LESSONS FROM AN AMERICAN QUANDARY STRENTHENING SHARED GOVERNANCE IN TURBULENT TIMES

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I have three of my doctoral students in the audience and they will tell you that I am forever a storyteller. So with your forgiveness today I would like to tell you three stories that are really cautionary tales about what happens when we go wrong.

I'm going to start by reminding you that this year the United States celebrates the 150th anniversary of the Morrill Land Grant College Act by which our federal government, though in the midst of a tragic civil war, made large tracts of public land available for the creation of state agricultural colleges, which subsequently became the public research universities that today are the flagships of the American system of higher education. Indeed, by the middle of last century, these land grant institutions had become emblematic of what it meant to be an American university devoted to research, to undergraduate life including intercollegiate athletics, fraternities and sororities, to public missions, and, certainly not least, to strong traditions of shared governance. Their locations are an inherent part of their brand: Berkeley, Ann Arbor, Madison, Chapel Hill, even the football power, Alabama is often referred to as simply Tuscaloosa.

Now, these great universities are being challenged at every turn, leading the then President of the Association of American Universities and former Berkeley Chancellor, Robert Berdahl, to somewhat peevishly ask whether any of the fifty American states could still afford a truly world-class public university. The most visible signs of the crisis these universities face is a pronounced decline in public funding that has led to a shift from public to private finance, which, in turn, has occasioned a necessary shift from public to private purposes.

As a result, these great public universities are no longer the engines of opportunity they once were or, as an angry report authored by Danette Gerald and Kati Haycock of the Education Trust recently charged, the nation's flagship universities had "broken" the compact that historically had placed "[them] atop ... [the nation's] pyramid of opportunity, offering the hope that students from humble origins can learn alongside talented students from all backgrounds." That promise had been replaced by a "relentless pursuit not of expanded opportunity, but of increased selectivity." Public flagships, like their private research counterparts, now seek to be "rated less for what they accomplish with the students they Let in than by how many students they keep out," making these institutions "more and more enclaves for the most privileged of their state's young people."

There is, however, an even more disruptive crisis looming, one that asks whether these Large, complex institutions-often with revenues exceeding a billion dollars, with upwards of 40,000 students, thousands of faculty, and even more staff-are either governable or manageable. Three major crises over the last two years, involving three of the United States most iconic public research universities, have suggested just how disruptive a future pubic research universities may face. To help link the analysis that follows with the tasks we face here during the balance of the Forum, you may want to keep in mind the three basic questions that underlie almost all discussions of university governance.

- Who's in charge?
- To whom are they accountable?
- How can an institution know whether its system of shared governance is working-or not?

The University of Wisconsin-Madison

The first of these crises convulsed the University of Wisconsin-Madison two years ago. The Madison campus is actually part of a statewide system consisting of thirteen four-year and thirteen two-year institutions, with Madison serving as the System's jewel in the crown. Donna Shalala was Chancellor in the 1980s before leaving to join the Clinton cabinet as Secretary of Health and Human Services. Her successor, David Ward, later became President of the American Council of Education and a key member of the Spellings Commission that was charged with rethinking the future of American higher education. In 2008, the trustees of the University of Wisconsin System recruited Elizabeth (Biddy) Martin, the tough talking, no-nonsense Provost of Cornell University to be Madison's new chancellor. Martin lasted less than three years, departing in 2011 to take the presidency of Amherst, a prestigious liberal arts college, though decidedly not a flagship research university.

Martin's time in Madison was marked by a host of conflicts, for the most part brought on by a continuing shortage of state funds to support the University's mission, and Martin's decision that only by making the campus at Madison truly independent of the University System could she put in place the alternate business model she was convinced the Madison campus required. To that end she began a series of private negotiations with the state's controversial governor, who most Madison faculty saw as being both anti-union and anti-faculty. When the Governor couldn't deliver his side of the bargain, Martin's support within and without the campus eroded. Among those most unhappy with her performance were her nominal bosses-the President of the University of Wisconsin System and the System's Board of Trustees. As Wisconsin's major daily newspaper not-so-gently put it, too many important people "had soured over a battle for campus autonomy, hatched behind her bosses' backs."

