The Challenge of Leadership:

A Mission

for the 21st Century

Version 1.0: March 12, 1988

"Man plans...

God laughs..."

The Goal

1. To develop, implement, and sustain a flexible planning process that would:

    • **Identify University objectives and priorities,**

    • **Assess (and perhaps modify) the dynamic environment in which the University must operate, and**

    • **Develop both strategic and tactical plans for achieving these objectives.**

2. To link this planning process to resource allocation and management decisions at all levels of the University.

Why Bother?

1. All too often the University has tended to *respond* to external pressures and opportunities rather than taking strong actions to determine and pursue its own objectives.

2. We must counter the tendency to become preoccupied with *process* rather than *objectives*...with *how* rather than *what*...

3. To seize the opportunities, to face the responsibilities, and to meet the challenges before us, the University must initiate a process capable of determining both a direction and a strategy capable of guiding it into the 21st Century.

The Strategic Planning Process

1. Mission, Goals, Values, Priorities

2. Environmental Assessment

3. Operational Objectives

4. Strategic Actions

5. Tactical Implementation

6. Evaluation and Assessment

Possible Mission Themes

- **"A heritage of leadership..."**

- **"Building leadership for tomorrow on a foundation of academic excellence" (SPT-86/87)**

- **"Developing the new paradigm for the research university in 21st Century America" (SPT-87/88)**

- **"Caring and Quality"**

Goals

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Other Themes

- **"To become smaller but better..."**

- **"To be all things to all people..."**

- **"To serve primarily the people of Michigan..."**

- **"To become the best public university in America..."**

- **"To become the best university in America..."**

- **"To win a national championship in a revenue sport..."**

Goals

Some Models

- **"The Michigan of the Past"**
  (Go Blue U???)

- **"The University of the Common Man"**
  (The University of Mediocrity???)

- **"The University of the State of Michigan"**
  (MSU East???)

- **"The Harvard of the West"**
  (much smaller but better...???)

- **"The Stanford of the East"**
  (The University of the Bottom-Line???)

- **"The University of America"**
  (America's university-- Dallas Cowboys style...???)

Goals

Values

- **Excellence and Quality**

- **Leadership**

- **Spirit of Critical Inquiry**

- **Diversity**

- **Caring, Concern, Comity**

Goals

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Environmental Assessment

- **Initial Conditions, Boundary Conditions, Alternative Futures**

- **Opportunities, Responsibilities, Challenges**

- **Key Planning Issues**

- **Planning Assumptions**

**Environmental
Assessment**

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Internal Environment

- **Structural Characteristics and Initial Conditions**

- **Tradition ("Corporate History")**

- **Resources**

- **Leadership Style**

- **Cultural Factors**

- **Momentum, Stability, Resistance to Change**

- **Images of Ourselves**

Environmental Assessment

External Environment

- **External Relationships**

- **Geographical Factors**

- **Human Resource Pools**

- **Financial Resource Availability**

- **External Image, Attitudes**

- **Constituents**

- **Political and Legal Factors**

Environmental Assessment

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Future Uncertainties

- **Costs of Quality Education and Scholarship**

- **Financial Resources**

- **Human Resources**

- **Societal Attitudes**

- **Political and Legal Environment**

- **Role of Comprehensive Research University**

- **Technology**

Environmental Assessment

Opportunities

- **Reputation**

- **People**

  Students
  Faculty
  Staff

- **Resources**

  State Support
  Federal Support
  Private Support

- **Constitutional autonomy**

**Environmental
Assessment**

Responsibilities

- **To our students**

- **To our faculty**

- **To our staff**

- **To our state and nation**

- **To society**

Environmental Assessment

Challenges

1. **The costs of excellence**

2. **The changing role of the university in modern society**

3. **Relationships with various constituencies**

4. **Diversity and pluralism**

5. **Intellectual challenges**

Environmental Assessment

Challenge 1: The Costs of Excellence

- **The costs of excellence will increase faster than the resources available to most institutions.**

- **Most will be faced with making the transition from three decades of growth to the no-growth era of the 1980s and beyond.**

- **More and more institutions will compete for fixed or declining pool of funds, students, and faculty.**

- **There will likely be a shakeout in which those institutions which have already achieved a critical mass of excellence--and have the determination and capacity to sustain it--will draw the best from the available resources and accelerate away from the pack, leaving the rest to compete for a declining resource base.**

