

# A Presidential Leadership Index: Lessons Learned for Higher Education

**IMMEDIATE  
ACTION  
REQUIRED!**

## INTRODUCTION

THE HEADLINES THIS SPRING AND SUMMER IN HIGHER EDUCATION HAVE CAPTURED THE STEADY DRUMBEAT OF CHALLENGES: SUPPORTERS SUED TO BLOCK THE CLOSING OF SWEET BRIAR COLLEGE – AND AFTER WEEKS OF LITIGATION WON, DESPITE QUESTIONS ABOUT ITS FUTURE. LOUISIANA AND WISCONSIN LEGISLATURES ENTERTAINED \$300 MILLION IN CUTS TO THEIR PUBLIC UNIVERSITY SYSTEMS. SEVERAL UNIVERSITY PRESIDENTS RESIGNED, ALONG WITH OTHER COLLEGE AND UNIVERSITY CHIEF EXECUTIVES ANNOUNCING ABRUPT OR EARLY DEPARTURES SINCE THE FIRST OF THE YEAR; THE LATEST HIGH-PROFILE EXIT OCCURRED AT THE UNIVERSITY OF BRITISH COLUMBIA.

As the dust settles, one of the immediate questions that comes to mind is: *Does the seeming turmoil in U.S. higher education coalesce around a leadership crisis?*

To be sure, there are examples of visionary leadership. Michael Crow, president of Arizona State University and author of the new book *Designing the New American University*, is re-conceptualizing what he calls the “public metropolitan research university.” Chancellor Nicholas Dirks at the University of California, Berkeley, has devoted considerable thought leadership around the urgency of investment in the public research university. President Joe DiPietro at the University of Tennessee has harnessed internal constituencies and trustees, with support from the legislature, to build a new business model for public higher education in the state.

Each one of these leaders brought to their new positions a broad portfolio of academic and administrative experience from complex, sophisticated public and private university enterprises and demonstrated skills in adapting to institutional realities and cultures. However, as college and university presidencies turn over in record numbers, especially as the Baby Boom generation retires, do the portfolios of new leaders taking office match the new requirements of an uncertain and increasingly complex business environment in higher education?

## THE LEADERSHIP IMPERATIVE

In the 1990s, influential business thinker John Kotter challenged long-held assumptions about the sources of power and authority, stressing that balancing both strong leadership and strong management

were both vital for success. In his view, management dealt with complexity in large organizations and leadership coped with change.

More recently, in another model, two *Harvard Business Review* authors have proposed a “leadership capital index” to calculate the “market value” of leaders and inform investors about the readiness of a firm’s leadership to meet business challenges. This index centers on two domains – individual (the top qualities of the leader and leadership team) and organizational (systems these leaders create and apply to specific business conditions, involving such areas as culture, talent management and performance accountability). Increasingly, according to *Inside Higher Education*, search firms are also using personality tests and “soft skills” assessments as part of their standard offering.

Whatever the specifics of the job description, today’s university presidents must be able to lead change. The role demands broad and deep professional experience and personal traits and calls into practice their capability not only to attract competitively sought faculty and generous loyal donors, for example, but also much more. They are expected to foster and apply a leadership vision, create partnerships with business-focused boards, navigate through legal and political gauntlets of student sexual assault and faculty unions and make bold choices that promote institutional sustainability and survivability.

As the authors of *Presidencies Derailed* put it following a study of 50 resignations, premature retirements or firings in 2009-2010: “[A] candidate’s curriculum vitae is a tombstone of past accomplishments, but the client is looking toward a different institution’s future...Rising rank in organizational hierarchies and a list of eminent publications do not reveal how the candidate will go about fundraising, making peace between warring factions of faculty, or dealing with drunken students and angry parents. Even a candidate who has had experience as a senior administrator has been in charge of executing policy, not creating it, and – equally important – deciding when not to create it.”

