

# 1991 Annual Report of the President The University of Michigan

## 1. The State of the University

### 1.1. The Year Past

All in all, this has been a quite remarkable year for the University. While a more extensive listing of various activities and events has been provided in my annual activities summary, let me note a few of the highlights.

We began the academic year last fall with yet another series of exciting announcement from the genetic medicine research team led by Francis Collins. This group is doing some of the most exciting medical research in the world today (and we are told they are likely to receive the Nobel Prize in the next few years). They have systematically identified the genetic causes of several of our society's most crippling diseases--cystic fibrosis, neurofibromatosis, diabetes, the inability to control cholesterol levels, and most recently focusing their attention on the genetic causes of breast cancer. Yet beyond this, Michigan scientists are attempting to develop gene therapy methods to deal with these tragic diseases. In many ways, the leadership being provided by Michigan's medical scientists today is similar to that it provided 40 years ago when it performed the clinical trials for the Salk vaccine. Further, as Professor Collins pointed out at one of last year's Regents' meetings, since genetic causes are key to many of today's most crippling diseases (heart disease, cancer, AIDs,...), the University is clearly providing leadership of great importance to our society.

Last year our students provided similar excitement through the Sunrunner project: the effort to design, build, and race a solar-powered automobile in both national and world competitions. Last summer the Michigan team of 150 students won the national competition and the right to represent the United States in the world competition in the outback of Western Australia. Competing against over 45 teams from countries throughout the world, Michigan finished third, behind only Swiss and Honda factory teams. It was a proud moment for the University.

Michigan scholars continued to win high honors throughout the year. Last fall two Michigan faculty won the MacCarther Prize, Rebecca Scott and Sherry Orner, to be joined this June by Alice Fulton as yet another MacCarther winner. We also had a bumper crop of new members of the learned academies (Science, Engineering, Arts and Letters). And, while we continue to be under

serious raiding pressure, after reviewing this year's promotion case books, I believe that the quality of our faculty has never been higher.

Several key facilities projects were completed. Last fall we were joined by an alumnus, United States Surgeon General Antonio Novello, to dedicate the new Child and Maternal Health Care Center. This spring, President Gerald Ford did the honors in dedicating Schembechler Hall. And, of course, this September when Michigan plays Notre Dame, we will break in the "new" Michigan Stadium with its lowered field and "prescription athletic turf".

The University's impact in science and engineering continued at a leadership level. As you know, for the past several years the University, in partnership with IBM and MCI, has managed the principal computer network, the National Research and Education Network, linking together over three million users in universities, industrial and government research laboratories around the world. This effort has now become so successful that last fall UM, IBM, and MCI formed a nonprofit corporation, Advanced Network Services, Inc., to handle the next phase of the network as it evolves into what will eventually become the "interstate highway system of information exchange". This past spring ANS, Inc. spun off its first for-profit subsidiary. Incidentally, I would note that the University's efforts have positioned the State of Michigan quite well in the rapidly evolving information technology industry.

In a similar vein, it was announced last fall that a team of Michigan engineers and scientists led by Professor Gerard Mourou, had built the world's most powerful laser. In December the National Science Foundation announced that Michigan had been selected as the site of a new \$15 million National Science and Engineering Center in the Ultrafast Optics. I should note here that Mourou and his team were attracted to Michigan through the use of the Research Excellence Fund.

The University's outreach activities intensified both throughout the state and around the globe. Michigan is now playing the leadership role in coordinating an unusual public/private sector effort to develop a reform agenda for K-12 education in Michigan, working closely with the Business Roundtable. Michigan faculty and students were active around the world, from the Pacific Rim to Eastern Europe, in a wide range of activities. Of particular note was the role of the Institute for Social Research in building new social science research centers in Poland and the Soviet Union.

Closer to home, the University took an important step by moving ahead with an ambitious plan to make the campus a safer environment for living and

learning. Included in this was the formation of a campus police force and a major effort to improve lighting and transportation. The University also developed an important strategic plan to address the increasing challenge posed by substance abuse on college campuses, developed by a broad based task force chaired by George Zuidema.

Progress continued on the Michigan Mandate, the University's efforts to better respond to the needs of a multicultural America. While the detailed progress was summarized in a report to the Regents last May, suffice it to note that: i) the University currently enrolls the largest number of minority students in its history--in every ethnic group, in every program, and at every level, ii) the University is among the national leaders in minority graduation rates, and iii) the University clearly has led the nation in recent years in its efforts to recruit outstanding minority faculty, with over 140 added in the past three years alone.

While measures of institutional quality are generally measured in terms of individual achievements, the various programs of the University continue to be ranked among the nation's leaders. More specifically, in this year's U.S. News and World Report rankings, Michigan ranked 9th in the quality of undergraduate education, 5th in engineering, 6th in Law, 8th in Business, and 11th in Medicine. It should be noted that Michigan, Cornell, and Stanford were the only universities ranked among the national leaders in all four professional schools! (It should also be noted that Michigan is ranked 30th among major research universities in dollars spent per student--providing important evidence of our cost-effectiveness.)

While this was not a banner year in Michigan athletics, we did manage to win our third straight Big Ten title in football and provided perhaps the most impressive performance in the nation on New Year's Day with our 31 to 0 victory over Mississippi in the Gator Bowl. Other Michigan sports, including men's and women's swimming, track, and tennis also excelled. And, while it was clearly a rebuilding year in basketball, Michigan finished the spring with what are regarded as the #1 recruiting classes in both basketball and football!

I should also note that Michigan alumni succeeded in a friendly takeover of the New York sports scene, with Bob Nederlander as managing owner of the Yankees, Fred Wilpon of the Mets, and Bob Tisch of the New York Giants.

