

Change and the University

Some quotes...

“Thirty years from now the big university campuses will be relics. Universities won’t survive. It is as large a change as when we first got the printed book.”

Peter Drucker

“If you believe that an institution that has survived for a millennium cannot disappear in just a few decades, just ask yourself what has happened to the family farm.”

William Wulf

“I wonder at times if we are not like the dinosaurs, looking up at the sky at the approaching comet and wondering whether it has an implication for our future.”

Frank Rhodes

The Forces of Change

- Financial imperatives
- Changing societal needs
- Technology
- Market forces

Financial Imperatives

- Increasing societal demand for university services (education, research, service)
- Increasing costs of educational activities
- Declining priority for public support
- Public resistance to increasing prices
- Inability to re-engineering cost structure

Concern: The current paradigms for conducting, distributing, and financing higher education may not be able to adapt to the demands and realities of our times

Changing Societal Needs

- 30% increase in traditional students
- Education needs of high-performance workplace
- The “plug and play” generation
- “Just-in-case” to “just-in-time” to “just-for-you” learning
- Student to learner to consumer

Concern: There are many signs that the current paradigms are no longer adequate for meeting growing and changing societal needs.

Technology

Since universities are knowledge-driven organizations, it is logical that they would be greatly affected by the rapid advances in knowledge media (computers, networks, etc.)

We have already seen this in administration and research.

But the most profound impact could be on education, as technology removes the constraints of space, time, reality (and perhaps monopoly ...)

Concern: The current paradigm of the university may not be capable of responding to the opportunities or the challenges of the digital age.

The Role of Markets

- For students (particularly the best)
- For faculty (particularly the best)
- For public funds (research grants, state appropriations)
- For private funds (gifts, commercial)
- For everything and everybody

The current monopoly

Universities operate with a monopoly sustained by geography and credentialing authority.

But this is being challenged by

- demand that cannot be met by status quo
- antiquated cost structures
- information technology
- open learning environments

Restructuring

Hypothesis: Higher education today is about where the health care industry was a decade ago, in the early stages of a major restructuring.

However, unlike other industries such as energy, telecommunications, and health care that were restructured by market forces after deregulation, the global knowledge and learning industry is being restructured by emerging information technology, that releases education from the constraints of space, time, and credentialing.

United States Higher Education “System”

AAU-Class Research Universities (60)

Research Universities (115)

Doctoral Universities (111)