Environmental Assessment

Some Theorems Concerning the Costs of Higher Education

HTS Theorem #1: **There has never been enough money to satisfy the legitimate aspirations of a truly enterprising faculty or administration.**

HTS Theorem #2: **The cost of quality in teaching and excellence will rise faster than the total resource base of most institutions.**

DEVH Theorem: **Over a sufficientlylong time, no resource constraints are rigid. All can be managed or changed.**

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Challenge 2: The Changing Role of the Research University

- **Traditional roles: education, research, service, independent critic of society...**

- **Today we see a transition from a resource-intensive to a knowledge-intensive society--*an age of knowledge!***

- **Role of research university as the key source of the knowledge and "knowledge workers" necessary to build and sustain the strength and prosperity of our nation.**

Environmental Assessment

Challenge 3: Relationships with Various Constituencies

- **The modern research university must deal with and respond to many constituencies: students and parents; public at large; local, state, and federal government; business, industry, and labor; internal constituencies such as students, faculty, staff, governing boards...**

- **The challenge of responding to the diversity--indeed, incompatibility--of the values, needs, and expectations of these various constituencies**

- **The tension between such responsiveness and the university's role as an independent and responsible critic of society**

Environmental Assessment

Challenge 4: Diversity and Pluralism

- **America faces a challenge of pluralism that will determine the strength and vitality of our nation.**

- **As a microcosm and leader of society at large, higher education has a particular challenge and responsibility to develop effective models of multicultural, pluralistic communities.**

- **We must reach out and increase the participation of those racial, ethnic, and cultural groups not adequately represented among our students, faculty, and staff.**

- **We must build supportive environments which accept, embrace, and sustain diversity as essential to the quality of our missions of teaching, research, and service.**

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Challenge 5: Intellectual Challenges

- **The importance and nature of a liberal education...**

- **The balance between the disciplines and interdisciplinary teaching and scholarship...**

- **The balance between continuity and change, tradition and renewal...**

Environmental Assessment

Observation

It may be that the most significant challenges facing higher education today are not the tangible external issues such as resources or public perception, but rather the need to understand better and gain broader consensus about the central goals and beliefs that guide decisions about the university.

If so, then the intellectual renewal of the role, mission, values, and goals of the university may be the key challenge before us.

Environmental Assessment

Key Planning Issues

1. Change and Renewal

- **Changing nature of education, scholarship, and service**
- **Resistance to change (change as threatening)**
- **Management of change (change as empowering)**

2. Resources

- **Human (faculty, students, staff)**
- **Financial (funding, facilities)**
- **Leadership, vision, energy**

3. Diversity and Pluralism

- **Racial, gender, cultural, nationality**
- **Economic**
- **Intellectual**

Environmental Assessment

Key Planning Issues (cont.)

4. Tensions

- **Education, research, service**
- **Undergraduate, graduate, professional**
- **Quality, breadth, size**
- **Diversity, comity, shared values**
- **Competition, cooperation**
- **Public, private**
- **Constituencies (values, needs, expectations)**
- **Commitment (discipline, unit, institution)**
- **Perception, reality**

**Environmental
Assessment**

Planning Questions

1. How good should we try to be?

- **Students, faculty, staff, programs**
- **Is being "very good" enough?**
   ("You either get better...or you get worse!"...W. W. Hayes)

2. How much should we try to be leaders?

- **Leadership = venturesomeness = innovation**

3. How much will resources constrain our options?

- **Management of constraints, goals, and change**
- **Constraints vs. goals vs. challenges**
- **"Smaller but better?"**
- **"Peaks of excellence?"**

**Environmental
Assessment**

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Planning Questions (cont.)

4. Should we compete or cooperate?

- **Why do we compete?**
- **Internally?**
- **Externally?**

5. What is the "Michigan niche"?

- **Today?**
- **Near term (5 - 10 years)?**
- **Long term (10 years and beyond)?**

6. Quality

- **What is it?**
- **For whom? For what purpose?**

7. Where should planning be done?

- **Centralized vs. decentralized**

Planning Questions (more cont.)

8. What determines the time scales of change?

- Budget cycle: 1 year
- Promotion review: 6 - 7 years
- Tenure/faculty career: 20 years
- Facilities: 20 to 30 years
- Leadership: 5 to 10 years
- Tenure and age profile of faculty
- Nature of traditional and legal decision making process
- Distribution of institutional resouces between human and physical capital
- Life cycle of any substantial academic initiative

Environmental Assessment

Planning Assumptions

1. The University is a very complex system that is responding to the cumulative effects of its history as well as dynamic boundary conditions. Nevertheless, it is critical that the University continue to take responsibility for its own future.

