

CONFIDENTIAL MEMORANDUM

TO: Members, Board of Regents

FROM: James J. Duderstadt

Date: August 2, 1991

SUBJECT: 1991-92 Salary Recommendations for Executive Officers

Following your approval of the General Fund Budget for FY1991-92 and our performance evaluation discussions last month, I am prepared to recommend for your consideration the salary programs for Executive Officers of the University. I am enclosing a separate memorandum from Provost Whitaker conveying his recommendations for salary programs for the Deans.

Consistent with my discussions with the Board last month, I would like to provide you with a somewhat broader evaluation of the University leadership, noting where I see our strengths and our weaknesses.

1. Some General Observations

The University of Michigan's Ann Arbor campus is generally regarded as one of the most complex in the nation, being characterized by an unusual degree of breadth, size, and quality. Further, the University faces unusual challenges in relating to a broad range of constituencies-- parents, alumni, state government, federal government, business, industry, communities, media, the public at large...all of whom require effective and sophisticated attention.

The key to the University's capacity to deal with such a complex internal and external environment has been a highly decentralized management style, in which responsibility and authority are distributed quite broadly among executive officers, deans, directors, and chairs. Both the challenges we face and our style of operation compel us to attract the very best people into these key leadership roles. And we have been unusually successful in this regard, since many leaders of higher education regard Michigan as having one the strongest, broadest, and deepest leadership teams in the nation. Evidence of this is provided, in part, by the long sequence of university presidents recruited from the Michigan campus: Chuck Vest (MIT), Linda Wilson (Radcliffe), Harold Shapiro

(Princeton), Niara Sudarkasa (Lincoln), Dave Ragone (Case-Western Reserve), Frank Rhodes (Princeton), Steve Spurr (Texas), Gordon Van Wylen (Hope), Jim Zumberge (USC), Roger Heyns (UC-Berkeley)...and so on.

Below I have attempted to provide my own personal assessment of the quality of the present University leadership. However, at the outset I should convey my own belief that we have been fortunate to attract one of the best leadership teams in the nation--although it always gives us a challenge hanging onto it!

2. Central Administration

Superstars: We are fortunate in having at Michigan several individuals who are clearly the very best in the business, providing the University with unusually strong and effective leadership:

Gil Whitaker, Provost

Gil was not only among the strongest Business School deans in the nation, but in less than a year has established a similarly strong reputation among chief academic officers. He has rapidly earned the great respect of deans and directors and is acquiring a strong reputation among his colleagues across the nation.

Farris Womack, VPCFO

Farris is also widely regarded as probably the best VPCFO in the country--and, indeed, he has had a number of opportunities for university presidencies (which, fortunately, he has declined thus far). He has an unusually broad range of management, financial, and political skills.

Walt Harrison, Executive Director of University Relations

In our search for this position, it was clear that Walt was the best in the business--as evidenced by the fact that he was then president of the leading media consulting firm for higher education. He has had an extraordinary impact on the university's effort in this important arena in only two years. He clearly has the capacity to take on a broader range of responsibilities in the years ahead.

Doug Van Houweling, Vice Provost for Information Technology

Doug is not only the strongest and most respected leader today in academic information technology--serving as consultants to institutions such as Harvard, Berkeley, and MIT--but he is widely respected in both industry and federal government. Indeed, Doug could probably go as a senior executive officer with almost any information technology company in the nation

(including IBM, DEC, Apple...). We were able to attract him to Michigan several years ago from Carnegie Mellon and Cornell because he believed that UM had more capacity to provide national leadership than these other institutions. And that is just what he has led us in doing through NSFnet, NREN, and, most recently, ANS, Inc. Doug is also one of our most versatile and creative strategists.

John D'Arms, Vice Provost and Dean of Rackham

John is also widely recognized as one of the leading graduate deans in the nation--indeed, he is just now completing two years of service as chair of the Associated Graduate Schools council of AAU. He has done a marvelous job of re-energizing Rackham and positioning it as a cornerstone of University intellectual life. I might add that he is frequently approached concerning major university presidencies, but thus far has declined these to stay at Michigan.