The book’s authors – Stephen Joel Trachtenberg (former president of George Washington University), E. Grady Bogue (former chancellor of Louisiana State University and interim chancellor at University of Tennessee-Chattanooga Chancellor) and public policy and administration research professor Gerald B. Kauvar – and their research associates went on to describe six causes of these first-term failures: poor interpersonal skills, inability to lead constituencies, difficulty adapting, failure to meet business objectives, ethical lapses and board shortcomings. They also pointed to the pivotal role of search firms and boards in ensuring the best hires.

## PRESIDENCIES TODAY – A VIEW FROM THE FIELD

Through our work with university presidents, leadership teams and boards, we have developed our own index of the framing elements for leadership success. But first, let’s look at a few case studies:

Here are two composites of faltering or doomed presidencies:

- A former dean brought a narrow view from one discipline and pre-formed ideas to the role of president of a comprehensive university and early on did not cultivate the more expansive intellectual capital within the institution. He articulated an uninspiring, generic set of priorities for a major capital campaign that disregarded comprehensive visioning and planning in anticipation of his

arrival and thus demoralized faculty and staff. Meanwhile he began alienating the broader community by not immersing himself in the local culture and developing the external relationships essential for energetic regional support.

- A president was selected by the board of a faith-based institution for his “pastoral” qualities at a time when the university was struggling to maintain enrollment traction and persuade a sufficient well of alumni that their philanthropic support was genuinely needed. The result was a continuing drama of disarray – a multi-million-dollar deficit, faculty votes of no-confidence against the senior administration, continued decline in market share – and eventually recognition that a “change in leadership” was necessary. He announced his early resignation.

Now, here’s a snapshot of two others who navigated tough terrain to guide their institutions toward change and alignment around a re-envisioned future:

- A mid-size private university experienced declining enrollments due to shifting demographics in the region, relatively siloed curricula within multiple colleges and increasing misalignment with its business-focused board that was aggressively pushing for change. Following a program realignment initiative that alienated much of the faculty, the president convened a successful strategic planning process through which the academic community reimagined the university around current and future market opportunities while building on its distinctive strengths and brand.
- A new president of a small private university understood that the institution’s relatively comfortable niche position and budget margins were not likely to endure long-term. In this first year, he launched a comprehensive planning process that engaged faculty, staff, students, alumni and the board to develop a sustainable path forward based on strategic budget management and strategic investments from fundraising and enrollment growth. Simultaneously the board conducted a governance review that lay the groundwork for a stronger partnership with administrative leadership. As the plan was implemented, their collaboration focused on mutual expectations as defined by a strategic plan dashboard with key performance indicators and metrics so they could assess progress annually and apply the data to adaptive implementation.

## WHAT INSTITUTIONS CAN LEARN

Nearly 60 percent of college and university presidents were over age 61 in a study conducted by the American Council on Education (ACE) in 2011, and the pendulum continues to swing on the issue of the best credentials for a new president. For decades the most common career path has been as chief academic officer. Then the 2008 recession led to a spate of university presidents from the business sector, with about 20 percent coming from outside the academy in the ACE study.

Lately the academic pedigree has again held sway, as clashes over shared governance have threatened collaborative planning by the academy, administrators and business-focused governing boards at many institutions. One example of these conflicting perspectives is former Harvard University President Lawrence Summers, a brilliant economist and former U.S. Treasury Secretary who may have understood the finances but provoked a furor with disparaging remarks about the capabilities of women and minorities in science and engineering.

Our index for college and university presidential leadership embraces both – the academy and the business side.

- Academically, institutional leaders must fully understand their institution’s academic mission, relate well to the faculty and move forward an academic agenda that is appropriate to unique institutional factors around its and presence in the community, region, state and beyond.
- On the business side, presidents will be called on to design their institutions for the future. In addition to understanding the academic side, that involves understanding the enterprise, driving financial reform, managing underperforming units and programs, investing in growth areas and retooling executive teams.
- Interpersonal resilience, often found in the rising number of student affairs administrators in candidate pools, extends to the ability to respond to crises round-the-clock, survive highly politicized situations and communicate convincingly with many audiences.
- Externally, institutional leaders today spend much of their time raising money and building and managing multiple constituencies, from their campus stakeholders to governing boards, alumni, business and industry and, increasingly, governors and legislators. And, unlike more top-down corporate executives, university presidents must be certain when they are out front telling and selling their university’s story that they are flanked by all the constituencies essential to sustained institutional success.