2. The University of Michigan faces a period of unusual opportunity, responsibility, and challenge in the years ahead, a time in which it must seize control of its own destiny by charting a course to take it into the 21st Century.

3. The challenges before higher education today suggest that a new paradigm of the research university in America is needed. Michigan is in an excellent position to develop this model for the nation.
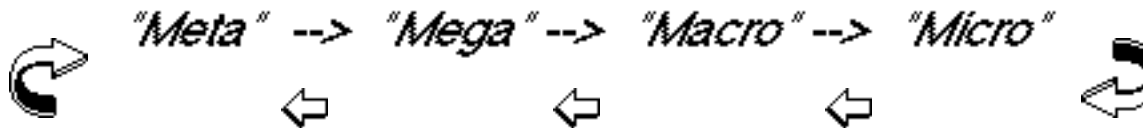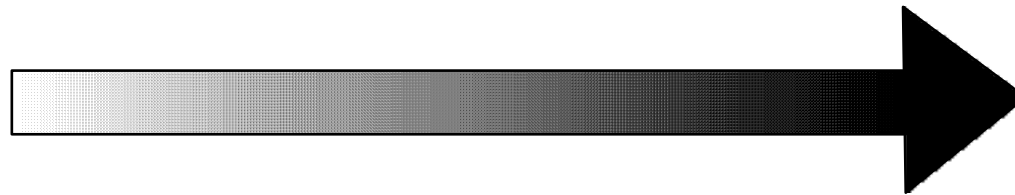
Environmental
Assessment

Planning Process

Mission   Objectives   Strategy and Tactics

"Meta" --> "Mega" --> "Macro" --> "Micro"

Objectives

"Meta" Objectives

- **Excellence**

- **Leadership**

- **Diversity**

- **Caring and Concern**

- **Community**

Objectives

"Mega" Objectives

- **Attracting, retaining, and sustaining the most outstanding people (students, faculty, staff)**

- **Achieving, enhancing, and sustaining academic excellence in teaching and scholarship**

- **Sustaining the University's role as an independent critic**

- **Achieving, sustaining, and nurturing diversity and pluralism**

- **Intellectual renewal**

Objectives

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The Objectives of Leadership

1. **Institutional Leadership**

2. **Intellectual Leadership**

3. **Social Leadership**

4. **Personal Leadership**

Objectives

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Objective 1: Institutional Leadership

Premise: Recall the challenges before higher education today:

- **the costs of excellence**

- **the changing roles of the research university**

- **the tensions of relating to diverse constituencies**

- **diversity and pluralism**

- **intellectual renewal**

These suggest the need for a new paradigm of the research university in America.

Objectives

A New Paradigm for the Research University

1. **Capable of responding to the opportunities, responsibilities, and challenges before higher education**

2. **Capable of addressing in new ways the needs of our society by linking and balancing the various missions of the research university:**

   - **teaching, research, and service**
   - **quality, breadth, and size**
   - **undergraduate, graduate, and professional education**

3. **Capable of responding to the challenge of pluralism by linking together the complementary objectives of cultural diversity and academic excellence**

4. **Capable of linking together the many concerns and differing values of the diverse constituencies served by higher education**

5. **Capable of producing graduates who are both competent and committed, creative and compassionate**

Who will determine the paradigm?

Stanford???

Michigan???

