Major public higher education institutions are reshaping themselves—forced to do so in an era of greatly reduced budgets and heightened scrutiny from students, lawmakers, and other stakeholders. As new institutions arise, so will new types of leaders.

Someone quite familiar with university transformation is Robert Smith, former president of Slippery Rock University of Pennsylvania. During his tenure, Dr. Smith oversaw a number of major advancements, including a 22 percent enrollment increase, 16 percent increase in student retention and 24 percent increase in graduation rates.

Smith currently serves as “of Counsel” to the Witt/Kieffer Higher Education Practice and is a member of the firm’s Education Leadership Council (ELC). In that role, he advises boards of trustees and new presidents on presidential transitions, trends in higher education, and the identification and evaluation of leadership candidates.

In the following conversation, Smith discusses the myriad challenges facing presidents at major colleges and universities and what skills and strategies will be needed to shape higher ed’s uncertain future.

First, budget shortages and financial instability are a harsh reality of today’s higher education. How can a president effectively lead in an era of downsizing and limited resources?

Smith: Most presidents will need to live with the fact that each successive year for the foreseeable future will be faced with declining resources. Continued cuts or under-funding of public institutions will require a president who is constantly coping with budget downsizing even while facing possible enrollment increases. The familiar line is that anyone can be a great president if they have money to spend, but the talented president is the one who can advance an institution with limited resources.

The communication skills to keep morale high (or stable) will be important. The president will also need to understand finance nearly as much—or even to the same degree as—the VP for Finance to best know how to deploy resources in this era of decline. This suggests that traditional Provosts might not be the best candidates for presidential positions unless they have had significant experience in truly managing budgets. Finally, an ability to make tough decisions and emerge with support of all constituents will be necessary for presidents interested in long tenures.

There seems to be a new breed of university trustee, one that is more demanding and results-oriented than in the past. How should presidents work to understand and accommodate today’s trustees?

Smith: Trustee appointments are becoming more and more conservative (especially as conservative state governors are elected and retained) and more likely to lack public higher education experience or loyalty. As this trend continues, trustees will expect the university to be run like a business with a “bottom-line” mentality. They are more likely to view public higher education as “second-tier,” with a mission geared towards vocational and job-centric outcomes.

Presidents must exhibit the skills and vision to counter the Walmart-ization of their institutions, says Witt/Kieffer Education Leadership Council member Robert Smith.

Robert M. Smith, Ph.D.

A Differentiating Vision: How University Presidents Can Forge a New Future

(continued)
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It is not unusual that this group views public higher education as “good enough” for certain classes of students and their families and therefore doesn’t need renovated or replaced buildings, honors programs, or enhancements they consider as “frills.” Instead, the “new” trustee may see the institution as archaic and believe their mandate from the governor is to effect change. The best recent example is the belief from some of the University Board of Visitors at the University of Virginia that the institution needed to dive headlong into online education regardless of its core mission and strategic vision.

Thus, one of the presidential challenges will be to successfully communicate to these new trustees the tenets and values of a high-quality public university. In a similar way, the president will need to articulate the views of the trustees to distrusting if not dismayed faculty. The president will need to know the language and the culture of business and be capable of translating the institutional values in terms appreciated by the trustees.

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While trustees and others are calling for university presidents to be more entrepreneurial and businesslike, most presidents and academics bristle at the notion. Is there a middle ground?

**Smith:** Only in the sense the president is caught in the middle! Academics bristle at the imposition of what they believe it means to be “more businesslike” because it is often code for changes they can’t control or have voice to. This is where a compelling vision is an essential bridge between the aspirations of the trustees and the campus.

In reality, there is much common ground. Faculty and key administrators want to be part of a quality enterprise and so do trustees. They want to be proud of their work and feel that their reputation is enhanced by their association with the institution. All parties want to believe their work is valued. The differences are in how we get there and process is important. The president’s role is to assure both sides are engaged (hopefully mutually) in developing what it means to be a quality enterprise within the constraints we are now facing.

If the president can shape a vision that inspires and reassures both sides that there is a bright future, then the work necessary to get there is much easier. The key is to change “middle ground” to “common ground.”

**You mentioned morale earlier, and this is a major issue with university faculty. How does today’s president inspire faculty and get them on his/her side?**

**Smith:** For public institutions, consecutive years without salary adjustments have taken a toll on faculty morale. For both independent and collective-bargaining faculty, the new reality is pressure to “give back,” especially on health benefits. For senior faculty who hold romantic memories of annual pay increases and generous benefit packages, this is demoralizing. They have difficulty coping with a decline in their financial stature. Add the fear that they can’t afford to retire (whether imaginary or real) and they feel pushed into staying on longer when they would rather be doing something else.

The president’s sensitivity to this group is critical. At the same time, the president needs to show sensitivity to the younger faculty who might feel that their seniors are not as capable, energetic, or as committed to the institution.