## THE PRESIDENTIAL LEADERSHIP INDEX

Choosing the right leader is a complicated process, and the extensive list of leadership and management books supports the notion that, while there are considerable criteria for success, no one individual can embody the perfect candidate. However, we suggest that this presidential leadership index provides an outline for the deeper considerations that must be part of the presidential search process:

1. **Credible and inspiring presence as the institution’s public face.** While bench strength matters, a given in the business world that is translatable to higher education is that the CEO’s reputation and ability to tell the organization’s story is the fundamental driver of corporate reputation and market value.
2. **Understanding of the academic mission and a vision for making it better.** On the other hand, corporate bean-counters need not apply. The differentiating heart, soul and value proposition of higher education is its academic mission.
3. **Experience with managing complex businesses and the ability to make the case for investment.** The danger is incremental growth or cutting while reeling from extreme cuts in public and research funding, demands to keep costs down, unpredictability of enrollments and much more. Meanwhile, the president is expected to generate advocacy, optimism and new revenue sources while responding to increased scrutiny by all audiences.

4. **Proven ambassador who can engage multiple constituencies around a common cause.** The traditional silos are fiercely holding their ground. What avenues of strategic alignment will benefit all stakeholders? Developing the strategic matrix is not a simply a plug-and-play process.
5. **Confident partner with the governing board.** As boards assume a larger role, not only do presidents and cabinets have the challenge of educating trustees who are often from the business sector about shared governance and educational mission, they also have a lot to learn from them about solid business management and continuous reputation building.
6. **A leader of people.** Program review, productivity and accountability and strategic talent management are not possible without the right behaviors, a shared culture and internal champions joined in managing change and improving organizational capabilities.

#### WINNING THE TITLE – AND KEEPING IT

Clearly one size does not fit the presidencies (or chancellors) of all colleges and universities, and becoming enamored with certain credentials without a full-on assessment directed at current and future institutional realities undercuts the potential of the larger opportunity. The lack of universal alignment around the best solution for higher education in general complicates the conversation, opening the door for controlling board factions who think they have the answers or competing agendas by vocal internal constituencies protecting their vested interests.

Search firms, which identify most of the higher education presidential search candidates today, and governing boards, who make the ultimate selections, have a tremendous responsibility to ensure a thoughtful situational analysis, priority-setting and bold assessment of what characteristics are truly needed in the new leader. Many institutions do not like to take risks in selecting leaders, so they settle on the traditional candidate, who brings a strong academic profile. That is part of the equation, but that is not enough. Risk-averse search committees also have been known to select less proven candidates in the hope that they will grow on the job and limit turnover over the longer term. Then the opposite can happen.

Looking forward, with data-driven assessments – and not simply intuition or a preference for the status quo – is critical in this era when higher education desperately needs strategic direction and imagination. Leadership is not simply about the next big gift, the next record-breaking enrollment or the next major announcement. The driving question for university presidential and chancellor searches is much more provocative: Rather than the attractive choice for near-term utility, what is the long play?

*September 2015*

Resources cited:

*Calculating the Market Value of Leadership*, by David Ulrich and Allan Freed, Harvard Business Review, April 3, 2015.

*The American College President 2012*, American Council of Education, 2012.

*What Leaders Really Do*, by John P. Kotter, Harvard Business Review, May-June 1990.

*Presidencies Derailed: Why University Leaders Fail and How to Prevent It*, by Stephen Joel Trachtenberg, Gerald B. Kauvar and E. Grady Bogue, The Johns Hopkins University Press, 2013.

*Presidential Personality*, Inside Higher Ed, August 28, 2015