John Forsyth, Executive Director, University of Michigan Hospitals

I think we all agree that John has done a tremendous job in providing strong leadership for UMH, now the largest academic medical center in the United States. He has led the effort to rebuild the physical plant and restructure the operations of UMH during a time of unprecedented change in health care. Sooner or later he will seek new challenges, but for now, at least, we benefit again from the best in the business.

Bob Forman, Executive Director, UM Alumni Association

Bob is widely recognized as the dean of university alumni directors, just as UMAA is recognized as the role model for other universities. Bob is an important part of the Michigan spirit and is deeply attached to the University (which is a good thing, since he is frequently approached about other possibilities, the most recent being the presidency of CASE last fall).

Blenda Wilson, Chancellor, UM-Dearborn

Blenda is rapidly developing into a highly visible and effective leader of higher education. She has done a marvelous job of reinvigorating UM-Dearborn and building a new sense of spirit and pride. While she has had to learn the ropes as an administrator and manager, there is no doubt that she possesses

unusual leadership skills. I suspect that, in time, she will move on to a major university presidency.

Real Troopers and Heros: The University has benefited enormously from a large number of strong leaders with deep commitment to the institution. These are folks who you can depend on to do any job, no matter how difficult.

George Zuidema, Vice Provost for Medical Affairs

Over the years I have grown to respect enormously George's abilities. While not a strong and forceful leader, he is wise, perceptive, and skillful and bringing folks together to get the job done. His has been one of the most important and challenging roles at the University, and we are deeply indebted to his efforts.

Bill Kelly, Vice President for Research

Bill has been one of most important utility infielders, willing to take on any role (department chair, IST director, LSA search committee chair, VP-Research) and give it his best shot. He has that salty, wise, and humorous approach to most issues, no matter how complex.

Bob Warner, Dean, School of Information and Library Studies

Bob has served the University in many different ways, as Dean, as Director of University Libraries, as Director of the Bentley Library, as head of our historical committees...and, of course, as Director of the National Archives. Again, he is one of those rare individuals, deeply committed to the University, who will take on essentially any task.

Jack Weidenbach, Interim Athletic Director

Jack, of course, has been a mainstay of the University over the years in countless roles. He was Jim Brinkerhoff's right hand man in managing the business and facilities activities of the

University. As interim athletic director he has shown great skill, commitment, and understanding of the athletic enterprise. Since he turned 67 last spring, it is clear that we will soon have to look for his successor. But it is also clear that he has done a marvelous job in taking a number of steps that will position Michigan athletics well in the years to come, and we owe him a debt of gratitude.

Mary Ann Swain, Associate Vice President (Academic Services)

Mary Ann is a perceptive and tireless administrator, willing to take on difficult roles (e.g., BPC chair during the stressful program reviews of the early 1980s, interim Director of Affirmative Action, and most recently, interim Vice President for Student Services). In each of these roles she has performed yeoman service and taken the steps necessary to allow us to move ahead with permanent leadership. In conversations with Mary Ann, it is clear that her real interest would be in a provost role at some point, and she is looking at a number of such possibilities.

Bob Holbrook, Associate Vice President (Budget and Planning)

Bob has provided the principal analytical ability and continuity in the University budget process for almost a decade. Although he served for a short time as acting provost, he has generally been a behind-the-scenes yeoman in handling all of the bits and pieces necessary associated with the General Fund supported units of the University.

Chandler Mathews, Associate Vice President (Finance)

In many ways, Chandler is Bob Holbrook's counterpart in the VPCFO shop, with responsibility for University financial management and non-General Fund budgeting. Again, he has provided strong, effective, and dependable leadership for many years.

Eunice Royster-Harper, Associate Vice President (Student Affairs)

The External Consultants' Team for Student Services singled out Royster as the one bright light in the operation, an individual with an unusual understanding of student affairs issues and great strength and political skill. (Here I would note that she served for a number of years as chair of the Ann Arbor School Board--not an easy task.) In fact, the Consultants' Team suggested that we consider adding the title of "Dean of

Students" to give her more capacity to take the lead role in our interaction with students. I believe that, with time, Royster will develop into an excellent candidate for the vice president for student affairs role.