Of course, one of the highlights of the year was Spring Commencement, when the University honored--and was honored by the presence of--President and Mrs. Bush in an extraordinary commencement ceremony, attended by over

70,000 spectators and 8,100 graduates. It was a moment of great pride for the University!

While the items on this list would be extraordinary accomplishments for most universities, they are all part of business as usual at the University of Michigan. They also demonstrate that the affairs of the University are in the good hands of a remarkable group of faculty, students, and staff.

## 1.2. So Where Do We Stand in August, 1991?

As I have said on many--perhaps too many--occasions, the pace of change in our society during the 1990s is accelerating at an extraordinary rate. We are being swept along toward the 21st Century by the forces of changing demographics, internationalization, and the increasingly central role played by knowledge in economic competitiveness and national security. As a result the United States, like the rest of the world, is changing rapidly.

Hence higher education faces the challenge of both responding to and, to some degree, influencing this change process. In a very real sense, the 1990s will require a rethinking of the nature of the university--particularly, the public university--and I believe that the University of Michigan can and should play a leadership role in this effort.

It goes without saying that our capacity to play such a leadership role in defining the nature of higher education for the 21st Century will be determined by a number of factors. Clearly our reputation as the flagship of public higher education for over a century, coupled with our unusual combination of program quality, size, and breadth are important. So too will be our firm commitment to protecting fundamental academic values and pursuing academic excellence.

But I believe leadership will require more. It will require the capacity to attract and sustain individuals of extraordinary ability, vision, intellectual span, and leadership ability. It will require a bit more of a spirit of venturesomeness--risk-taking--throughout the University. It will require addressing several of the serious resource issues presently faced by the University--including the tragic erosion in state support it has experienced throughout the 1970s and 1980s. It will require far more of a strategic focus on the part of University leadership. And it will require the strong understanding, commitment, and support of the Board of Regents to this leadership role.

The importance of Michigan's leadership has become ever more apparent with each passing month. The scandals experienced by Stanford, the change in

leadership at Harvard, the budget difficulties faced by the University of California and many other public institutions, all mean suggest that there remain few universities today with both the capacity and the credibility to provide the necessary leadership. Michigan is one of that small group. We have a responsibility to step forward.

### 1.3. Resource Challenges

State support this past year has been a mixture of good and bad news. On the good news side, in Governor Engler and Senator Joe Schwartz, we have two strong friends of higher education in general and the University more specifically. This was evidenced by their successful effort to shield education from the deep budget cuts (-9.2%) that were dealt other state activities during FY1990-91. So too, with the exception of occasional posturing by Morris Hood, relationships with the Michigan State Legislature have been quite cordial for the past year.

However, the serious structural problems with the Michigan state budget (inadequate tax revenues to cover the staggering growth in state expenditure commitments), coupled with a weakening state economy, had major implications for public education. The deficit in the state budget grew throughout the year, amounting to roughly \$1.4 B at one point. Since tax burden had been a key issue during last year's gubernatorial campaign, tax increases are not a politically acceptable alternative to deal with the growing budget problems--at least in the near term. Further, beyond a first phase of budget cuts (the -9.2% reduction noted above), the Governor and Legislature were unable to agree on a package of further cuts. Hence, the remaining budget problem was pushed into the next fiscal year through accounting devices and deferring payments to higher education.

As a result, while we were indeed successful in avoiding serious cuts during the past year, aside from a -1% reduction in base and the elimination of \$3.4 million in deferred maintenance funding, we found our August and September appropriation payments, totaling \$25 M, deferred into FY1991-92. Further, we will face an environment in which the state has now accumulated what is estimated to be a \$1.8 billion shortfall between existing expenditures and anticipated revenues for FY1991-92. This 20% budget problem, one of the most serious among the states, will plague state financing for the next several years. It seems increasingly clear that without some form of tax restructuring, the funding of public education in Michigan will be at serious risk, regardless of the priority given it by the Governor and Legislature.

The news at the federal level is also mixed. The University continues to be quite successful in competing effectively for federal research grants and contracts, and sponsored research volume continues to grow. However, the Dingell hearings concerning indirect cost practices at Stanford have unleashed a flurry of efforts both in Congress and the administration to modify indirect cost recovery policies both to prevent abuse and to cut expenditures. Unfortunately, the manner in which these policies are being developed thus far fail to account for the differences in university accounting practices, and as a result, the University of Michigan along with several other universities (including Princeton, Yale, Penn, Columbia, and UCLA) are at great risk. If we are unable to modify the proposed policies, we could stand to lose as much as \$10 to \$12 million per year in indirect cost recovery.

Ironically enough, the institutions most damaged by this Washington furor are those which have not been accused of misuse of federal funds, while those who have been the subject of investigation (Stanford, MIT, Caltech), because of different accounting practices, will not be seriously impacted. In a sense, the vigilante mobs unleashed in Washington by Mr. Dingell and his Oversight and Investigative Committee are determined to string up the first folks they run into, even if these are innocent bystanders; in the meantime, the bad guys are riding out of town unnoticed...

Fortunately, we have somewhat more optimistic news concerning the continued progress in private fund-raising. We have just completed the analysis of the past year's fund-raising efforts, and we find our gifts received up almost 14% to \$95 million, in spite of a difficult financial year for many of our donors. But, of course, we will have to do even better as we move into high gear for the Campaign for Michigan, now scheduled for a September, 1992 public launch. We are fortunate in having been able to enlist the efforts of a top-notch volunteer team, and Gil Whitaker has been doing a superb job in pulling together the school and college efforts. The task of raising \$800 million or so over a seven year period--the largest amount ever raised by a public university--will pose a great challenge. But, then, after all, that is what Michigan is all about, isn't it--pushing the envelope in higher education...