The Pennsylvania State University

The nastiest of the three governance crises now impacting a major public research university in the United States is that facing the Pennsylvania State University over the institution's failure to respond appropriately to the discovery that one of its football coaches was in fact a serial pedophile. It was corruption plain and simple, involving neither money nor special political favors, but rather the granting of unprecedented autonomy to a key segment of the University-in this case the Penn State intercollegiate football program.

Penn State is a rural campus, out-of-sight for most Pennsylvanians but never out-of-mind. Its football program was celebrated everywhere-for the quality of its student athletes, for its victories, and, not least, for the character and strength of its longtime coach, Joe Paterno. Only after the revelations of the crimes the assistant coach regularly committed, often on University property, and the scathing investigative report of a former Director of the Federal Bureau of Investigation (FBI), did most people learn just how much they didn't know-about the governance of the program, about the ability of Paterno to declare his program off-limits to even University scrutiny, about the degree to which the University's most senior administrators were subservient to Paterno's football prog ram,and about just how wondrously uninformed both the University's trustees and faculty proved to be.

The cost to the University is proving draconian:a $60 million dollar fine, a marque athletic program in tatters, a loss of confidence on the part of faculty and staff, a diminished sense of purpose and value on the part of a student body known for its spirit, and a Board of Trustees Left wondering whether it should have resigned, self-convicted with dereliction of duty.

Ultimately the toughest questions Penn State faces center on the organizational, management, and governance changes the University will be expected to introduce. What does the University have to do so it can convincingly declare,"Never Again!"? Everyone will want to make sure their own power is not diminished, on the one hand, and, on the other, their access to critical information is as unfettered in the future as it proved to be constrained in the past. An understandably dazed new Penn State President, Rodney Erickson, spoke for most on his campus when he said after the announcement of the penalties assessed against his university, "It is important to know we are entering a new chapter at Penn State and making necessary changes___We must create a culture in which people are not afraid to speak up, management is not compartmentalized, all are expected to demonstrate the highest ethical standards, and the operating philosophy is open, collegial, and collaborative."

The University of Virginia

The University of Virginia is best known as Thomas Jefferson's university: iconic in much the same way Berkeley is iconic, stately, almost languid in its approach to tough problems, but always purposeful in its pursuit of excellence. The campus is an architectural wonder whose core has remained true to Jefferson's original designs and concepts. But it is also a public university that has pushed the boundaries as to what it means to be public, creating along the way a School of Business that is, in fact, an independent institution wholly responsible for its own funding and largely immune to the dictates of public policy.

Hence the surprise last May when the University's Regents, its board of trustees, announced the sudden and unexpected departure of Theresa Sullivan, the University's president who had been in office less than two years. What quickly became clear was that the Regents had fired Sullivan for what they saw as her failure to move the University forward. The Regents wanted a new business model that stressed new modes of delivery, greater management flexibility, and a willingness to make decisions quickly. Sullivan had answered with a full-throated defense of incrementalism and the virtues of doing business in the future pretty much as the University had done its business in the past, with most decisions about how the University accomplished its tasks the product of a faculty dominated deliberative process.

The campus'reaction to Sullivan's dismissal was equally dramatic. The faculty Senate made clear it wanted nothing less than Sullivan's immediate reinstatement and major changes in the personnel and operating procedures of the Board of Regents. The students rallied. Higher education experts from across the country added their voices to an increasingly messy confrontation that threatened both the stability and standing of the University. Sullivan herself allowed that she would be willing to be reinstated provided the Chair of the Board of Regents, who had engineered her departure, left the Board when her term was up in July. Eventually, Virginia's Governor weighed-in calling on both sides to find an acceptable compromise, which they quickly did. Sullivan was reinstated. The Chair of the Board of

Regents was appointed for another term and the campus community fervently hoped they and the rest of higher education would quickly forget what had transpired.