Private Universities

Public Universities
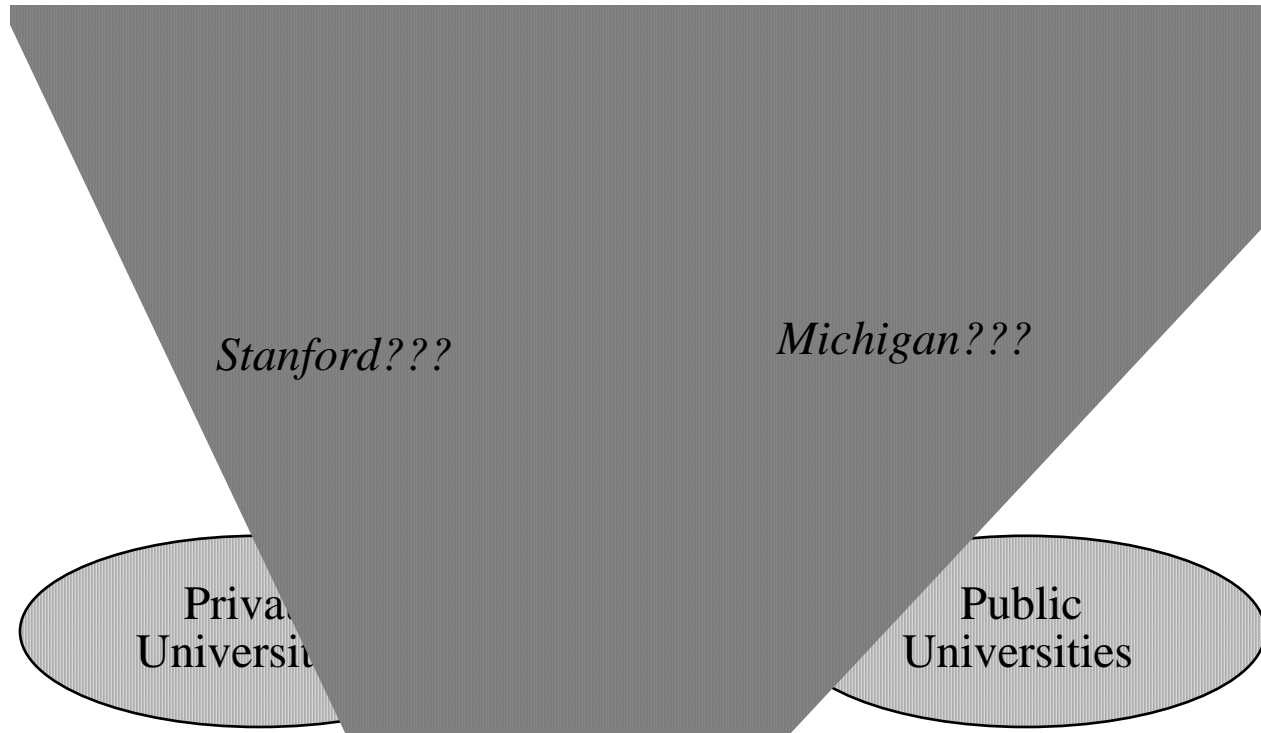
Why Michigan???

1. Our "Heritage of Leadership" as the flagship of public universities in America

2. The present quality of our students, faculty, and staff

3. Our unusual combination of quality, breadth, and size

4. Unusual opportunities for attracting resources from the public and private sectors ("a well-balanced portfolio...")

5. Our unusual ability to control our own destiny

6. Our unusual character which combines:

    • the focused quality of the most selective private institutions

    • the diversity, openness, and breadth of academic and professional disciplines characteristic of the best public institutions

Possible Opportunities for Leadership

- **Developing a new paradigm for a liberal undergraduate education within the environment provided by a great research university with unusual strengths in graduate and professional studies**

- **Cultural and intellectual diversity and pluralism**

- **Interdisciplinary structures (Institute of Humanities, ISR, ...)**

- **Our unusual strength and breadth in the health sciences**

- **The "electronic university" of the future (NSFnet, Expres, CCST, MITN, ITIC, ITD, ...)**

- **Cultural opportunities (performing and fine arts, integrated into the fabric of our teaching and research programs)**

- **Basic and applied social sciences (including new models of outreach provided through Social Work and Education)**

- **Nuturing a liberal spirit among our students and faculty**

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Objective 2: Intellectual Leadership

- **Achieve a self-confident intellectual community in which the human mind is brought boldly to bear on the largest and most enduring questions that confront society**

- **Sustain the University's freedom to conduct independent inquiry and criticism**

- **Develop a new spirit of liberal learning through both the academic and professional disciplines**

- **Stimulate more daring and venturesomeness on the part of students and faculty in teaching and scholarship**

- **Combine both unusual strength in the disciplines with strong cross- and inter-disciplinary teaching and scholarship**

Objectives

Objective 3: Social Leadership

- **Develop new models of a pluralistic community, both seeking and sustaining diversity, while working toward shared values**

- **Provide leadershp in better understanding and addressing the key problems facing our society**

- **Develop new models of the "information society" characteristic of large, complex organizations**

- **Develop a caring, concerned, and compassionate community of scholars**

Objectives

Objective 4: Personal Leadership

Goal: Place a new emphasis on the preparation of our students and faculty for leadership.