#### 1.4. Internal Issues

The internal operations of the University are both complex and highly decentralized. Most of the important things which happen in the University's academic programs are due to strong leadership at the school and college level. Nevertheless, there are a few areas of particular concern to the central administration.

For some time there has been a growing concern about the quality of the undergraduate experience in major research universities such as Michigan. It was with this in mind that we launched the Undergraduate Initiatives Fund several years ago when I was Provost, and committed \$1 million per year to this purpose. At that time we also launched a number of other initiatives including the renovation of all Central Campus classroom space, a renovation of the Undergraduate Library, major efforts to draw undergraduates into research experiences, and so on. But, perhaps most important of all, were a number of important studies conducted in each of our colleges with undergraduate programs (LS&A, Engineering, Nursing, SNR) to assess whether it was time for a major overhaul of undergraduate education at Michigan.

The results of these studies in both LS&A and Engineering are now beginning to appear, and it is already clear that undergraduate education will become a key focus of the University during the 1990s. Indeed, the central role that undergraduate education will play in the Campaign for Michigan is already evidence of this thrust, with the possibility of a new undergraduate instruction center--the so-called "Gateway Campus".

Yet another area of growing concern has had to do with the learning environment on campus--including issues of campus safety, student behavior, and student services. Last year's major focus on creating a safer campus environment was only the first step in what will be an concern throughout the 1990s. This year we will be focusing on the issue of substance abuse and finding new leadership for the wide range of Student Services provided by the University.

In this regard, however, I should also mention the growing concern that the Executive Officers, Deans, and consultants visiting our campus express about the absence of a more formal student discipline policy at Michigan. Most believe--including our recent North Central accreditation team--that Michigan, as the only university in the nation without such a policy--is at serious risk with this unusual policy vacuum. Here it is important to point out that I am not referring to the far more limited student harassment policy (about which I too have significant doubts), but rather the absence of policies and practices designed to deal with serious student offenses against the University community including physical assault, property destruction, and serious disruption of University activities.

As it currently stands, the only University mechanism for dealing with such incidents is through Regents Bylaw 2.01, in which the President must serve

as policeman, judge, and jury in handling each case which arises. It is my belief that we simply must bring the University into line with all other universities in America by developing an enlightened student discipline policy capable of protecting the fragile nature of the campus community while providing appropriate due process for our students. During the year ahead we intend to discuss this matter at some length with the Board. But you should also be aware that we will require your strong and unwavering support if we are to step up to our responsibilities as a learning community.

The one internal area where we have not made adequate progress concerns the seriously deteriorating quality of academic facilities on campus. To my knowledge, the University of Michigan is unique among public institutions in receiving only token state support for capital facilities in recent times. Indeed, over the past 25 years, we have received funding for only two new academic facilities (the EECS Engineering building and the Dow Laboratory for Chemical Sciences)--and each of these only at 50% participation levels--for total of roughly \$72 million. Put another way, during this period, UMAA has averaged less than \$3 million per year in state capital outlay support, while our public peers have averaged \$30 to \$40 million per year--a factor of ten times higher. This has been particularly frustration in recent years, when the previous administration decided to launch a massive prison construction effort and freeze all funding for higher education--a situation we have been in for that past five years.

To calibrate the magnitude of this problem, we now estimate that we face minimum academic facilities needs during the 1990s of \$250 million to \$300 million. While we have been working very hard to break the capital outlay logjam in Lansing, the weakened financial condition of the state makes it unlikely that relief will come soon. Yet, after over two decades of starvation--and deterioration--our facilities needs have become quite severe. It is clear that private fundraising and indirect cost recovery can deal only with a small fraction of these needs.

Hence, the University leadership has become convinced that we will have no choice in the years ahead but to operate in a manner more similar to private universities and rely far more heavily on student fees for debt-financing badly needed facilities. For example, if we are unable to achieve any assurances from the state that funding will be available for the badly needed East Engineering, Physics, and Social Work projects--roughly \$100 million in magnitude--we intend to seek the Regents approval to move ahead with these projects through student fee financing. To calibrate the magnitude of such a mechanism, I would note that \$100 million would require \$10 million per year in debt service, or a student fee increase of roughly 6%.



## 1.5. External Issues

As I have noted on numerous occasions, the constellation of external constituencies relating to the University of Michigan is unusually broad and diverse. We must develop effective mechanisms to interact with parents and alumni, state and federal government, business and private foundations, local communities and key cities, the media and the public at large. The vastly different and all too frequently conflicting needs, understanding, and expectations of these diverse constituencies pose a particular challenge.

While the University had built and maintained an exceptionally strong organization for relating to alumni, and under Harold Shapiro's leadership, developed an effective fund-raising apparatus, it was clear that we were seriously deficient in most other areas of external relations. We simply had not appreciated the importance of sophisticated and effective operations to strengthen our relationships with the range of constituencies characterizing such a complex and critical enterprise as the modern public research university.

To this end, over the past three years we have moved along a number of fronts simultaneously:

### **State Relations**

Of course, key to our efforts was the objective of building effective mechanisms to interact both with state government and the people of the State of Michigan more broadly. In many ways, the University's approach to state government had been frozen in 1960s philosophy--relying on the president and Vice President for Government Relations to handle the complex interactions with this increasingly diverse set of players and agendas. Indeed, even the staffing of our state relations effort had deteriorated dramatically during the 1980s. (In this regard I should remind you that in 1980 we had a small but effective Lansing team consisting of Ralph Nichols, Keith Molin, and Roberta Palmer. In 1990 this team consisted only of Keith, assisted on occasion by Pete Pellerito.)

