform the work.

First, descriptions of all basic business and support processes were made, and responsibilities for the implementation of certain positions were defined. Descriptions of processes helped to review many activities in the quickest and most efficient way possible. The basis for the quality management system was established, the qualitative and quantitative indicators of the performance of all employees' positions were determined. A performance appraisal system related to exceptional strategic goals was implemented in the organization and corresponded to the daily work of each employee.

Second, international experts evaluated the study programs and provided their recommendations for the improvement of the content of the programs. The implementation of the recommendations significantly improved the quality of the study content.

Third, the existing study materials were significantly improved, and international curriculum development standards “Quality Matters” were introduced in the development and teaching of the study courses.

Fourth, with the involvement of external consultants, top-level management training was organized to improve financial literacy, raise awareness of the quality management system and promote the efficiency of administrative processes. During the training, role diagnostics was performed in the management group, and it was revealed that managers are very different, that all roles (according to Belbin) are represented in the management group (according to Belbin). This diversity and acceptance of diversity was the strength of the team because there was always a suitable worker for each job to be done, who was happy with the given task and succeeded in it.

Fifth, the existing IT systems were improved, and a new education administration system was created. They help to get things done faster and to get accurate and up-to-date information.

All these tasks required a lot of resources and management skills. The management team used the Agile approach, splitting the aims into shorter tasks, and regularly checked and reviewed the work done and, if necessary, made adjustments. It helped both to motivate the team by creating quick wins, and it also helped to improve the overall motivation of the employees. Step by step, all the internal systems and processes were put in order. It was possible to do the daily tasks more effectively and in a shorter time, thus creating space and resources for new projects and improvements. As it always happens when something is being changed, Signe Enkuzena also received some resistance from the staff (e.g. against new IT systems), but these arguments were quickly solved by direct communication, once again and again explaining the necessity and the positive long-term impact of changes.

Latest developments

At the end of 2019, the world learned about the spread of the Covid-19 virus, and significant changes began. One of the areas that were completely transformed in 2020 was education. Many traditional educational institutions were in a challenging crisis. The learning and teaching process required the development of entirely different competencies from both teachers and participants. The College of Business Administration had already mastered them, and, in fact, the transition to remote working and learning required only limited financial resources and competence. The College benefited from what was happening globally, and already in the summer of 2020, a record number of new students were admitted – 450. By comparison, at the summer 2017 admission, it was 160. Previously the College had met with a negative attitude from the Ministry of Education to distance learning form. Now, neither clients nor external evaluators, including representatives of the Ministry of Education, had to be convinced that it was possible to acquire both knowledge and skills and obtain high-quality higher professional education using distance learning. The world had become acquainted with the form of distance learning, and it was an essential factor in strengthening the status of a college among higher education institutions in the country.

Another benefit of the College was the opportunity to get their own independent office space that did not have to be shared with another company. The CBA could afford it for three reasons: first, enough office space was finally rented out in the same building after several years. Due to the Covid-19 crisis some other companies located in this building were forced to move to smaller premises. Second, the College had enough income to be able to rent an office itself and, third, the Director reached an excellent rental agreement

with the landlord. New premises were necessary for the College, as the number of employees was growing steadily. As mentioned previously, in 2017, there were 12 full-time employees at the CBA, but in May 2021, already 25 full-time employees were working for the College. In the new premises, there were separate offices for each division and much better working conditions. The CBA was also providing a possibility for most of the employees to work from home.

The four-year period of life of the College of Business Administration described was rich in achievements: the European Quality Management Association's "Towards Excellence" label (EFQM) was awarded to the CBA after international evaluation, a strong application for the Erasmus+ program was prepared, and in 2019, the Erasmus Charter was received, a new study program "Business Logistics" was opened, virtual business incubator "Business Greenhouse" was created, and a new electronic student and employee administration system was introduced, employee turnover was suspended, employee job satisfaction increased significantly, new, knowledgeable and professional lecturers were attracted (the number of lecturers now are around 70), the number of students increased more than 50% and the total income level of the organization has increased more than three times. The College reached its strategic aims set for 2024 already in 2021, so the strategy was updated and made more challenging at the beginning of 2021.

Figure 1 shows the total number of students at the CBA from the academic year 2016/2017 to 2019/2020. As it can be seen, shortly after Signe Enkuzena started working at the College in 2017, the number of students started rising steadily. It was the result of the management work of the College, because at the same time, the total population of Latvia was decreasing, and also the number of students in other higher education institutions was not changing or was slowly falling.

