

The Challenges and Hazards of Leading
The University Transformations Demanded by a Learning Society

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Introduction

When Peter Magrath called to ask me to kick off today's workshop, I sensed he was looking for testimony from a survivor of university transformation. Hence, I stand here before you today, somewhat battered and scared, but at least able to assure you that there is indeed light at the end of the transformation tunnel—and not necessarily just from a train headed in your direction. Yet leading a transformation process is not an easy task.

Several years ago, during a meeting with my executive officers following my announcement of my decision to step down as president and return to the faculty, one of my vice-presidents slipped me a piece of paper with the well-known quote of Machiavelli:

“There is no more delicate matter to take in hand, nor more dangerous to conduct, nor more doubtful of success, than to step up as a leader in the introduction of change. For he who innovates will have for his enemies all those who are well off under the existing order of things, and only lukewarm support in those who might be better off under the new.”

After almost a decade of attempting to lead a transformational change process at the University of Michigan, I could only respond with an emphatic “AMEN!” If my experience is any guide, leading transformational change is not only challenging but usually hazardous...and rarely rewarded. But fortunately it is also rarely routine or boring, and it certainly can have a profound impact on an institution.

Hence it seems logical this afternoon to share some war stories about university transformation with you, because through the good graces of the W. K. Kellogg Foundation and the vision of its Commission on the Future of State and Land-Grant Universities, it is precisely the challenge that today's leaders of public universities have been given:

Presidents Graham Spanier, Delores Spikes, and John Byrne and their colleagues have framed the objectives well in the Commission reports:

“The dawning of a new millennium is the perfect time to renew the educational covenant that has spawned so many of the intellectual, material, and economic benefits enjoyed by citizens of the United States. It is the right time to reclaim that heritage and in so doing to renew the faith of Justin Morrill and Abraham Lincoln, the fathers of American public higher education, that our institutions would be the “public's universities.”

Yet to achieve this objective, the Commission is convinced that our nation's state and land-grant institutions are facing changes as deep and significant as any in our history.

The Commission suggests that today's public universities are all too frequently characterized by:

1. A current educational paradigm that emphasizes teaching rather than learning (and, I might add, a faculty culture that emphasizes research grantsmanship rather than education...).
2. The lack of a student-centered and customer-driven orientation to education in our institutions.
3. The lack of extensive faculty involvement in distance learning and instructional technology.
4. The limited institutional flexibility to bring about the change.

Hence, the Kellogg Commission has laid out a challenging transformation agenda:

Preamble: A commitment to higher education as a public trust, supporting the state and land-grant ethic of service to students, communities, and states through teaching, research and public service.

- Universities should define themselves as a learning communities.
- They should be dedicated to maintaining the widest possible access to the benefits of a college education, addressing the challenges of price, diversity, and technology.
- They should provide graduates with an education that fits them with the skills, attitudes, and values required for success in life, citizens and work or further education.
- Universities need to rededicate themselves to containing its costs while being a prudent steward of public resources.
- They should adopt technology and flexible scheduling to meet the widest array of student needs.
- They should build new partnerships and collaborations and improving governance structures to better meet its teaching, research, and service obligations.
- And public universities should go beyond outreach and service to what the Commission calls engagement, redefining teaching, research, and extension to become involved with their communities.
- Even "aligning college athletics with academics" (talk about a minefield!)

Such an agenda is clearly appropriate and compelling. But how can an institution pursue it?

Before boldly leaping into the fray of the tactics of transformation, let me first step back and offer a few strategic observations concerning the imperatives of change, from the perspective of one of the most compelling themes of the Kellogg Commission: our evolution into what is termed *a learning society*.

A Vision for the 21st Century: A Learning Society

The forces driving change in higher education today are many and varied:

- the globalization of commerce and culture,
- the lifelong educational needs of citizens in a knowledge-driven, global economy,
- the exponential growth of new knowledge and new disciplines,
- the increasing diversity of our population and the growing needs of under-served communities,
- the compressed timescales and nonlinear nature of the transfer of knowledge from campus laboratories into commercial products, and
- the impact of information and communications technologies on the university.