Fortunately we have had access to a good deal of experience in building an effective state relations operation. Farris Womack brought an important perspective from his former roles as state budget director in both Arkansas and North Carolina. Further, we were able to draw on Bob Teeter's advice and counsel in designing and implementing a multiple year plan aimed at building a strong, sophisticated state relations operation appropriate for the 1990s and beyond. And, of course, we have relied heavily on numerous interactions with experienced Lansing hands--some of whom are our own alumni.

Our early efforts have been focused on developing an effective statewide outreach effort, using a network of alumni and friends to build the necessary grassroots support. Key in this effort was pulling together a coalition of Michigan's public universities committed to uniting in their efforts to influence public policy. (My role as chairman of the President's Council of State Universities in Michigan proved quite valuable in this regard.)

Bob Forman and his colleagues have formed a Citizens' Council of alumni to work on behalf of higher education in Michigan. The Council will eventually consist of a working group of roughly 40 members and a larger group of several hundred who can be called upon when necessary. The first chair of the Council will be Judge Damon Keith.

Lisa Baker has led an effort to develop a broad range of state outreach activities involving members of the University. Henry Johnson has focused on strengthening relationships with the City of Detroit. Both efforts are closely coordinated with Walt Harrison's public relations shop.

Another key group in the outreach effort is the "Michigan Business Higher Education Roundtable" group that I have put together over the past two years. This consists of 15 of the state's top industrial CEOs (Bob Stempel of GM, Red Poling of Ford, Bill LaMothe of Kellogg, Ted Cooper of UpJohn, Frank Popoff of Dow, David Whitwam of Whirlpool, Jerry Myers of Steelcase, Joe Antonini of K-Mart, Bill Cunningham of Consumers Power, John Lobbia of Detroit Edison, Alan Swartz, Bob Teeter, the presidents of UM, MSU, and WSU, and the Governor. Although the University of Michigan hosts its semiannual meetings, Frank Popoff (CEO of Dow) and I co-chair the group. While much of the attention of the group thus far has been focused first on K-12 education and most recently on the state's business climate, I believe that we are building a very important long term network capable of having significant impact on public policy concerning higher education in Michigan. The role that the University has taken in launching the group will serve us well in earning the support of business and industry throughout the state.

With state outreach activities now moving into high gear, we are turning our attention to building a more effective Lansing operation. I have asked Dick Kennedy to provide a plan for a permanent Lansing office, similar in many ways to our offices in Washington and Detroit. This would serve not only as the base for our Lansing operations, but it would provide a visible "extension" to facilitate providing University resources to various components of state government. It is

my intent to provide the Board with a more thorough briefing on our Lansing activities in early fall.

### **Federal Relations**

Setting aside the recent flap over indirect cost recovery, we have been delighted by the success of our expanded Washington activities. In Tom Butts, Howard Gobstein, and Dave Heebink, we have what most regard as the strongest federal relations team in higher education. (Recent evidence was provided when AAU hired away Howard to be their new Vice President for Federal Relations...) Our Washington office has given us not only an excellent staging area for interactions with Congress, but it is serving increasingly as the gathering spot for the federal relations representatives from other peer research universities. It also has provided excellent staff and logistics support for University faculty working the federal scene.

Not only has this strong Washington presence served the University well in our capacity to build strong federal support (the CIESIN and NREN projects are good examples), but it has allowed us to play an important leadership role in broader higher education issues. For example, Tom Butts and I have been playing a key role in the reauthorization of the Higher Education Act, including the development of a new direct student loan program that we hope will be an important mechanism for the support of middle income students during the 1990s. And, at this point my \$25 million NSF Graduate Traineeship program is still in both the House and Senate appropriation bills for FY92. Finally, I would also note that Michigan is playing a key role in restructuring the federal relations efforts of NASULGC, the association of state universities (whose federal relations committee I chair). With Howard Gobstein now leading the federal relations effort of AAU, we hope to play a key role in strengthening its efforts as well.

### **Media Relations**

Throughout most of the 1980s, the University essentially ignored the development of strong relationships with the media. Indeed, the communications function was combined with development and focused on supporting fund-raising rather than media relations. Walt Harrison has done an outstanding job of turning this around. He has built an excellent News and Information Services operation and established excellent relations with the local, state, and national press. In this regard, I should note that Walt is regarded as one of the best in the business in university public relations. (As evidence, Walt has recently been asked to chair a national task force to develop a strategy to rebuild public confidence and support for higher education.) His broad

experience from his former service as head of a media consultant firm for higher education has proven invaluable to the University.

To assist in providing the political interface between media relations and political activities, a year ago Lisa Baker joined Dick Kennedy's staff from her former position as vice president for public relations with the business roundtable group in Washington. She has done a masterful job in designing and implementing our state outreach plan. Working closely with Walt and colleagues from other peer institutions, she is now turning her attention toward developing a similar plan at the national level. To this end, we will be reassigning one of her staff to work full time in our Washington office on national media relations.

### **Community Relations**

Our recent experience with the introduction of a University campus police provided convincing evidence that we must pay far more attention to our relationships with the City of Ann Arbor and local community issues. Of course, the University has never ignored the city, since we have had numerous ongoing relationships with both city government as well as the business leadership of Ann Arbor. In fact, for several years the Executive Officers of the University have met once each term with the Ann Arbor leaders (mayor, city manager, superintendent of schools, etc.). Further, a number of us have been deeply involved in economic development activities in the community for the last decade.