1. "The central task of a university, a task which sets it apart from other social institutions, is the creation of an environment where the quality of the mind and its performance is always the central concern. The spirit most likely to develop leaders is a disciplined use of reason, enlivened by daring and the courage to experiment, and temperred by respect for what we can learn from others."

2. "We should seek to develop in our students a critical mind, free of dogma, but nourished by the humane values necessary for leadership in a changing, fragmented sociey."

3. Sustain a commitment to the fulfillment of human possibilities and the release of the human potential through efforts to attract and nurture historically deprived groups.

Objective 4: Personal Leadership (cont)

4. Create a sense of community on our campus so that students and faculty can understand the importance of achieving and sustaining shared values

5. Achieve an appropriate balance between continuity and change so that students and faculty develop both the capability for self-renewal and stimulating the renewal of organizations in which they are involved

6. Help our students to value and understand the importance of hope to the human nature and the degree to which leadership involves awakening this spirit among others.

Objectives

Strategic Actions

1. **The Commitment to Excellence**

2. **Focusing Resources to Achieve Excellence**

3. **The Importance of Academic Excellence**

4. **Intellectual Leadership**

5. **The Challenge of Change**

6. **Diversity and Pluralism**

7. **A Sense of Community**

Strategic Actions

The Commitment to Excellence

- **We must pick up the pace, building a level of intensity and expectation to settle for nothing less than the best in performance of student, faculty, and programs.**

- **We must cast aside that "extraordinary intolerance of extreme excellence" which seems to plague midwestern institutions, and set our course for achieving the best.**

- **Each of us must be encouraged to push, in our own way, to the limits of our ability.**

Strategic Actions

Focusing Resources to Achieve Excellence

- **We can no longer afford to be all things to all people.**

- **Quality must dominate breadth and capacity among our priorities.**

- **The institution and all of its components should seek to build "spires of excellence".**

Strategic Actions

The Importance of Academic Excellence

- **The University's reputation will be determined, over the long run, by its academic excellence: the quality of its teaching and scholarship.**

- **While other goals will also be important, they must not be allowed to detract us from the achievement of academic excellence as our primary objective.**

Strategic Actions

Intellectual Leadership

- **Intellectual leadership demands pushing to the forefront of discovery (working on the "exponential part of the knowledge curve").**

- **We should shift more to a change-oriented, risk-taking culture in which daring and venturesomeness in teaching and scholarship are encouraged.**

- **We should resist the deification of disciplines, recognizing that much new knowledge is created at the interface where the collision of ideas from the disciplines occurs.**

Strategic Actions

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The Challenge of Change

- *"A state without the means of change is without the means of its preservation."* *(Burke)*

- **The intellectual renewal of the role, mission, values, and goals of the University is probably the greatest challenge before us.**

- **Renewal and change are essential both to the achievement and the sustaining of excellence. To get better, we must seek a culture in which creativity, initiative, and innovation are valued; to stay the best, we must achieve a process of continual renewal.**

- **Change and renewal can empower people, since they give them control over their own destiny.**

Strategic Actions

Diversity and Pluralism

1. *Commitment:*

To recognize the importance of diversity and pluralism to the mission of the University -- and to make a firm commitment to its achievement.

2. *Representation:*

To commit to the recruitment, support, retention, and success of underrepresented minority groups among our students, faculty, staff, and leadership.

3. *Environment:*

To build on our campus an environment which seeks, nourishes, and sustains diversity.

Strategic Actions

A Sense of Community

- **As we create a culture which stresses excellence, achievement, and excitement, we must also seek a sense of community which draws us together through shared values and goals.**

- **We must resist the centrifugal forces of strong disciplinary programs which tend to pull the various components of the University to the periphery and diminish its core.**

- **We must build a scholarly community attempting to focus its collective wisdom on the great problems of our times.**

