Winning Back Hearts & Minds: Leading Higher Education Beyond the Bubble

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Winning Back Hearts & Minds: Leading Higher Education Beyond the Bubble

Overview

While higher education institutions have similar missions, related to educating students and disseminating knowledge, how they go about fulfilling their missions and the culture at each institution are often unique and differentiating.

In fulfilling their missions, institutions face a bleak financial picture. Financial support from foundations and the government is declining, and revenue from international students is at risk due to Trump administration policies. While some institutions have solid endowments and can charge high tuition, others have an economic imperative to rethink their models. This can include online distance learning and acting more entrepreneurial to develop new programs and offerings.

Leaders must make difficult decisions in matching their institution’s aspirations, culture, and resources. Success requires developing trusted relationships with multiple constituencies, acting as a change agent, carefully navigating the charged political landscape, and working closely with faculty in creating an environment of shared governance.

Context

The second Higher Education Leadership Summit was held February 28, 2017, at the Yale School of Management, with a theme of Winning Back Hearts & Minds: Leading Higher Education Beyond the Bubble. Professor Jeffrey Sonnenfeld, Senior Associate Dean at the Yale School of Management, stated that this Summit was not to redesign global education, not to rerun the last election, and not to engage in handwringing about the issues in higher education. The issues discussed were not new. They included the missions of higher ed institutions, along with business models, governance, and dealing with conflicts. While not new issues, what made this Summit unique was the caliber of people in the room, their experiences, and the candid, interactive nature of the conversation.

This Summit brought together presidents and administrators from many of America’s leading colleges and universities (representing 51% of attendees); board chairs, vice chairs, and trustees (33% of attendees); and industry advisors, including consultants, financial advisors, executive search specialists, and journalists (15% of attendees).

While these elements are similar to the past, there are also new and urgent challenges. Among them are:

- A constrained financial landscape.
- Systematic disinvestment in public higher education with decreased state support.
- Growing inequality between the haves and have nots in higher education.
- A growing skepticism about the value of a college degree.
- Pressure on colleges and universities to expand their offerings.
- A need to innovate to stay competitive.
- Criticism over tuition costs.

Amid these challenges there is tremendous opportunity for growth and imagination.

“For higher ed today, it’s a time of great challenges, complexity, and intense scrutiny, but it’s also a time of extraordinary transformation and opportunity.”

Key Themes

Most higher ed institutions have similar mission statements but go about fulfilling these missions in very different ways.

In a poll of Summit participants, 68% agreed that colleges and universities have generic mission statements that are not meaningfully differentiated, and only 7% disagreed. (The other 25% neither agreed nor disagreed.)
Several college and university presidents and board chairs were comfortable with the idea that the missions of most higher ed institutions are somewhat similar. The similarity is because colleges and universities share a common purpose and are essentially in the same business of educating students and creating knowledge. Rankings may drive a sameness, as does easy information sharing and frequent movement of leadership across institutions.

"Our core mission is still to teach the rising generation and do research that is useful in society."

Further, at many institutions, some of which have existed for more than a century, the mission has remained largely unchanged. What has changed over time are the environment and context for higher education and the different ways in which institutions go about fulfilling their missions.

"It is not that the mission has changed so much, but the environment in which we are delivering that mission has changed pretty dramatically."

Changes in the environment include:

- A change in who is being educated, including a more demographically diverse student body. At some institutions (such as community colleges) students are older, are often working, and frequently take one course at a time, which is very different from the traditional four-year undergraduate model.
- A more global perspective, which includes both a more global student body and courses with a more global, multicultural outlook.
- A change in how education is delivered, which includes more interdisciplinary, experiential education; a greater use of technology; and a focus on development of different types of skill sets, such as those from fields like engineering and science.

Colleges and universities differentiate based on how they implement their mission, as well as their unique cultures. For example, institutions may have a similar mission with one institution being a small liberal arts college with a culture focused on community, another being a major research university with multiple graduate schools and a major sports program, and yet another being a focused institution conferring a degree in just one particular field—like business or music—while making extensive use of online technology. As one university president said, “The foundation is similar [due to similar missions] but the houses are very different.”

"Our mission has not changed, but the way we implemented our mission has changed.”

Higher ed leaders have extremely complex jobs that require acting as change agents.

Leaders from higher education were in agreement that they have hard but rewarding jobs. Some see different skills required to lead a smaller liberal arts college compared to a large research university, but others see the general leadership skills required as transferrable.