However, it has now become clear that despite the best of intentions, we simply had not thought carefully enough about developing a strategic relationship with the city that was capable of dealing with the many diverse agendas and changing political winds characterizing Ann Arbor. Over the past several months, the Executive Officers, working closely with our external relations team (Dick Kennedy, Walt Harrison, Lisa Baker) have developed and implemented such a plan. A key element of the plan involves establishing a number of working groups: i) a group involving the key executive officers (Kennedy, Womack, Johnson) and key city officials (mayor, city council leadership, city manager, etc.), ii) another group working on more detailed issues (Krumm, Heatley, city manager, police chief, etc.), and iii) a less formal group consisting of me, Farris Womack, and a number of business leaders (Dave Wireman, Alan Mandel, Bill Martin, Tom Borders, George Cress), meeting on a monthly basis to discuss strategic issues concerning the community.

In addition, we have assigned Dick Kennedy the lead role in dealing with the City--particularly in developing close relations with the new mayor, Liz

Brater. Moreover, Ned Gramlich, Paul Courant, and their colleagues in IPPS have agreed to provide the city with ongoing support in key areas of public policy such as taxation. We are hopeful that this broad range of strategic efforts will improve relationships with the local community, although it is also clear that there will occasionally be issues on which we just disagree. It is clear as well that the Ann Arbor News, like most university community newspapers, will do their best to stir the pot from time to time.

In a similar spirit I should note that our outreach efforts with other Michigan communities continue to move ahead. Detroit continues to be at the top of the list. Not only have I committed a good deal of my personal time to interacting with various city leaders, but we have also assigned Henry Johnson to play a liaison role with Detroit organizations. The renewal of our presence in the Rackham Building has provided the University with badly needed visibility in the city. Our Schools of Education, Public Health, and Social Work have intensified their activities in the metropolitan Detroit area. And we continue our effort to develop friends and supporters, as evidenced by the extraordinary enthusiasm exhibited by those in attendance at our Angell Society dinner in Detroit this past May.

Our efforts in other cities are also gaining momentum. Of particular note here are the efforts of UM-Flint and UM-AA to work closely with city government, industry, labor, private foundations, and private leadership to address a wide range of issues facing the city of Flint, including education, public health, and economic development. As you know, Larry Crockett has been on a 50% appointment, reporting directly to me, to assist in planning and coordinating this effort. Last week we received notice that through our efforts, Flint will be provided with major federal funding for a new economic development effort led by UM faculty.

We hope to extend these community outreach efforts to western Michigan in the months ahead with an initial focus on Battle Creek/Kalamazoo and Grand Rapids.

## 2. An Assessment of University Leadership

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, I have already noted the great challenge the University faces in relating to an unusual 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!

## 2.1. 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 re-invigorating 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.

#### 2.2. 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 best:

Joe White (Business Administration)  
Peter Banks (Engineering)  
Bernie Machen (Dentistry)

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

Edie Goldenberg (LS&A)  
Cecil Miskel (Education)  
Bob Beckley (Architecture and Urban Planning)  
Giles Bole (Medicine)

Weak Deans:

June Osborn (Public Health)  
Marge Levy (Art)

### 2.3. 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.

#### **2.4. 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).

### 3. An Evaluation of Board Performance

Since ultimately, the Board is responsible for the leadership of the University, it seems appropriate to provide a personal evaluation of the performance of the Board. While this is always a risky venture since I work directly for you, it nevertheless also seems a very important aspect in developing an appropriate level of trust and confidence between the President and his Board.

To this end, I and the other Executive Officers have discussed Board activities and dynamics at considerable length over the past several months and have arrived at the following comments we would like to share with you:

1. In general, we believe the Board has made great progress in recent months in developing a far more effective and collegial style of interaction and deliberation. We suspect this is due in part to our joint efforts to provide both Board and Executive Officers with more opportunity to discuss important strategic issues together long before actual decisions are contemplated. However, we also sense a real effort on the part of Board members to treat one another with the respect and trust that these demanding and significant roles require.
2. It is our sense that communication between the Board and the President and Executive Officers has improved significantly over the past year. We are using a broad array of tools to keep the Board better informed, including my monthly reports; luncheon and dinner discussions with senior executive officers; occasional retreat-type events on major strategic issues; FAXes and E-mail, and lots of one-on-one interactions. In this regard, it is also important to recognize that the "management committee" of the University--Gil Whitaker, Farris Womack, Dick Kennedy, and I--work as a very closely knit team and tend to share Board communication responsibilities. In communicating an issue to any one of us, you can usually be assured of communicating the matter to the full team.
3. We still have some problem areas, however. For example, the present 4 Democrat/4 Republican split always poses the threat of a Board stalemate along partisan lines. I think we all agree--Board members and officers alike--that the Board should strive to remain nonpartisan in its deliberations and its actions. While it is understandable that deeply held personal convictions will influence decisions of individual Board members from time to time, it is also essential that the Board avoid being drawn into partisan politics on University matters. And thus far we should commend the Board for its efforts to operate on this higher plane.
4. While the Board has made considerable progress, there still is an occasional tendency on the part of some Board members to put their own personal agenda ahead of the best interests of the University for which they are responsible. While it is true that the duties of a Board member are demanding and the rewards are few, I also believe it is the case that each Board member--as each executive officer--must always ask themselves the question "Am I doing this for the University...or for

myself?" Hopefully, Board members can continue to work among themselves and with the officers to make certain that personal agendas are set aside as one considers the affairs of the University.

5. While most Board members are quite good about controlling the number of personal inquiries  
or

ty of the officers to deal with University matters and eventually push us into a gridlock situation where there is inadequate time to devote attention to more urgent University priorities.