Strategic Actions

Tactical Implementation

1. **The Strategic Leadership Process**

2. **Faculty Involvement**

3. **Progress to Date**

Tactics

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The Strategic Leadership Process
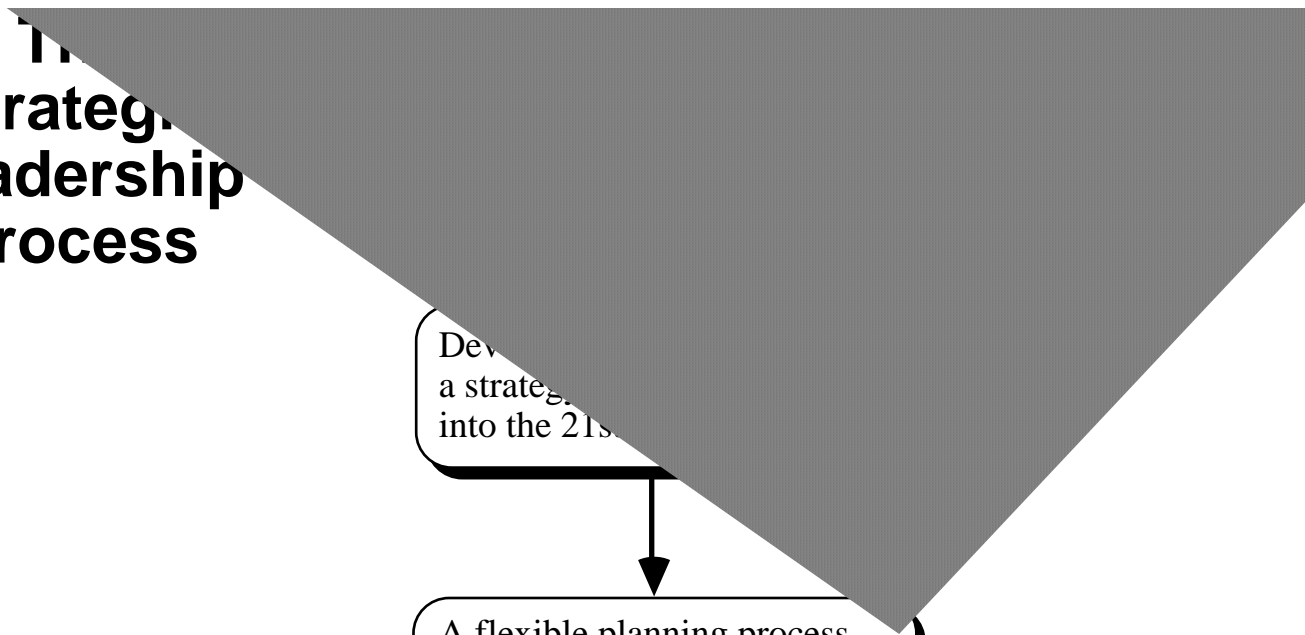
"Strategic"...

       "Leadership"...

        "Process"...

We must trigger a process involving progressively larger groups of faculty, students, and staff aimed at grappling with the difficult task of identifying and articulating a mission for the University as it prepares to enter the 21st Century.