Figure 2 shows the dynamics of the net turnover of the CBA in EUR. When Signe Enkuzena started working at the College in 2017, the net turnover was around 453 000 EUR, and the College was working with financial losses. In 2021, it was 1,113,000 EUR, and the College was working with profit.

The future challenges

The rapid growth of the organization and the high performance shown were not only associated with recognition but also at the same time brought new challenges, as most shareholders had a dream of ensuring stable long-term growth of the company.

Figure 1 Total number of students at the CBA, academic years 2016/2017 to 2019/2020 (authors')

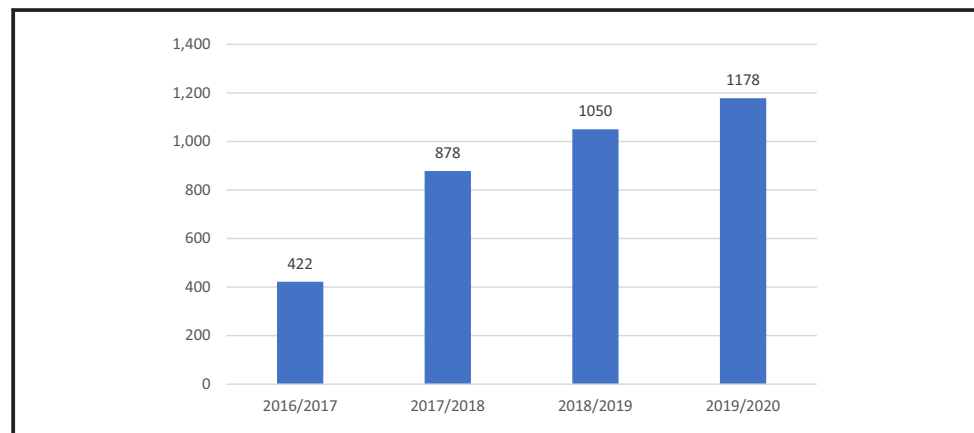
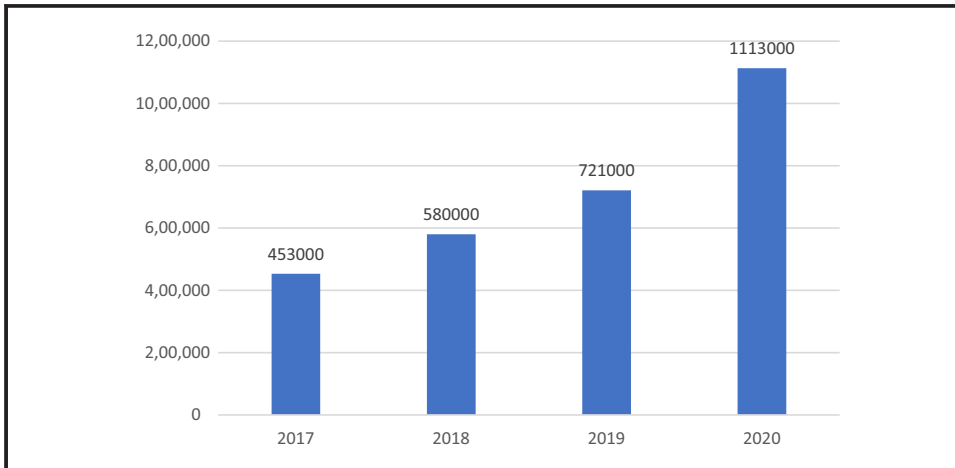


Figure 2 Net turnover of the CBA, EUR (authors')



To strengthen the results of the changes made, it was necessary to continue to expand the number of employees of the CBA to provide certain functions and to update the newly established procedures among the employees of the organization. The first future challenge was how to select suitable staff, train them and find the correct methods to maintain the culture of the organization (for example, flexibility, individual attitude, high customer service and teamwork) as the organization grew to ensure the College's competitiveness. Also changes in the structural scheme of the CBA were necessary.

Second, as the number of employees in the company increased, it was an increasing challenge to ensure high quality standards of work performance and maintain work efficiency in the organization's performance.

The third major challenge for the college was to invent and improve the IT systems to keep the business running. Recognizing that the capacity of the IT infrastructure was insufficient for future development, the company's management needed to agree on a certain amount of investment and develop a plan to increase the IT service capacity, to improve the digital competence of the employees and the strengthen the IT outsourcing service management.

To conclude, the main issue facing the top management was to sustain this growth and development in the long term.

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