6. While Board dynamics have improved greatly, it is also clear that we still face some challenges. For example, in the past there was always one Board member who would play the role in building Board consensus on key issues, e.g., Paul Goebel in the 1960s and Bob Nederlander in the 1970s. Perhaps because of the 4/4 split of the Board or simply the great diversity in geographical proximity, time availability, and seniority, such internal Board leadership has not developed in quite the same way today, and the burden generally falls on the administration itself to build Board consensus on key issues through one-on-one interactions.
7. From time to time many of the executive officers still express frustration that the Board is not sufficiently supportive of their efforts. Perhaps this is an issue more of style than substance, but it also must be noted that the role of leadership of an institution of this size and complexity is unusually demanding and stressful. Most of the executive officers and deans have committed themselves 24 hours a day, 7 days a week, to the University. In many cases, they have demonstrated not only great talent and effort but great courage as well in dealing with critical issues before the institution. It is of paramount importance that they believe they have the active support, trust, and confidence of the Board. In this regard, let me suggest

that members of the Board always be on the lookout for opportunities to convey this sense of confidence in and gratitude to the officers and deans of the University for their efforts.

8. A final comment on Board activities: While the primary responsibilities of the Board involve internal University policy matters, it is also the case that the Board can and should play critical roles in the external agenda of the University. In this regard, we hope to see members of the Board playing more active roles in the state political arena (since, after all, each of you were elected through a partisan political process). We intend to look for opportunities for such political involvement in the months ahead. So too, we expect the Board to play a leadership role in the upcoming Campaign for Michigan, both through your efforts as fund-raising volunteers and through your personal contributions. Tom Roach will be working with each of you in the month





strated activist groups with one agenda or another. Fortunately, it also involves the responsibilities of a teacher, educating those both on and off campus about the nature of this remarkable institution.

Of course, each University president will define in a unique way the role most appropriate for the particular times faced by the University--and consistent with particular skills of the individual. In my case, I believe my most important role is to provide strategic leadership for the University during the 1990s--that is, to provide the vision, the energy, and the sense of excitement necessary to propel and guide the University of Michigan into the next century. I do not see my role as one of tactical leadership, responsible for making the broad array of day-to-day decisions characterizing an institution of this complexity (although I always admit a personal character flaw in allowing myself to be drawn into such micromanagement from time to time!).

From this strategic perspective, I view my role in internal campus affairs as largely symbolic and supportive, with the key decision process in both academic and financial matters delegated to (and through) the Provost and the VPCFO, the other executive officers, and the deans and directors--although I accept responsibility for all such decisions, of course. That is, I see myself as providing leadership on campus largely through getting the best people in key positions, and then giving them the authority and support to get the job done. Beyond this, my personal leadership is provided largely through indirect means such as speeches, policy statements, public appearances, and working through various teams such as the executive officers, AAAC, and strategic planning groups rather than through detailed involvement in the internal decision process which is delegated through Michigan's decentralized style of management. In this sense, I view myself functioning very much in the role as a "chief executive officer", with Gil Whitaker serving as the "chief operating officer" while Farris Womack serves as the "chief financial officer".

However, unlike most corporations, the University does not have a single executive officer with broad responsibilities for external relations--e.g., a "executive vice president for marketing". For that reason I have assumed direct

line management responsibility for directing and coordinating the University's external affairs activities including state relations, federal relations, fund-raising, and public relations. Perhaps this is appropriate role, since the president and his spouse, as the most visible symbols of a university, must play active roles in the relationships with our various external constituencies.

Further, since Michigan is generally regarded as one of the leaders of public higher education as well as the bridge between public and private universities, I believe as president I should play an active role in both statewide and national higher education issues--which I have done. And, of course, because of my professional interests, I have played a significant national role in the areas of science policy, economic competitiveness, and increasingly K-12 education.

Within this context, then, let me provide a self-assessment of my own performance to date:

1. Since I have been a faculty member at this University for over 22 years, and a senior administrator (as Dean of Engineering, Provost, and now President) for over a decade, I do believe I have acquired a thorough understanding of the University. Further, my extensive involvement in national policy bodies (the National Science Board, the National Academies of Science and Engineering, The Tanner Group, AAU, and NASULGC) give me an equally broad perspective of the broader environment in which higher education finds itself today.
2. I believe we have been quite successful in keeping the University on track through an unusually broad and deep turnover in leadership over the past five years (including changes in most executive officer, dean, and director positions). As I mentioned earlier, I believe the current leadership team of the University is as good as there is in higher education today.
3. My annual activities summaries for the last three years suggest that the University is moving ahead in a purposeful and effective manner, despite the many challenges we have faced (including further deterioration in state support and the hostile national climate for higher education). Yet, far more important, I believe we have managed to position the University quite well in a strategic sense. To be sure, we certainly don't have all the answers to the challenges before us, but at least we are beginning to ask the right questions and putting into place processes capable of dealing with these challenges.



4. On the other side of the coin, while we have managed to get some quite remarkable people into University leadership positions, I still feel we have a ways to go to build effective teams. It is my role to provide a clear sense of each individual's role and to build a better sense of mutual confidence and trust among team members. This is an area to which I intend to devote a good deal of time in the months ahead.
5. Obviously the relationship between a president and a board is a growing and evolving process. It is clear that we had some shakedown ("learning") challenges during the early months, both from my need to learn better how best to communicate to the Board--and in the Board's need to better understand how to relate to and support a very energetic and active leadership team. I believe we have made significant progress over the past two years, but it is clear that such relationships always can be improved. You have my commitment to continue to work with the Board to develop effective methods of communication and participation in key University policy efforts.
6. One of my personal objectives is to keep my attention focused on key strategic issues and to avoid getting drawn into the morass of details which characterize complex institutions such as Michigan. This is a particular challenge, since I tend to enjoy making decisions--and sometimes do so when I should instead refer these decisions to others. It is also difficult because of the frequent brush fires which break out in a major university, and the tendency of all groups to "demand that the president do this or that". But it is clear that there is simply no way a single individual can acquire sufficient information (not to mention time) to act on all such matters, and hence delegation becomes essential.
7. Some lead through careful, low profile actions far behind the front. In contrast, I tend to have a leadership style which can best be characterized as leading troops into battle. Such a style faces two risks: i) sometimes I can get too far out in front of the troops, and ii) by being a point person, I tend to get shot at quite a bit. While I have a reasonably thick skin most of the time, it is also clear that sooner or later I can get worn down. A good example the continued assault conducted against my home and family by student activists throughout this past year, violating our private lives and subjecting us to considerable stress. Needless to say, this can be both tedious and trying.
8. The final observation I would make about my personal style is I fear that I still haven't learned how to pace myself (nor has Anne). Both of us are

deeply committed to this University and work on its behalf essentially all the time. Yet we also recognize the dangers of burnout, and in the months ahead will give some thought on how to adjust to a more sustainable pace.