Even more fundamentally, as we enter the new millennium, there is an increasing sense that the social contract between the public university and American society may need to be reconsidered and perhaps even renegotiated once again.¹

1. The university's multiple stakeholders have expanded and diversified in both number and interest, drifting apart without adequate means to communicate and reach agreement on priorities.
2. Public higher education must compete with an increasingly complex and compelling array of other social priorities for limited public funding. Both the public and its elected leaders today view the market as a more effective determinant of social investment than government policy.
3. Perhaps most significant of all, the educational needs of our increasingly knowledge-intensive society are both changing and intensifying rapidly, and this will require a rethinking of appropriate character and role of higher education in the 21st Century.

As the Kellogg Commission suggests, the ultimate challenge for the public university in the 21st Century may be to assist our nation's evolution into a society of learning, in which opportunities for learning become ubiquitous and universal, permeating all aspects of our society and empowering through knowledge and education all of our citizens, might be the most appropriate vision for the future of the public university.

1. Today we have entered an era in which educated people and the knowledge they produce and use have become the keys to the economic prosperity and social well-being. The "space race" of the 1960s has been replaced by the "skills race" of the 21st Century.
2. Education, knowledge, and skills have become primary determinants of one's personal standard of living.
3. It has become the responsibility of democratic societies to provide their citizens with the education and training they need, throughout their lives, whenever, wherever, and however they desire it, at high quality and at an affordable cost.

Of course, this has been one of the great themes of higher education in America. Each evolutionary wave of higher education has aimed at educating a broader segment of society, at creating new educational forms to that—the public universities, the land-grant universities, the normal and technical colleges, the community colleges, and today's emerging generation of cyberspace universities.

But we now will need new types of public colleges and universities with new characteristics:

1. Just as with other social institutions, our universities must become more focused on those we serve. We must transform ourselves from faculty-centered to learner-centered institutions, becoming more responsive to what our students need to learn rather than simply what our faculties wish to teach.
2. Society will also demand that we become far more affordable, providing educational opportunities within the resources of all citizens. Whether this occurs through greater public subsidy or dramatic restructuring of the costs of higher education, it seems increasingly clear that our society—not to mention the world—will no longer tolerate the high-cost, low-productivity paradigm that characterizes much of higher education in America today.
3. In an age of knowledge, the need for advanced education and skills will require both a personal willingness to continue to learn throughout life and a commitment on the

part of our institutions to provide opportunities for lifelong learning. The concept of student and alumnus will merge.

4. Our highly partitioned system of education will blend increasingly into a seamless web, in which primary and secondary education; undergraduate, graduate, and professional education; on-the-job training and continuing education; and lifelong enrichment become a continuum.
5. Already we see new forms of pedagogy: asynchronous (anytime, anyplace) learning that utilizes emerging information technology to break the constraints of time and space, making learning opportunities more compatible with lifestyles and career needs; and interactive and collaborative learning appropriate for the digital age, the plug-and-play generation. In a society of learning, people would be continually surrounded by, immersed in, and absorbed in learning experiences, i.e. ubiquitous learning, everywhere, every time, for everyone.
6. The great diversity characterizing higher education in America will continue, as it must to serve an increasingly diverse population with diverse needs and goals. But it has also become increasingly clear that we must strive to achieve diversity within a new political context that will require new policies and practices.

It is clear that the access to advanced learning opportunities is not only becoming a more pervasive need, but it could well become a defining domestic policy issue for a knowledge-driven society. Public higher education must define its relationship with these emerging possibilities in order to create a compelling vision for its future as it enters the new millennium

Transforming the University

The Imperatives of Change

A rapidly evolving world has demanded profound and permanent change in most, if not all, social institutions. Corporations have undergone restructuring and reengineering. Governments and other public bodies are being overhauled, streamlined, and made more responsive. Even the relevance of the nation-state is being questioned and re-examined.