Tactics

The Strategic Leadership Process

Dev
a strateg
into the 21s

A flexible planning process linked to resource allocation and management
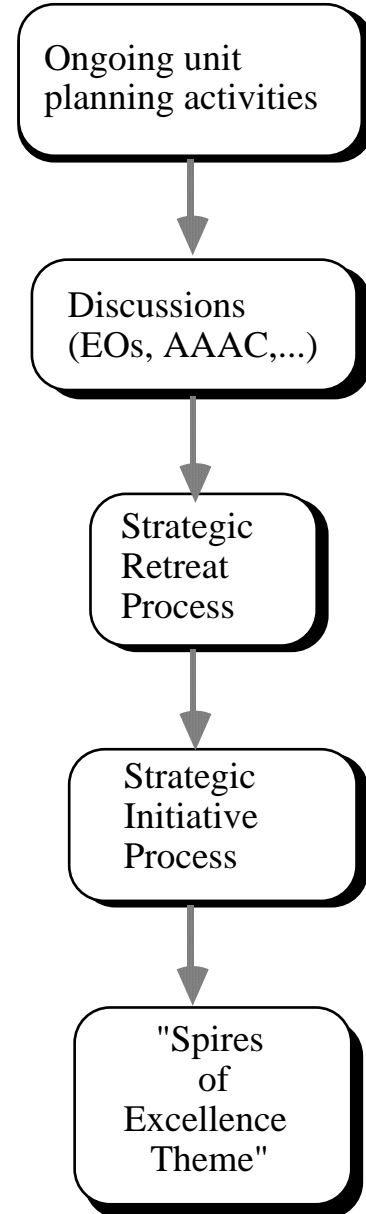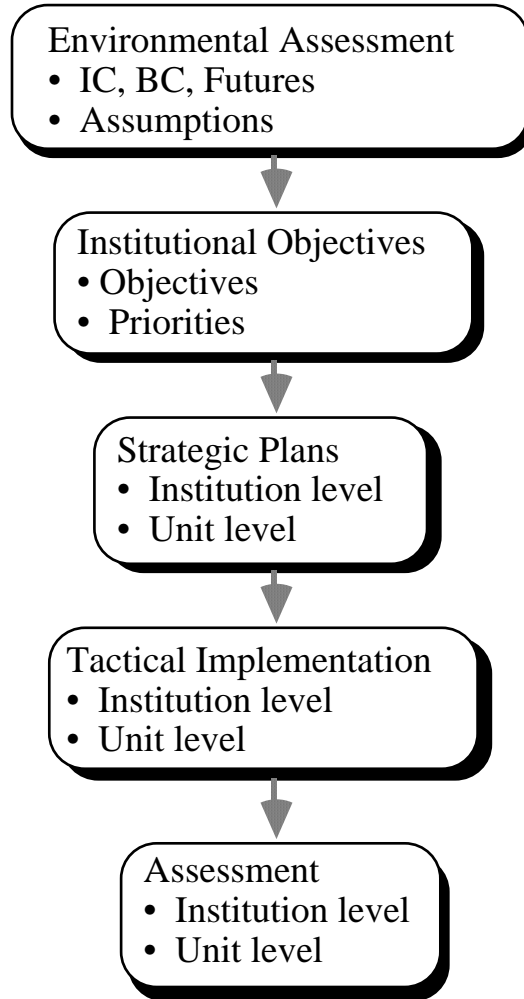
University Strategic Process
- Environmental Assessment
- Mission, Goals, Values
- Strategic Plans
- Implementation
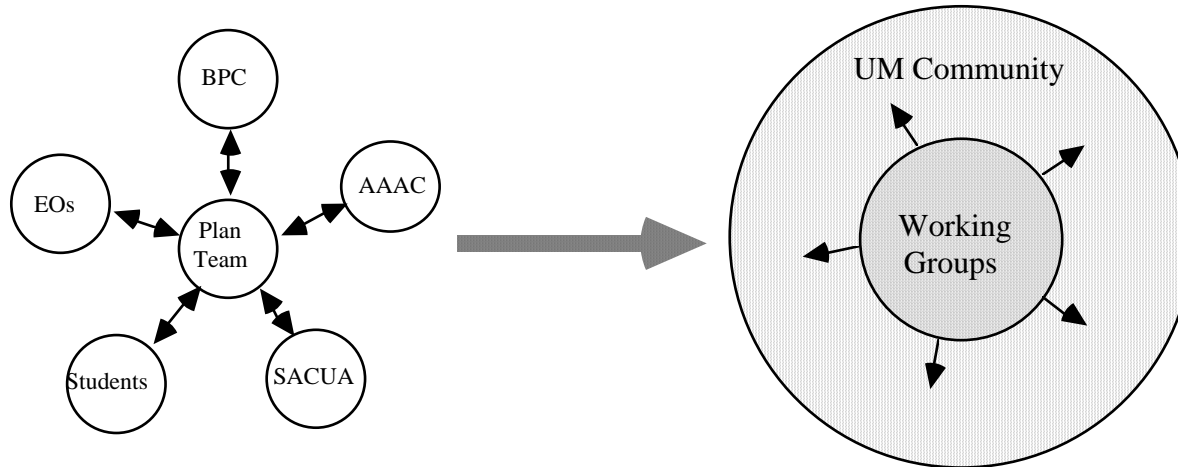- Assessment

Tactical Implementation
- U-wide initiatives
- 1% "off the top"
- Strategic retreats
- Ongoing budget process

The Process

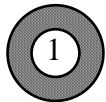Key features:
- in parallel
- interactive
- iterative

Environmental Assessment
- IC, BC, Futures
- Assumptions

Institutional Objectives
- Objectives
- Priorities

Strategic Plans
- Institution level
- Unit level

Tactical Implementation
- Institution level
- Unit level

Assessment
- Institution level
- Unit level

Ongoing unit planning activities

Discussions (EOs, AAAC,...)