## 5. Some Personal Concerns

While I am on the subject of self-assessment, let me continue on to point out some particular concerns I have about the university presidency in general and my own presidency at Michigan.

### 5.1. The Casualty Rate in Public Universities

It is clear that the role of president of a major university is becoming increasingly difficult. Indeed, the tenure of presidents is dropping rapidly, with a particularly high casualty rate at major public research universities where the average tenure has now dropped to less than 4 years. Most of the NASULGC presidencies and over half of the AAU presidencies have turned over within the past several years. In part this is due to the growing pressures on higher education from a vast range of constituencies, both internal and external, with frequently conflicting aspirations and expectations for the university.

This stress is greatly intensified within public universities because of the high public visibility and accountability of the presidency and the political storms swirling about these critical institutions, whether within state government or enveloping boards of trustees. We have had ample evidence even within the Big Ten that such pressures eventually wear down the presidents of even the best public institutions. Just recall the migration of Big Ten presidents to private institutions in recent years: Jim Freedman (Iowa to Dartmouth), Bob O'Neill (Wisconsin to Virginia), Tom Everhart (Illinois to Caltech), Harold Shapiro (Michigan to Princeton), and Buzz Shaw (Wisconsin to Syracuse). Then too, the last several years have seen the crash of other Big Ten presidents: Ken Keller (Minnesota), Ed Jennings (Ohio State), and almost John DiBiaggio (Michigan State). I raise this issue, in part, because I believe that to be successful and best serve a university, a president should be in place for at least 10 years. Yet, recent history would indicate that there are many forces working against this longevity.

## 5.2. Taking the Heat...Usually Alone...

The increasing degree which American politics has become personalized in terms of ad hominem character attacks has infected higher education as well. One of the lessons of the turbulent 1960s was that the best way to push an particular agenda was to replace issues with people; that is, to attack an individual as a personification of a particular cause. This strategy of personal attack is used time and time again against university presidents by groups both on and off campus, frequently aided and abetted by feeding frenzies launched by the media. Unfortunately, there is a herd instinct present in most social organizations--and universities in particular--for an individual under attack to be isolated from the community that should come to his support. Incidentally, in my view the series of personal attacks launched by activist groups--and politicians-- against Harold Shapiro was an important factor in persuading him to leave Michigan for Princeton (although I believe that his wife played an even more important role, as I will mention later). Somehow we simply must work together to develop better mechanisms to protect the presidency when it comes under such attack.

## 5.3. Presidential Compensation

Since performance evaluations are generally associated with compensation reviews, let me also raise several issues in this regard. Since I was appointed to the presidency, my "merit" salary increase has been constrained by political factors to the University-wide average (although I believe and would hope that you agree that my performance has been considerably above average). While my present salary of \$170,981 appears high, let me make several points:

- i) First, this includes a 5% deferred compensation component that the IRS now requires us to include as part of the compensation base (similar to a retirement annuity).
- iii) Second, while the presidency appears to have a number of "perks" such as a house, in fact these are generally both financial and emotional drains. Last year Anne and I spent roughly \$20,000 of personal income on a range of obligations associated with the presidency--in addition to maintaining our original residence as an "escape" for times when life in the center of the campus became simply too stressful.
- iv) Third, the average salary of private research university presidents last year was \$238,000 (and both Chuck Vest's and

Harold Shapiro's salaries now approach \$300,000).

- v) While the average salary of land-grant university presidents appears somewhat lower at \$132,800, many of these institutions have independent foundations which provide additional compensation to the president for fund-raising activities. Such additional compensation averaged \$39,000 last year.
- v) And, of course, the final calibration is that from the private sector in which the CEO of a \$2 billion per year corporation would receive total compensation in the \$500 K to \$1 M range.

Having made these points, let me also note that I really don't know what you can do about the situation. The president's salary in the public university has become so politicized, that it is clearly impossible to provide adequate compensation, short of establishing an independent foundation for that purpose-which I would not advise doing. However there is one related matter that the Board could address that would provide considerable relief in an indirect way.

#### 5.4. The Role of the President's Spouse

Of far more concern than my personal compensation is the manner in which my wife Anne's efforts are recognized. For over a year now I have been seeking formal recognition from the Board for the critical role that Anne plays in the life of this University. In most institutions, the presidency has become clearly recognized and acknowledged to be a two-person position, with the president's spouse serving in critical full-time capacity as a leading representative for the university, a hostess of University events (particularly in the development and political arena), as a manager for major events, and as a key in building a sense of community among students, faculty, and staff. In this era of two-career families, many institutions are now recognizing the need to provide the president's spouse with more credibility in her role of representing and working on behalf of the University through more formal arrangements.

At the present time, Anne's efforts are comparable in both intensity and time commitment to my own as president and range from the management of two facilities (the President's House and Inglis House) including staff, to fund-raising, campus community building, political efforts, and general activities in institutional advancement. To give you a sense of these efforts, I included a brief listing of Anne's activities for the past year in my annual activities summary. Conservatively her efforts amount to 60 to 80 hours per week on behalf of the University.