Certainly most of our colleges and universities are attempting to respond to the challenges and opportunities presented by a changing world. They are evolving to serve a new age. But most are evolving within the traditional paradigms, according to the time-honored processes of considered reflection and consensus that have long characterized the academy. Change in the university has proceeded in slow, linear, incremental

steps—improving, expanding, contracting, and reforming, without altering its fundamental institutional mission, approach, or structure.

While most colleges and universities have grappled with change at the pragmatic level, few have contemplated the more fundamental transformations in mission and character that may be required by our changing world. For the most part, our institutions still have not grappled with the extraordinary implications of an age of knowledge, a society of learning, which will likely be our future. Most institutions continue to approach change by reacting to the necessities and opportunities of the moment rather than adopting a more strategic approach to their future.

Furthermore, change in the university is rarely driven from within. After all, one of the missions of the university is to preserve time-honored values and traditions. So too, tenured faculty appointments tend to protect the status quo, and the process of shared governance provides the faculty with a mechanism to block change. Most campus administrators tend to be cautious, rarely rocking the boat in the stormy seas driven by politics either on campus or beyond. Governing boards are all too frequently distracted from strategic issues in favor of personal interests or political agendas.

Earlier examples of change in American higher education, such as the evolution of the land-grant university, the growth of higher education following World War II, and the evolution of the research university, all represented reactions to major forces and policies at the national level. The examples of major institutional transformation driven by internal strategic decisions and plans from within are relatively rare. Change is a particular challenge to the public university, surrounded as it is by powerful political forces and public pressures that tend to be conservative and reactionary.

The glacial pace of university decision-making and academic change simply may not be sufficiently responsive to allow the university to control its own destiny. There is a risk that the tidal wave of societal forces could sweep over the academy, both transforming higher education in unforeseen and unacceptable ways while creating new institutional forms to challenge both our experience and our concept of the university.

Yet if we are even to maintain our traditional public mission, the university must continue to ask two questions from the Carnegie Commission of several decades ago: “Whom do we serve?” and “How can we serve better?” What will our students need in the 21st Century? What will citizens of our new world require? How can we forge new missions to serve a changing society even as we hold firmly to the deep and common values that have guided the American university over two centuries of evolution?

Once we recognize that higher education has a public purpose and a public obligation, we realize that the status quo no longer remains an option. Evolution, change, and transformation become our paths to the future.

The Process

So, how might we approach the transformation of an institution as complex as the modern public university? Historically, universities have accomplished change by using a variety of mechanisms.

1. In the good old days of growing budgets, they were able to buy change with additional resources.
2. When the pace of change was slower, they sometimes had the time to build the consensus necessary for grassroots support.
3. Occasionally a key personnel change was necessary to bring in new leadership.
4. Of course, sometimes universities did not have the luxury of additional resources or even adequate time to effect change and would resort to less direct methods such as disguising or finessing change, or even accomplishing change by stealth.
5. In fact, sometimes the pace of change required leaders to take a “Just do it!” approach, making top-down decisions followed by rapid execution.

Yet these past approaches are unlikely to be adequate to address the major paradigm shifts that will almost certainly take place in higher education in the years ahead. From the experience of other organizations in both the private and public sector, we can identify several features of the transformation processes that are applicable as well to the university:

1. First it is essential to recognize that the real challenge lies in transforming the culture of an institution. Financial or political difficulties can be overcome if the organization can let go of rigid habits of thought, organization, and practices that are incapable of responding rapidly or radically enough.
2. To this end, those most directly involved in the core activities of the university, teaching and research, must be involved in the design and implementation of the transformation process. Clearly, in the case of a university, this means that the faculty must play a key role—not simply elected faculty governance, but the true intellectual leaders among our faculties.
3. But sometimes to drive change, one needs assistance from outside. As the old saying goes, “To get a mule to move, sometimes you must first hit it between the eyes with a 2x4 to get its attention.” In the past, government policies and programs have served as the 2x4. Today, however, many believe that the pressures from the

marketplace will play this role. But beyond this, it is usually necessary to involve external groups both to provide credibility to the process and assist in putting controversial issues on the table (such as tenure reform, for instance).