Like the crises at the University of Wisconsin-Madison and at Penn State, the events that convulsed U.Va.this past spring raised fundamental questions as to the governability of the nation's large, public research universities. At U.Va.,the paramount question became "Who in the University would playthe'first-mover'role?Who would get to set the agenda?" Historically it had been the members of the faculty, working both separately and independently, who had made the University's business the sum of their separate endeavors.

Starting in the 1990s, the Pew Higher Education Roundtable had taken up this issue of faculty separateness as part of a larger exploration of why universities were becoming ever more expensive institutions to operate. In Policy Perspectives the Roundtable put forth two explanations for what had happened. The first was the emergence of an administrative lattice that, much like a mathematical lattice, had grown to incorporate ever more elaborate and intricate linkages within it. Operating simultaneously was an academic ratchet, which over the course of time had drawn the norm of faculty activity away from institutionally defined goals and toward the more specialized concerns of faculty research, publication, professional service, and personal pursuits.

One of the consequences of this fracturing of faculty activity is that professional norms have become more important than institutional customs or traditions. There has been a parallel withering of the institutional role of the faculty as well. The mantra of shared governance is more familiar to scholars of higher education and the denizens of faculty executive committees or their equivalents than to faculty members who spend most of their time teaching, meeting with students, and engaging in the variety of outside activities that has trumped too many of the professoriate's commitment to a professor's traditional calling.

It was this diffusion of authority that brought on the crisis at the University of Virginia. What the Regent's saw was a university ill-equipped to compete in the twenty-first century. What President Sullivan championed as a necessary "incrementalism," the Regents took to be an unwillingness to do the different things a modern, electronically connected, globally aware university needed to do. Shared governance notwithstanding, it was time "to take charge" by making the Board of Regents the University's first mover. It would set the agenda, pick a President capable of ensuring that the faculty provided the specific programs that agenda called for, and become the arbiter as to whether the University was achieving the goals it sought.

Not surprisingly, the faculty's leaders had a fundamentally different explanation. What the Regents had attempted was nothing less than a political coup, a seizure of power and initiative that was inappropriate and one that could only weaken the university as it competed for faculty, students, and key research grants. In due course, they said, the university could consider the appropriateness of new business ventures and new ways of organizing itself—but those considerations would necessarily require continued allegiance to the faculty's definitions of shared governance.

Lessons to be Learned

Collectively these crises teach two basic lessons about the governance of American universities. The first is simply thatthe United States needs to understand that its universities have entered a different era. As institutions, our great universities are neither as innocent nor as virtuous as we would have the rest of the world believe. Today the notion of shared governance rings somewhat hollowgiven the horrific misconduct that, for more than a decade, was swept under the rug at Penn State. The crisis at the University of Wisconsin-Madison stemmed from a President's largely unilateral decision to abandon shared governance in favor of a badly timed misadventure involving a polarizing Governor and a political system that subsequently proved incapable of making a principled decision. At U.Va.the Regents had similarly decided that shared governance was not working and as a result their University's sustainability was put at risk. While the reinstatement of Theresa Sullivan to the Presidency reaffirmed the importance of faculty sensibilities, the larger question of how best to both Lead and govern a large, complex, often conflicted institution in turbulent times was left unanswered.

The second lesson these three crises teach is that it is now time to answer that question, taking into consideration just how much has changed in the governance of publicly funded research universities over the last half century. I want to conclude these remarks by offering a set of concepts and definitions that I hope will prove helpful, not just to the pubic flagship universities in my country, but to publicly funded research universities across the globe.

Let me start by broadening the subject to include three parallel concepts that have become an integral part of the discussion of how best to organize our universities. The first, as before, is the concept of shared governance, which focuses on questions of authority and responsibility. Effective shared governance requires a practical as well nuanced sharing of responsibility by the institution's governing board, its faculty, its principal officers or executives, and its administrative agencies. In this sense, shared governance is not a system of checks and balances, but rather a commitment to collaborative action and sufficient transparency, allowing each constituency to know what its partners have done and are about to do.