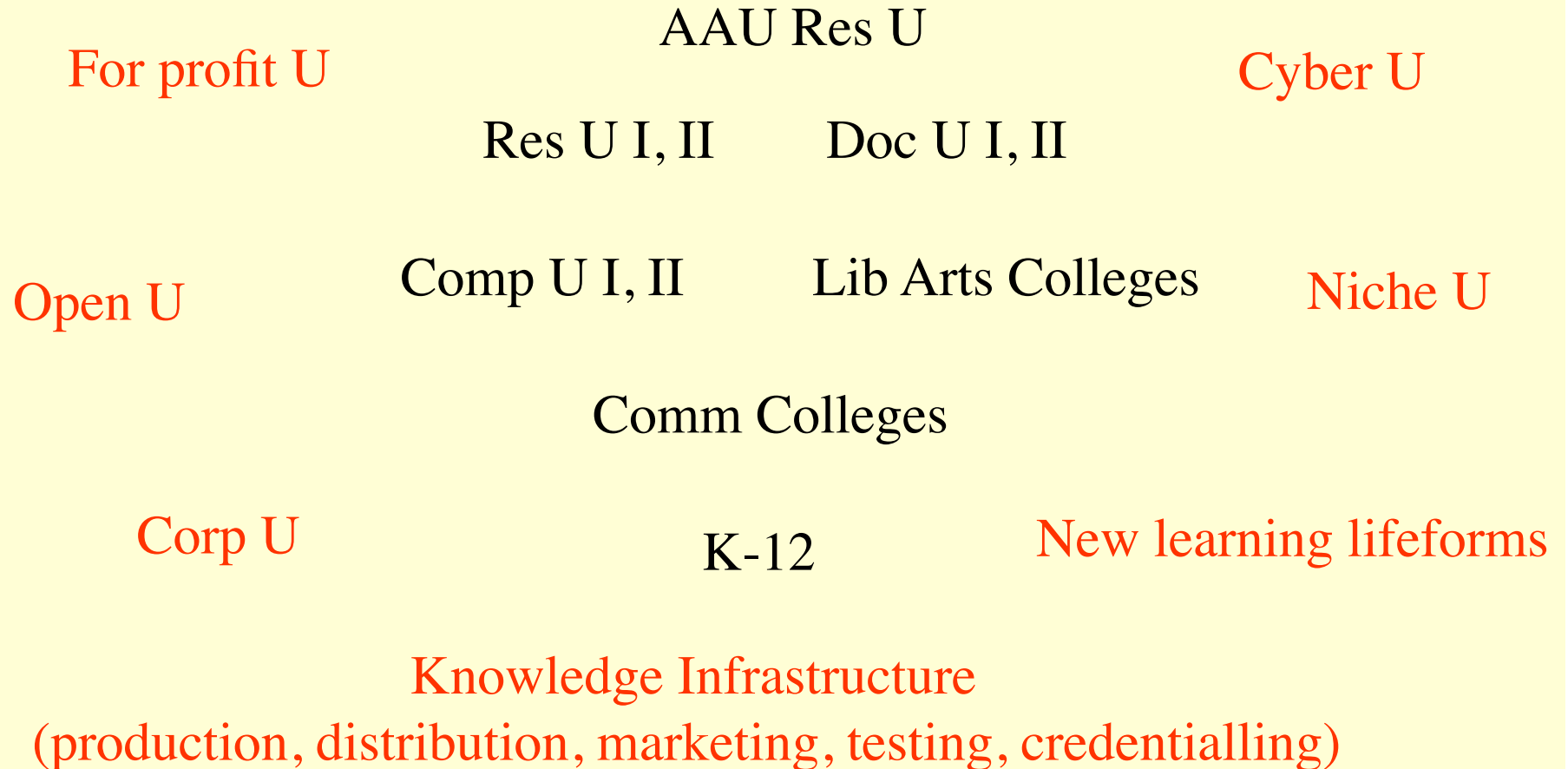
Comprehensive Universities (529)

Baccalaureate Colleges (637)

Two-Year Colleges (1,471)

Total U.S. Colleges and Universities: 3,595

The Evolving U.S. Education System



Some implications

- Unbundling
- A commodity marketplace
- Mergers, acquisitions, hostile takeovers
- New learning lifeforms
- An intellectual wasteland???

A Society of Learning

Since knowledge has become not only the wealth of nations but the key to one's personal prosperity and quality of life, it has become the responsibility of democratic societies to provide their citizens with the education and training they need, throughout their lives, whenever, wherever, and however they desire it, at high quality and at an affordable cost.

Key Characteristics

- Learner-centered
- Affordable
- Lifelong learning
- A seamless web
- Interactive and collaborative
- Asynchronous and ubiquitous
- Diverse
- Intelligent and adaptive

The Key Policy Question

How do we balance the roles of market forces and public purpose in determining the future of higher education in America. Can we control market forces through public policy and public investment so that the most valuable traditions and values of the university are preserved? Or will the competitive and commercial pressures of the marketplace sweep over our institutions, leaving behind a higher education enterprise characterized by mediocrity?

An Action Agenda

- Determine those key roles and values that must be protected and preserved during this period of transformation
 - » Roles: education of the young, preservation of culture, research, critic of society, etc.
 - » Values: academic freedom, a rational spirit of inquiry, excellence, etc.
- Listen carefully to society to learn and understand its changing needs, expectations, and perceptions of higher education.

An Action Agenda (continued)

- Prepare the academy for change, by removing unnecessary constraints, linking accountability with privilege, redefining tenure, and restructuring graduate education.
- Restructure university governance, particularly lay boards and shared governance models, to allow strong, visionary leadership and embrace the principle of subsidiarity.
- Development a new paradigm for financing higher education, balancing public and private support, implementing new cost structures, and enhancing productivity.