Strategic Retreat Process

Strategic Initiative Process

"Spires of Excellence Theme"

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Propagating the Process

Resource Allocation

Resource
Allocation
"Knobs"

Objectives

① 1 *Aligns process with strategic objectives*

Institution-wide Intiatives

- Targets major University priori ties
- Gets people excited and involve d
- Pulls people together
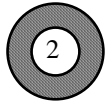
② 2 *Stimulates unit planning and prioritization*

1% "off the top"

- Provides "venture" capital
- Stimulates internal priority se tting with units

③ 3 *Primary tool for resource reallocation*

Incremental Budgeting

- Primary mechanism for major reallocation among units
- Funds major needs and opportuni ties at unit level

④ 4 *Establishes priority of units*

Unit Reviews Priority Assessment

- Better understand units
- Determines degree to which unit objectives align with Un iversity objectives
- Determines priority of unit for University resources

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Strategic Initiative Process

Reallocation Process:

    For FY87-88, FY88-89, and FY 89-90, reallocate 1% of the base General Fund budget through a University Initiatives Fund into several strategic thrusts.

Characteristics of Strategic Initiatives:

- **Broadly supported strategic priorities of University**
- **University-wide**
- **Strong grassroots involvement**
- **One-time (flexible) projects**

FY87-88 University Initiatives:

- **Undergraduate Initiatives Fund ($1 M)**
- **Presidential Initiatives Fund ($1 M)**
- **Diversity Initiatives ($1 M)**
- **Graduate Education ($800 K)**
- **Sciences ($600 K)**

An Example of a Set of Tactical Actions

1. Move to a "Harvard" style of resource management (i.e., "every tub on its own bottom")

2. Move to a "Stanford" style of interaction with the external environment (i.e., strongly entreprenurial and free-wheeling)

3. Modify organizational structures to stimulate change, fresh approaches, and new pespectives

4. Strongly oppose all efforts to constrain faculty and students (i.e., stress decentralization, minimize bureaucracy and unnecessary constraints)

Tactics

Examples of Cultural Changes

- **"Picking up the pace"...**
  Building a level of intensity and expectation to settle for nothing but less than the best in the performance of students, faculty, and programs

- **"Building a multicultural community"**
  Seeking, achieving, and nurturing cultural diversity

- **Building a sense of community and collegiality**
  Shared values and goals, a "caring" environment

- **Building an "entreprenurial" culture**
  in which people are encourage to "go for it"

Tactics

Tactical Actions: Student Quality

1. Marketing and outreach

2. Selectivity of admissions process

3. Diversity of student body

4. Student development and retention

Tactics

Tactical Actions: Faculty Quality

1. **Faculty recruiting**

2. **Promotion and tenure process**

3. **Faculty development**

4. **Faculty retirement**

Tactical Actions: Financial Resources

1. State Support

2. Federal Support

3. Tuition and Fees

4. Private Support

5. Auxiliary Income

Tactics

Tactical Actions: Resource Allocation

1. Focusing resources to achieve excellence

- **Quality dominating breadth and capacity**
- **Spires of excellence in all programs**

2. Preserving the capacity to respond to opportunity

Tactics

Tactical Actions: Academic Actions

1. Reemphasize importance of liberal learning

2. Enhance quality of undergraduate experience

3. Enhance quality of graduate and professional education

4. Improve quality of environment of intellectual development of faculty and students

Tactics

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Tactical Actions: External Agenda

1. **Communications**

   - **Develop and articulate a unique role for the University**
   - **Develop a "Case Statement" of mission**

2. **Political Agenda**

Tactics

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Evaluation and Assessment

- **How do we define and measure concepts such as:**

  Quality and Excellence?
  Leadership?
  Diversity and pluralism?
  Comity?
  Liberal learning?

Evaluation

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Progress to Date

Phase I (1987-87)

- **Executive Officer Retreat**
- **Formation of Strategic Planning Team**
- **Development of Strategic Leadership Process**
- **Launching of Strategic Retreat Process**
- **Strategic Initiative Fund**

Phase II (1987-88)

- **Continuation of Strategic Planning Team**
- **Continuation of Strategic Retreats**
- **Development of Strategic Plans in Key Areas**
    - **i) Diversity and Minority Affairs**
    - **ii) Public Service**
    - **iii) Communications and Public Affairs**
    - **iv) Capital Facilities**
    - **v) Mission Statement**

Role of the University Leadership

- **In an institution of the size, complexity, and tradition of the University of Michigan, the central administration has limited capacity to define, redirect, or reorder the priorities of the University.**

- **The articulation and achievement of any mission must be a communal effort. It will rest with faculty groups in and across schools and colleges; with students inside and outside their formal organizations; with professional and other staff throughout the University.**

- **Hence the role of the leadership of the University is simply to generate the debate, and then to provide resources for continuous experimentation.**