Tom Butts, Associate Vice President (Federal Relations)

Tom is widely regarded as one of the higher education's most effective federal relations officers. He has served not only the University, but the Michigan Congressional delegation and major higher education associations such as AAU and NASULGC for many years. He is one of those folks you can usually depend on to get complex and sensitive tasks accomplished.

Keith Molin, Associate Vice President (State Relations)

Like Tom, Keith has become a mainstay in our government relations operation and plays the lead role in our Lansing activities. He is a perceptive Lansing hand with long years of experience in working with both the Legislature and administration. His only handicap in recent years was that he was forced to become pretty much of a one-man band with the loss of Ralph Nichols and Roberta Palmer. It is our belief that by restoring the Lansing operation to full-strength under Keith's leadership, we will have the best team in Lansing.

Anita Miller, Director of University Events

Anita has built a first-class operation in handling major University events and supporting the President and Executive Officers. (Our Spring Commencement provides a good example of what this team can accomplish.) She works closely with Anne in most matters of University events and protocol.

Solid, Dependable Performers:

Clint Jones, Chancellor, UM-Flint

Clint continues to do an able job in leading the Flint campus. While not flashy, he has good management and political skills and is widely respected. His recent five-year review gave him high marks.

Jon Cosovich, Vice President for Development

While there were some shaky early years, I believe we have finally got the right structure in place to let Jon do what he does best--lead a major fund-raising campaign while others handle the detailed management and operations. He seems quite happy and productive in this role. We're depending on him to be unusually successful as well!

Elsa Cole, General Counsel

Although Elsa has demonstrated great energy and intelligence, it is clear that the jump from the University of Washington to Michigan was a very large one. She still has a great deal to learn both about managing a major law office and handling the wide array of matters associated with a university such as Michigan. While we believe that Elsa will learn rapidly and become a strong general counsel, we also realize that she needs a bit more direction that we had originally thought. For this reason, we are "firming up" the reporting line to Farris Womack so that he can provide more direct oversight and assistance.

Some Concerns:

Dick Kennedy, Vice President for Government Relations

Dick has been a trooper over the years, serving as a source of wise council and an important interface with the Board. Unfortunately, Dick has not been an effective leader of either our state relations or federal relations activities, as evidenced by the University's appalling treatment by Lansing during the past two decades. In many ways, Dick's failings have to do with both personal style and University experience in this area. He is most comfortable using what might be termed a 1950s style based on personal one-on-one interactions with a few key players--most notably Gary Owens in years past--rather than the management of the sophisticated and complex operations characteristic of state or federal politics in the 1990s. Indeed, it has been Dick's reluctance to assume additional management responsibility which has prevented us from rebuilding our Lansing strength following the loss of Ralph Nichols and Roberta Palmer. A second factor, which I suspect that members of the Board have sensed, is a sense of weariness and frustration which can eventually take its toll on anyone enduring the slings and arrows of Lansing for an extended period--which Dick has done for almost two decades.

We have compensated for Dick's weaknesses in recent years

through more direct involvement of Farris Womack, Gil Whitaker, Lisa Baker, Walt Harrison, and me in Lansing relations. However it has become increasingly clear that we simply must move ahead to build far more effective Lansing and Washington relations efforts. The University deserves nothing less. While we have no intention of replacing Dick, we also realize that we must compensate for lack of leadership ability (or

will) through alternative organizational structures which provide far more autonomy to key players like Keith Molin, Tom Butts, and Lisa Baker, while continuing efforts to develop direct relationships between senior officers (Farris, Gil, and me) with the leadership in both Lansing and Washington.

Henry Johnson, Vice President for Community Relations

The recent review by the external consultants confirmed something we all have suspected for sometime: Henry was a disaster as Vice President for Student Services, and the lack of leadership during his 17 year tenure in that role created deep problems that will take years to correct. Apparently both Bob Fleming and Harold Shapiro recognized these shortcomings and attempted to shore Henry up with key administrative support (Bob Hughes, Cy Briefer, Tom Easthope), but in the end this led to a Student Students operation seriously out of step with the rest of higher education. Out of a sense of obligation to Henry for his loyalty to the University, I have attempted to work with him to develop alternative roles. Since he relates well with people, we constructed the role of "Vice President for Community Affairs" to enable him to serve as a good-will ambassador for the institution. But it is clear that even in this role he needs a great deal of direction and supervision, and we are still searching for an appropriate mechanism to provide this.