Keys to success in today’s climate include:

- Building trusted relationships across multiple constituencies, including students, alumni, faculty, trustees, the community, businesses, and the government (if a public institution). A former political leader who is now a college president said, “A small college president serves more and more complex constituencies than does a politician.”
- Thinking big, yet within the organization’s resources, and acting as a change agent. This entails embodying the deepest values and highest aspirations of the institutions, while also having an entrepreneurial spirit. This requires courage.
- Assembling a talented and diverse team with differing life experiences.
- Identifying what matters most and diving in as a visible, transparent, accessible, roll-up-your-sleeves leader, as opposed to being isolated and distant.
- Making strategic decisions about the use of resources.

Despite the need for bold change agents in higher ed, the majority of Summit participants (60%) see many of today’s leaders as overly cautious.
One way to bring about change in higher education would be to have more non-traditional candidates in leadership positions. An executive recruiter shared data indicating that at AAU universities, less than 5% of sitting presidents came from liberal arts colleges, while prior to 2011, 80% of presidents had been provosts at other AAU universities. Today, the pool for presidents is broader and includes business leaders, government officials, and deans and presidents moving from one institution to another.

When participants were asked if executive recruiters were responsible for screening out interesting non-traditional candidates in favor of low-risk familiar faces, one-third agreed, one-third disagreed, and one-third were neutral. Two executive recruiters argued that they frequently provide non-traditional candidates, but these candidates are often opposed by faculty because they are not academics and are not supported by risk-averse search committees.

Higher ed leaders prefer to stay out of the political fray, using their voices on issues of relevance to their institution.

Despite being urged by faculty to weigh in and take a position on the political issues of the day, and despite being unfairly criticized by people from differing political views, most college and university presidents are trying to stay in the middle and not speak out. They don’t want to take a position, receive further criticism, and foster greater dissent on campus.

However, one university president believes it is completely appropriate to speak out on topics that affect the university and the university community. Examples include speaking out on immigration; universities wouldn’t thrive without the talents of the global community, including faculty and students, making immigration a relevant topic. Also directly relevant is the threat to the tax exemptions of endowments.

“The challenge is to avoid inserting oneself into D versus R or liberal versus conservative politics . . . but to focus on what’s good for our university and what speaks to our values.”
Many institutions have targeted full-pay international students, but this strategy is at risk. Among participants, 43% heavily rely upon tuition from international students and only 21% don’t rely on this group. However, the policies of the Trump administration put this model at significant risk.

- 96% of participants believe that the Trump administration has endangered the flow of international students.
- 93% of participants believe that US universities are likely to lose 10% or 20% or more of their international applicants. (Only 2% of participants expect no loss of international applicants.) The most significant undergraduate losses are expected from Islamic countries, with losses of graduate students expected from Islamic countries as well as India and China.
- One university president said her institution had already lost 10% of its revenue from international applicants this year.

“Without [full-pay international students] we wouldn’t be able to offer the degree of support that we do to our domestic students. . . . That is a lot of revenue about to disappear.”

Some institutions are having success with online distance learning. Different institutions have different perspectives on distance learning. For a financially stable school with a large endowment and high tuition, distance learning is unlikely to be a priority. But institutions with a different economic imperative may leverage technology to address a shortage of financial resources. Berklee College of Music was cited as an example. Berklee is offering online education, which increases access to this focused institution, while decreasing the cost to serve students by reducing (or eliminating) the time on campus. Berklee now attracts thousands of students who pay for classes online. This business is growing over 50% per year, and revenue from distance learning constitutes a significant portion of the school’s financial aid budget.

A majority of participants (73%) don’t believe that online programs provide students with the same value as brick-and-mortar programs. But one participant argued that elite institutions have given short shrift to the use of technology, and another participant suggested that online education is expanding access to a different group of students who are older, working, and who take professionally focused courses.

There was general agreement that online courses are migrating to focus on professional and technical school credentialing, and there can be value in hybrid models that combine in-person and online education. There was also agreement that not all online education is alike, and quality is extremely important.

“Technology lowers the cost of distribution and lowers the cost of expansion and scale.”

In addition to being an alternative business model, the use of technology is a pedagogical tool to enhance the learning experience. Using tools such as Skype, experts can be invited into the classroom.