An Action Agenda (continued)

- Encourage experimentation with new paradigms of learning, research, and service by harvesting the best ideas from the academy (or elsewhere), implementing them on a sufficient scale to assess their impact, and disseminating the results.
- Place a far greater emphasis on building alliances among institutions that will allow individual institutions to focus on core competencies while relying on alliances to address the broader and diverse needs of society. Differentiation among institutions should be encouraged, while relying upon market forces rather than regulations to discourage duplication.

Governance

The traditions:

- **Institutional Autonomy**
 - » Academic freedom
 - » Tenure
 - » Constitutional (or statutory) autonomy
- **Shared Governance**
 - » Governing boards
 - » Faculty
 - » Administration

Shared Governance

Academic Decisions

- ...Students (e.g., admissions)
- ...Faculty (e.g., hiring and promotion)
- ...Teaching (e.g., curriculum, degrees)



The Faculty

Administrative Decisions

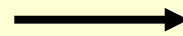
- ...Finance (e.g., resources, expenditures)
- ...Facilities (e.g., hiring and promotion)
- ...Fund raising (e.g., gifts, grants)



The Administration

Public Accountability Decisions

- ...Governments (federal, state, local)
- ...Legal (compliance, litigation)
- ...Public (e.g., press)
- ...Selecting the president ...



The Governing Board

Another way to look at decisions



The Players

Internal Stakeholders

...students

...faculty

...staff

...governing board

External Stakeholders

...federal government

...state government

...local communities

...the public

...the press

The tensions arising from the incompatibility of the values, needs, and expectations of our many stakeholders.

Some Particular Challenges

- The increasing tensions between market forces and public policy ... between higher education as a wealth creating industry and as a public good
- The tension between short-term demands for accountability and long-term responsibilities for preserving academic values

Challenges (continued)

- The crisis in the academic presidency, where authority is weak and responsibility great
- The increasing vulnerability of four-year public universities, responsible for far broader missions than k-14, increasingly competing with private colleges for public resources, and increasingly vulnerable to predatory faculty raids from wealthy private institutions

A Particular Challenge Faced by Public Universities

Public universities must function in intensely political environments, e.g., state regulations, politically determined governing boards, sunshine laws (and an intrusive press).

Politics is **reactive** rather than **strategic** in nature and tends to protect the status quo.

A serious issue: Will public universities be able to respond and adapt to the changes in our society?

Key Principles of Governance

- Driven by academic values
- Capable of change
- Responsive ...and responsible
- The principle of subsidiarity
- Institutional diversity
- Alliances
- Consultation, communication, cooperation

Roles of the University

- Providing both the young and the experienced with not only knowledge and skills, but the values and discipline of the educated mind.
- Defending and propagating our cultural and intellectual heritage, while challenging our norms and beliefs.
- Producing the leaders of our governments, commerce, and professions.
- Creating and applying new knowledge to serve our society.

Values of the University

- Freedom of inquiry
- An openness to new ideas
- A commitment to rigorous study
- A love of learning

Concluding Remarks

We have entered a period of significant change, driven by a limited resource base, changing societal needs, new technologies, and new competitors.

The most critical challenge before us is to develop the capacity for change.

Only a concerted effort to understand the important traditions of the past, the challenges of the present, and the possibilities for the future can enable institutions to thrive during a time of such rapid and radical change.

The Purpose of the Retreat

1. To discuss how best to improve the communication, consultation, cooperation, and collaboration between the Ohio Board of Regents and the presidents of Ohio's public four-year universities.
2. To come out of the meeting with 2 or 3 action items representing shared priorities that the Regents and presidents can work on together.

Some Possible Joint Projects

1. Enhancing the role, importance, and priority of Ohio's four-year public universities among strategic resources critical for the state's future.
2. Enabling Ohio's four-year public universities to achieve the appropriate balance between public accountability and institutional autonomy necessary to serve the public while adapting to the profound changes characterizing our society.
3. Providing the presidents of Ohio's four-year public universities with more capacity to lead institutional change.