Zi Giraldo, Director of Affirmative Action

Zi has had a rocky start as Director of Affirmative Action. While she is intelligent and articulate, she also tends toward the bureaucratic and has great difficulty in adjusting to the complexities of this University. I have had several talks with Zi about these difficulties and taken several steps to give her every opportunity to succeed. However the jury is still out at this point.

Chuck Moody, Vice Provost for Minority Affairs

Clearly this has been one of my most controversial (and least understood) appointments. While no one doubts Chuck's passionate effort on behalf of justice and equal opportunity nor his ability to relate to important segments of the student community, his outspoken personality, together with some of his own emotional baggage (arising from years of discrimination) have inhibited his ability to build strong relationships with the faculty, deans, executive officers, and, I

suspect, many members of the Board. I continue to believe that Chuck has been an important factor in the initial success of the Michigan Mandate, since not only does he provide much of the energy and passion for the effort, but he also provides those of us in Fleming with a better understanding of the concerns of some important members of our many minority communities. Yet, as Chuck enters the 5th year of his five year appointment, it seems clear that we need to evaluate just where we are going to head with this particular appointment. We have asked Harold Johnson to head a review committee to evaluate a number of areas important to the Michigan Mandate, including the Office of the Vice Provost, the Office of Minority Affairs, the Office of Minority Student Services, and the Office of Affirmative Action. We will be discussing this array of issues in greater detail with the Board in the fall.

3. Deans

Michigan is very much a "deans" university in the sense that most of the achievements of our academic programs can be traced eventually to strong leadership of our schools and colleges. Hence, we place a high priority on choosing outstanding deans, and we have benefited by the presence of unusually strong leadership of our academic units. Below I have provided a personal assessment of our present cadre of deans:

Strong Deans (among the best in the nation):

Paul Boylan (Music)
Rhetaugh Dumas (Nursing)
Harold Johnson (Social Work)
John D'Arms (Rackham)
Bob Warner (Library Science)
Ara Paul (Pharmacy)
Lee Bollinger (Law)

Deans with the potential to be among the very best:

Joe White (Business Administration)
Peter Banks (Engineering)

Bernie Machen (Dentistry)

Good potential...but the jury is still out:

Eddie Goldenberg (LS&A)

Cecil Miskel (Education)

Bob Beckley (Architecture and Urban Planning)

Giles Bole (Medicine)

Weak Deans:

June Osborn (Public Health)

Marge Levy (Art)

Gil Whitaker has provided a more thorough performance evaluation of each of the deans in his accompanying memorandum.

4. Continuing Problem Areas

Government Relations

Mention has already been made of the lack of effective leadership in government relations. It is clear that it is time the University moved from a style appropriate for the 1950s and 1960s to a style more in tune with the 1990s and beyond.

As it currently stands, the specific responsibilities of Dick Kennedy, as Vice President for Government Relations, include:

State relations

Federal relations

Outreach and public affairs

Community relations

Liaison (athletics, alumni association, etc.)

Secretary of the Board (and Regents' support staff)

After extensive discussions with Dick and other executive officers, we have decided to move to more of a "business line" model characterizing our Lansing relations, Washington relations, and public affairs operations. More specifically, Keith Molin (Lansing), Tom Butts (Washington), and Lisa Baker (public affairs) will be assigned more direct responsibility and authority for these operations--and will increasingly be evaluated on the basis of results, rather than simply effort. Further, it is our intent to strengthen our Lansing operations in a manner quite similar to that characterizing the Washington operations, with a permanent office in Lansing staffed by Lansing-based personnel. Dick Kennedy will continue

to provide leadership for both federal and state operations, but Tom and Keith will also have the capacity to interact directly with other executive officers as the need arises.