Institutions were encouraged to focus more actively on planned giving. Financial experts mentioned that a $6 trillion transfer of wealth will be occurring over the next 20 to 30 years. Many individuals don’t want to give all of their money to their children, wanting to pass some of it on to important institutions. This represents an important potential source of funds for higher education. Other strategies mentioned include revenue diversification by thinking more offensively about opportunities, spinning off non-core assets, and revisiting the pricing of various ancillary services.

“I do think there’s a range of strategies and levers that are available to create or to protect a sustainable business model for most of our institutions, in part because these institutions are creating real value.”

While governance models in higher education differ, shared governance is an important concept.

Issues can arise within higher education institutions when the roles of the players are not clearly defined and well understood by all. At times, boards of trustees may overstep their role. A board chairman offered that the role of trustees is to provide resources, make or affirm major strategic decisions, and make sure the right leadership is in place.

An expert on governance stated that higher education institutions exist for the purposes of creating and distributing knowledge and for teaching. It is the role of the administration to ensure the health of the institution—including the financial health, the facilities, and the IT infrastructure. But in terms of knowledge creation and teaching, it is important that faculty be involved in the decision making.

“I think it’s almost inconceivable that you can achieve these goals unless you have the buy-in and cooperation of the faculty.”

It was argued that faculty have academic freedom, which includes freedom of research, freedom of teaching, and freedom of intramural and extramural speech. These freedoms should be provided unless a faculty member is demonstrably unfit for the job. It was argued that the same freedoms and the same need for buy-in also apply to adjunct faculty.
While general principles for governance may be appropriate for all institutions, governance models will differ for each institution. MIT is governed by a corporation with 78 members, a 12-person executive committee, and 31 visiting committees composed of 16 members each. These visiting committees are essentially powerful academic peer review groups that develop specific recommendations.

In contrast, Swarthmore has a system with 39 managers (trustees), most of whom are alumni. Governance at Swarthmore is focused on the concept of community. Swarthmore has shared governance between the administration and faculty. A challenge is educating new faculty on what shared governance is and how it works. As one leader said, “We didn’t have a shared understanding of the roles in shared governance.”

In many institutions, the keys include allowing faculty to participate and be heard in making decisions.

“Governance is going to have to reflect the needs of the school you are in.”

Higher education wants to encourage free expression, but there are limits.

Participants want to create open campus environments that allow for wide varieties of conversations. Higher education leaders agreed with the view that the default for allowing almost any speaker should be “yes.” But there are exceptions. Speakers who intend harm are antithetical to the mission of most institutions and don’t need to be allowed.

One president suggested a different approach to intellectual diversity: instead of having some provocative, polarizing speaker on campus for one speech, a better way to achieve diversity of thought would be to invite a professor with a different point of view to teach at the university. This may be a situation opposed by the faculty, where administration needs to take a strong stand.

Other Important Points

• **Higher education in China.** Most higher ed leaders in China are not academics; they are political appointees who are party leaders. It remains common for Chinese students to come to the United States, with funding from China, for both undergraduate and graduate degrees. Some US institutions are reluctant to partner with Chinese institutions because the Chinese institutions want to control the selection of students, which is often politically driven.

**Legend in Leadership Award**

Donna Shalala, Trustee Professor of Political Science and Health Policy & Former President, University of Miami; 18th Secretary of Health and Human Services

Donna Shalala was recognized as a superstar for having served brilliantly in both higher education and government. She served as the Secretary of Health and Human Services and as Assistant Secretary of Housing and Urban Development, and has presided over three of the nation’s most consequential institutions of higher education: Hunter College, University of Wisconsin-Madison, and University of Miami.

In every role, Shalala has identified the most pressing issues and acted as a practical problem solver. She has received numerous awards for her outstanding leadership and contributions, and was described as “beloved by everyone who’s ever had a chance to be in her orbit.” She is passionate and idealistic, politically savvy, and a skilled leader of diverse, accomplished teams. She is a big-picture visionary who also focuses on the details. While having served in Democratic presidential administrations, Shalala has immense respect from within both political parties, and it was President George W. Bush who awarded her the Medal of Freedom. She is most deserving of being recognized as a Legend in Leadership.

**Higher education in India.** Demand for higher education in India is high, with a large number of high-caliber students. However, the quality of higher education in India is lacking, largely due to a shortage of quality faculty. India doesn’t have one institution ranked in the top 50 in the world.