The second set of parallel concepts involves the actual management of the university. Effective management entails making timely decisions about the setting of priorities, the allocation of resources, and the assigning of executive responsibility to individuals. In the modern era, good management requires nimbleness as well as a willingness to do things differently.

The third set of parallel concepts focuses on the bureaucracy that is necessary to make sure the university, on a daily basis, operates on time-the physical plant is maintained, the staff are hired and paid, student transcripts are kept current, monies are dispensed, and the university complies with the myriad regulations to which it has become subject. Bureaucracies are inhabited by bureaucrats-the men and women who comprise the administrative lattice and who, understandably, prefer to be called administrators rather than bureaucrats.

The absence of balance within and between these three parallel concepts results first in confusion and, ultimately, in crisis. Increasingly faculty, for example, have become less interested in, and thereafter less willing to invest their time and energy in, the processes and agencies on which shared governance depends. Trustees, though admittedly for different reasons, have proven equally uncertain partners. Trustees in the American system are essentially part-time amateurs-unpaid,too often uninformed,and almost always unaffected by the decisions they make on behalf of the institutions for which they exercise fiduciary responsibility. Their interest waxes and wanes, at times threatening to micromanage the institution, at other times blissfully unaware of how and what their university is doing. Caught between these two forces are the university's executives, seeking to make decisions that neither wake a sleeping faculty nor push their boards to take inappropriate action. Finally, it is the university administrative staff who most often fill this void-making small decisions, designing complex processes which they administer, avoiding conflict as much of possible.

Each of the three crises I have identified, in one way or another, involved an exaggerated case of the imbalances that result when one or more of shared governance's constituent partners fail to perform responsibly. At the University of Wisconsin-Madison it was a President. The Penn State crises involved each of the imbalances I have described. The faculty had long since given up a primary role in the oversight of non-academic functions at the University. The Trustees simply refused to be bothered learning the details of what might be happening in an increasingly independent athletic department. The President and his executive colleagues had ceded control to an administrative staff that sought to protect itself and, in the process, managed to cover-up what should never have been allowed in the first place.

Finally, at the University of Virginia, a suddenly aggrandizing Board of Regents sought to fill the void that resulted when it perceived the absence of a strong faculty voice willing to reposition the University to better compete in a globally, electronically interactive marketplace. When the President sought to restrain the Board and defend the incremental response of her faculty, the Board forced her out, not knowing that in the end it lacked the political muscle to make its decision stick.

I don't want to suggest that shared governance will not work in the modern era. On the other hand, I do mean to suggest that what we mean by shared governance and the conditions that make it possible, need to be revisited. In the United States, at least,

I would start by having faculty relearn the importance of collective action, including the turning of academic departments into what might best be described as learning cooperatives-shared tasks, shared responsibilities, shared purposes and goals. Ultimately what a successful learning cooperative yields is the capacity to invest substantial energy in common projects both within the department and across the institution.

Second, boards of trustees need to be invested in-trained, schooled, practiced. It is not easy to be an effective trustee-success in one's business or political career probably teaches as many wrong lessons as right when the task is to provide good governance to a university. Good boards of trustees insist first on being fully informed and subsequently on learning the art of making policy as opposed to exercising management responsibilities. But mostly, effective boards of trustees stay tuned-in, reading about and listening to the daily workings of the institutions they are expected to help guide toward a constrained sense of the possible.

Third, university executives must better learn the art of keeping faculty and trustees informed in such a way that they support common purposes. Good executives are those who understand what an academic institution is expected to accomplish, how those accomplishments are to be achieved, and finally how their institutions' resources-financial, physical, human-are best deployed in pursuit of common purposes. Good executives must

Leam howto change the business of the business, blending tradition and incremental change with more than a dash of innovation and entrepreneurship.

Fourth, administrators must relearn the discipline of service-must understand that they remain subordinate to faculty agencies, boards of trustees, and duly constituted deans, provosts, presidents, and rectors.

The ultimate change I have already hinted at-a simple willingness on the part of all four constituencies to establish a culture of shared responsibility that worries more about sustaining the institution, rather than focusing on the specific privileges and rights of individual constituencies.