Student Services

The second major rebuilding job we face is in the area of student services. The lack of adequate leadership for almost two decades has not only allowed the University to drift far off the course taken by most other

institutions, but it has led to a highly inbred and ineffective set of operations. We had hoped to address many of these organizational and staffing issues under the interim leadership of Mary Ann Swain. But the external consultants team has convinced us that the situation is far more serious than we had originally thought, and that the University needs the benefit of strong experienced leadership as promptly as possible. As I noted in an earlier memorandum, the consultants portrayed our situation as "urgent" and the University "at risk".

To this end, we have launched a major national search for a new Vice President for Student Services. We further agree with the consultant team that this search should focus primarily on external candidates, since Michigan is so seriously inbred and out-of-step with other universities. In the meantime, Mary Ann Swain will continue to serve as Interim Vice President, assisted by Eunice Royster-Harper who will take leadership across the broad range of student affairs activities (as an effective "dean of students"). We hope to have completed the search and have new leadership in place by January, 1992, although this rapid schedule will be a challenge.

5. Some Final Observations about the University's Leadership Team

It is my belief that the University has been able to assemble over the past decade an unusually strong leadership team. We have sprinkled throughout the university administration a number of individuals who can legitimately be characterized as among the very best in the nation in what they do--individuals that most other institutions would--and frequently do offer to--give almost anything to attract. Beyond that, we have a large number of strong, solid, and dependable performers who maintain the momentum of the University.

To be sure, we have--indeed, we will always have--a few problem areas. But over the past several years, we have been identifying these and taking appropriate steps to correct these deficiencies. Our general approach has been to first see if we can provide the existing leadership with the necessary tools to build more effective organizations. If this fails, however, we have then moved to make the necessary changes. While such changes are never an easy matter, it is also the case that a complex institutions such as Michigan require a leadership team in which all

members can move at the same pace, can meet their responsibilities, and can earn the respect and trust of other members of the team.

Some examples of these rebuilding activities over the past three years include:

Development (reorganization to strengthen existing leadership)

Communications and External Relations (new leadership)

State Outreach (reorganization using both existing and new leadership)
 Admissions (new leadership)
 Federal relations (reorganization with existing leadership)
 University Events (new leadership)
 Finance (reorganization)
 Intercollegiate Athletics (reorganization and new leadership)

In the months ahead we intend to focus on rebuilding three other critical components of the University administration:

Student Services (new leadership)
 Lansing relations (reorganization with existing leadership)
 National public affairs (reorganization).

6. Specific Salary Recommendations

I recommend the following salary program for the senior officers of the University:

<u>Officer</u>	<u>90-91 Salary</u>	<u>% Increase</u>	<u>91-92 Salary</u>
Gilbert Whitaker	\$167,000	5.5%	\$176,185
Farris Womack	\$157,461	5.5%	\$166,121
Richard Kennedy	\$119,182	3.5%	\$123,354
Jon Cosovich	\$151,152	4.0%	\$157,198
Mary Ann Swain	\$112,360	4.0%	\$116,854
Henry Johnson	\$96,923	4.0%	\$100,800
William Kelly	\$121,280	4.0%	\$126,131
Clinton Jones	\$113,389	6.0%	\$120,192
Blenda Wilson	\$109,782	6.0%	\$116,369
George Zuidema	\$200,316	4.0%	\$208,329
Jack Weidenbach	\$117,700	4.5%	\$122,997
John Forsyth	\$183,740	5.0%	\$192,927
Walt Harrison	\$113,474	5.25%	\$119,431
Average		4.2%	

As I have noted, the average increase in this program is 4.2%, essentially identical to that we hope to achieve University-wide, and, unfortunately, behind the anticipated CPI of 5.4% for the year ahead. The slightly higher salaries recommended for Chancellor Jones and Chancellor Wilson reflect the

slightly higher salary programs the regional campuses are attempting to achieve to address serious salary equity problems.

In a similar spirit, Gil Whitaker has made salary recommendations for the deans averaging 4.3%, again quite consistent with what we expect University-wide. These are covered in detail in the accompanying memorandum.

I believe these performance evaluations and salary recommendations are quite consistent with our discussions held in executive session at the July Regents meeting. However, if you have any further comments or suggestions, please give me or Gil Whitaker a call.