4. Finally, experience in other sectors has shown the critical importance of leadership. Major institutional transformation does not occur by sitting far from the front lines and issuing orders. Rather, leaders, and in our case, university presidents, must pick up the flag and lead the institution into battle. Granted, this usually entails risk.

Of course, transforming an institution as complex as the university is neither linear nor predictable. Transformation is an iterative process, since as an institution proceeds, experience leads to learning that can modify the transformation process.²

For change to occur, we need to strike a delicate balance between the forces that make change inevitable (whether they be threats or opportunities) and a certain sense of confidence and stability that allow people to take risks. For example, how do we establish sufficient confidence in the long-term support and vitality of the institution, even as we make a compelling case for the importance of the transformation process?

From a more abstract viewpoint, major change involves taking a system from one stable state to another. The transition itself, however, involves first forcing the system into instability, which will present certain risks. It is important to minimize the duration of such instability, since the longer it lasts, the more likely the system will move off in an unintended direction, or sustain permanent damage.

While many will resist change, many others will relish it and support bold initiatives if a convincing case can be made. An institution must develop an effective internal marketing strategy for themes transformation, conveying a sense of confidence that we have the will and the capacity to follow through, and that the university will emerge stronger than ever.

The Challenges to Transformation

The Complexity of the University. The modern university is comprised of many activities, some nonprofit, some publicly regulated, and some operating in intensely competitive marketplaces. We teach students; we conduct research for various clients; we provide health care; we engage in economic development; we stimulate social change; and we provide mass entertainment (athletics). The organization of the contemporary university would compare in both scale and complexity with many major global corporations.

The Pace of Change. Both the pace and nature of the changes occurring in our world today have become so rapid and so profound that our present social institutions—in government, education, and the private sector—are having increasing

difficulty in even sensing the changes (although they certainly feel the consequences), much less understanding them sufficiently to respond and adapt.

Let me provide an example. For the past year I have been chairing a task force for the National Academy of Sciences aimed at understanding the impact of rapidly evolving information and communications technology on the university. At a meeting held this past January at the National Academies, roughly one hundred leaders from the IT industry, higher education, and federal agencies agreed that this impact would be rapid, profound, unpredictable, and likely discontinuous. About the only reassuring conclusion was that while we could not predict the impact of this “disruptive technology” on the university, at least for the near term (a decade or less) we would be able to understand what had happened to us. For the longer term, it was unlikely that we would even be able to understand our transformation, at least from our current concepts of the university.

As the time scale for decisions and actions compress, during an era of ever more rapid change, authority tends to concentrate so that the institution can become more flexible and responsive. The academic tradition of extensive consultation, debate, and consensus building before any substantive decision is made or action taken will be one of our greatest challenges, since this process is simply incapable of keeping pace with the profound changes swirling about higher education. A quick look at the remarkable pace of change required in the private sector—usually measured in months, not years—suggests that universities must develop more capacity to move rapidly. This will require a willingness by leaders throughout the university to occasionally make difficult decisions and take strong action without the traditional consensus-building process.

Bureaucracy. Part of the challenge is to clear the administrative underbrush cluttering our institutions. Both decision making and leadership is hampered by bureaucratic policies and procedures and practices, along with the anarchy of committee and consensus decision making. Our best people feel quite constrained by the university, constrained by their colleagues, constrained by the “administration”, and constrained by bureaucracy. Yet leadership is important. If higher education is to keep pace with the extraordinary changes and challenges in our society, someone in academe must eventually be given the authority to make certain that the good ideas that rise up from the faculty and staff are actually put into practice. We need to devise a system that releases the creativity of individual members while strengthening the authority of responsible leaders.

The Resistance to Change. In business, management approaches change in a highly strategic fashion, launching a comprehensive process of planning and transformation. In political circles, sometimes a strong leader with a big idea can captivate the electorate, building a movement for change. Change occurs in the university through a more tenuous, sometimes tedious, process. Ideas are first floated as trial balloons, all the better if they can be perceived to have originated at the

grassroots level. After what often seems like years of endless debate, challenging basic assumptions and hypotheses, decisions are made and the first small steps are taken. For change to affect the highly entrepreneurial culture of the faculty, it must address the core issues of incentives and rewards.