Unfortunately, the Board has yet to recognize this enormous effort through either formal or informal means. Many other universities have used a variety of options to recognize the role of the president's spouse, including normal appointments (in an appropriate professional area such as development or public relations), formal titles and status, and specific compensation (either salary or deferred compensation through annuities). Both Farris Womack and I have suggested a number of options including those of a normal part-time appointment (e.g., in development or university events), utilizing a new TIAA/CREF annuity program specifically designed to recognize the role of the president's spouse, or even dividing my own salary and reallocating part of it to recognize Anne's efforts. But the Board has yet to act.

By failing to do address this matter, the Board continues to send a loud and clear message to Anne that her very considerable effort on its behalf--and on behalf of the University--is simply not valued. In an era in which two-career families are the norm, this lack of recognition is highly demoralizing to Anne. Further, it seriously undermines her credibility in working with others both within and external to the campus community.

The Board should be aware that this is a matter of great concern to me personally. I am fully aware that the driving factor behind Harold Shapiro's decision to leave the University was Vivian Shapiro's unhappiness at Michigan. I sense a similar and growing frustration on Anne's part because of the absence of any recognition whatsoever for the enormous effort she expends on behalf of this University.

Over the long term I see only three possibilities: i) the Board will take steps to recognize Anne's efforts, ii) Anne's concern for her own future security will eventually force her to pull back from this activity and accept employment outside the University, thereby losing one of the most critical members of the University team, or iii) eventually the frustrations will become great enough that Anne and I, like the Shapiros before us, will be forced to consider other opportunities where our dual role is adequately recognized.

We are both deeply committed to this University. We have dedicated our efforts--indeed, the majority of our lives--to it for over two decades, and we wish to continue to do so. But it is also clear that we need the Board's understanding and help on this matter.

## 5.5. The Capacity for Leadership

I have one final concern to mention. This involves my own capacity to provide needed leadership for higher education during the 1990s, at a time when our society has become ever more dependent on our institutions, yet ironically at a time as well when public trust and confidence in higher education is at an all time low.

More specifically, the list of public concerns grows longer with each passing day:

Financial Integrity:

- Rising costs of education (particularly tuition)
- "Price-fixing" (financial aid, tuition)
- Inappropriate use of federal funds (Dingell, Stanford)
- Greed, waste, duplication

The Moral Climate on Campus:

- "Isms"...racism, sexism, homophobia...elitism and extremism
- Alcohol and drug abuse
- Crime on campus
- Absence of faculty accountability (conflict of interest,...)
- Corruption in college sports

Intellectual Integrity:

- Inadequate attention to undergraduate education
- Preoccupation with "useless" research
- Scientific fraud (Baltimore, cold fusion...)
- "Political correctness" debate

And yet there is a great irony in this, as evidenced by two recent quotes:

"In all advanced societies, our future depends to an ever-increasing extent on new discoveries, expert knowledge, and highly trained people. Like it or not, universities are our principal source of all three ingredients."  
(Derek Bok)

"The solution of virtually all the problems with which government is concerned: health, education, environment, energy, urban development, international relationships, space, economic competitiveness, and defense

and national security depends upon creating new knowledge, and hence, upon the health of America's research universities." (Erich Bloch)

The fundamental problem here is the degree to which the universities have allowed others to set the agenda, to determine both the focus and the nature of the debate concerning the role of higher education. It is clear that as long as we allow others to determine and control the agenda, we will continue to find ourselves on the defensive, responding to first one negative issue and then another. This continued siege of the academy will continue to erode public confidence and trust in the American university, at just that moment in our history in which we become even more dependent on these institutions.

It seems clear that higher education must take steps to regain control of the agenda, to begin to control the public debate, changing or reshaping context of the debate to achieve a more positive emphasis. Key will be a well-conceived campaign to turn the nation's attention to what higher education is really all about: educating the young people of our nation for the challenges ahead, doing the research that will determine our prosperity and quality of life, and providing the leadership necessary for our nation in a rapidly changing world.

The basic approach should probably include the following elements

- i) To first take some highly visible actions to respond to some of the criticisms and concerns--since they do contain some truth, and our public credibility requires demonstrating that we take criticism quite seriously. Here, however, we need to choose the battlefield quite carefully, responding only to a few of the more critical issues, and neutralizing others of less relevance or importance.
- ii) At the same time, we need to launch a parallel effort to push several positive themes relating to how the university is needed by our society in the 1990s and beyond. Examples might include: the education pipeline, economic competitiveness, and health care.
- iii) We need to take steps to build more permanent structures or organizations capable to continuing this effort for the long term. For example, at the national level, it is clear that the One Dupont Circle associations (AAU, NASULGC, ACE) must be completely overhauled. In the meantime, perhaps other smaller coalitions of institutions--such as the Big Ten--will have to carry the load...

It is also clear that Michigan can be--should be--probably must be--one of those institutions assists in this effort. But for us to do so, it will require an unusual degree of support, confidence, and trust on the part of the Board.

Indeed, there are many who suggest that a sea change is needed in governing board attitudes if the American university presidency is to once again provide the leadership so desperately needed by higher education. (To this end, I have included the opening chapter of a recent AGB monograph on this subject.) While the University has always benefited from a Board highly supportive of such national leadership efforts, it is important to stress once again how critical Board support is to such efforts.

Throughout its history, the president of the University of Michigan has played an unusually significant role in broader issues affecting higher education throughout the nation and the world. Indeed, this involvement by my predecessors played in key role in building and sustaining the reputation of the University as the leader of public higher education in America. I am becoming increasingly convinced that we are being looked to once again for such leadership, and I turn to the Board to ask your support and encouragement for these efforts.