For both these constituencies, the president will need to find alternative incentives and rewards other than pay and benefits that inspire and retain the best (faculty and staff).

**Has the value proposition for higher education diminished? Are we moving towards, some would say, mediocrity, and what can the president do about it?**

**Smith:** Two factors converge to make this a difficult time. One is the declining high school populations in major segments of the country. Greater competition for fewer students will force institutions to demonstrate why they are a preferred choice if they are to increase market share just to stay at the same level of enrollment.

The second problem is that institutions are not downsizing strategically to position themselves as distinctive institutions. They appear to be regressing more to the middle. In a time when bold
strategic visioning is necessary, the internal choices have been to take away a little bit from all programs and slowly sink to mediocrity across the board.

As institutions become more and more alike, the ability for the president to articulate a differentiating vision will be important. The question for families seeking to spend their tuition dollars is: Why you and not the institution down the street? And cost will not be the deciding factor unless everyone wants to be the Walmart Institution of Higher Education. This will require savvy marketing and branding, two terms not always familiar to university presidential candidates or presidents.

The ability to articulate a captivating vision that truly expresses the nature of the institution can’t be overemphasized. This is important to recruitment and to faculty and staff morale. A solid vision drives the institution including the curriculum as well as the strategy to pursue alternative curriculum delivery systems. In addition, vision is a critical element in accreditation visits. An institution that confidently knows where it is going impresses accrediting agencies (in ways that can cover other sins).

How can presidents successfully navigate this new era of performance-based funding and the need to prove the value of the educations their institutions are providing?

Smith: Almost every public system has gone to some version of performance funding and more legislatures are mandating models. One of the singular tests of a president’s skill is successfully guiding an institution whose slim resources are tied to performance funding. Most performance funding systems capture existing revenues to fund performance funding. Therefore, if the university does not meet minimum outcome measures, they actually lose money from their budget to other institutions. Consecutive years of failing to meet outcomes can be a devastating downward spiral added to other funding woes.

Successful presidents have a mind-set for data-driven decision-making and an understanding of the methods required to create marginal gains on prescribed outcomes. As mentioned earlier, the president must know finance. Now add the need to know enrollment management modeling. For example, if the expected outcome is to increase the graduation rate, decisions made today will not pay dividends for up to four years, more likely six years. Mistakes in those decisions set the institution back four to six years.

The University of Texas system has recently tied the performance of the institution to the pay of the campus administration (not a new concept by any means but one that has been widely publicized in the past few months). Just recently, the new Purdue University president’s pay was tied to meeting performance goals (and he is the former Indiana governor). This is going to be a trend and will create new conversations with candidates about how their pay will be determined throughout their tenure.

Presidents have always had to be fundraisers, but will they need to be much more than this going forward?

Smith: It is not sufficient for the president to know how to make the “ask.” Fund-raising talents will need to be more nuanced. Typically, there are not enough alums or friends out there to produce a continuing stream of funds necessary to meet the needs of the institution in this economy. Consequently, the president must be an entrepreneur capable of developing recurring revenue streams. In short, the president must know how to develop “lines of business” that generate income to the university. For public institutions, these bring the added benefit of independent fungible resources: better than tax dollars. Candidates with successful experience in alternative funding methods will be highly sought-after.

What do people mean when they talk about an era of shared governance? What’s the president’s role in this era?

Smith: This isn’t your typical view of “shared governance” where we view the president’s skills in working with the
faculty. We need to expand the concept. With state systems demanding more collaboration and shared services as well as curricula across member institutions, the new president will be less autonomous and less capable of making independent decisions. The president will need to be a good negotiator to retain institutional identity and the power to make institution-specific decisions in an environment where there may be shared back-office operations up to and including common vice presidents across multiple institutions. Imagine your V.P. for Finance has responsibility for multiple institutions. Some presidential candidates may find such arrangements distasteful to their current view of the presidency.

Finally, we’re also in a litigious era. How does this impact university presidents and the skills they need?

Smith: Presidents will continue to find their institutions involved in litigation—oftentimes frivolous but still time-demanding and fraught with opportunities for mistakes costly to the institution. My personal view is that this is a societal issue closely tied to the decline in civil discourse. Rather than discussing issues, people who feel disenfranchised are quite quick to find a lawyer. And since many lawyers will take cases on contingencies, there is no risk to the individual to contract with a lawyer. The promise of big settlements is too enticing.

Consequently, the president needs to know case law in employment, contracts, retaliation, Title IX (both the new version and the old), and the range of protected classes/discrimination cases. The president has to know the limits on his or her decision-making as shaped by the law, judgments, and grievances. I do not think it is sufficient to depend on the advice of lawyers. The president needs to be knowledgeable enough about issues to test the advice of lawyers. The more legal education a president can find, the better in this era.

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