Of course, the efforts to achieve change following the time-honored traditions of collegiality and consensus can sometimes be self-defeating, since the process can lead all too frequently right back to the status quo. As one of my exasperated presidential colleagues once noted, the university faculty may be the last constituency on Earth that believes the status quo is still an option. To some degree, this strong resistance to change is both understandable and appropriate. After all, the university is one of the longest enduring social institutions of our civilization in part because its ancient traditions and values have been protected and sustained.

Mission Creep and the Entrepreneurial University. All of higher education faces a certain dilemma related to the fact that it is far easier for a university to take on new missions and activities in response to societal demand than to shed missions as they become inappropriate or threaten the core educational mission of the institution. This is a particularly difficult matter for the public university because of intense public and political pressures that require the institution to continue to accumulate missions, each with an associated risk, without a corresponding capacity to refine and focus activities to avoid risk. Whether particular academic programs, services such as health care or economic development, or even public entertainment such as cultural events or intercollegiate athletics, each has a constituency that will strongly resist any changes.

Resource Requirements: Clearly, we will need significant resources to fuel the transformation process, probably at the level of five percent to ten percent of the total university budget. During a period of limited new funding, it will take considerable creativity (and courage) to generate these resources. As we noted earlier in our consideration of financial issues, the only sources of funding at the levels required for such major transformation are tuition, private support, and auxiliary activity revenues.

The Particular Challenges faced by Public Universities: All colleges and universities, public and private alike, face today the challenge of change as they struggle to adapt and to serve a changing world. Yet there is a significant difference in the capacity that public and private institutions have to change. The term “independent” used to describe private universities has considerable significance in this regard. Private universities are generally more nimble, both because of their smaller size and the more limited number of constituencies that have to be consulted—and convinced—before change can occur. Whether driven by market pressures, resource constraints, or intellectual opportunity, private universities usually need to convince only trustees, campus communities (faculty, students, and staff) and perhaps alumni before moving

ahead with a change agenda. Of course, this can be a formidable task, but it is a far cry from the broader political challenges facing public universities.

The public university must always function in an intensely political environment. Public university governing boards are generally political in nature, frequently viewing their primary responsibilities as being to various political constituencies rather than confined to the university itself. Changes that might threaten these constituencies are frequently resisted, even if they might enable the institution to serve broader society better. The public university also must operate within a complex array of government regulations and relationships at the local, state, and federal level, most of which tend to be highly reactive and supportive of the status quo. Furthermore, the press itself is generally far more intrusive in the affairs of public universities, viewing itself as the guardian of the public interest and using powerful tools such as sunshine laws to hold public universities accountable.

As a result, actions that would be straightforward for private universities, such as enrollment adjustments, tuition increases, program reductions or elimination, or campus modifications, can be formidable for public institutions. For example, the actions taken by many public universities to adjust to eroding state support through tuition increases or program restructuring have triggered major political upheavals that threaten to constrain further efforts to balance activities with resources.³ Sometimes the reactive nature of the political forces swirling about and within the institution is not apparent until an action is taken. Many a public university administration has been undermined by an about-face by their governing board, when political pressures force board members to switch from support to opposition on a controversial issue.

Little wonder that administrators sometimes conclude that the only way to get anything accomplished within the political environment of the public university is by heeding the old adage, "It is simpler to ask forgiveness than to seek permission." Yet even this hazardous approach may not be effective for the long term. It could well be that many public universities will simply not be able to respond adequately during periods of great change in our society.

Some Lessons Learned

Values

As noted in the Kellogg Commission report, it is important to begin a transformation process with the basics, to launch a careful reconsideration of the key roles and values that should be protected and preserved during a period of transformation. For example, how would an institution prioritize among roles such as educating the young (e.g., undergraduate education), preserving and transmitting our culture (e.g., libraries, visual and performing arts), basic research and scholarship, and serving as a responsible critic of society? Similarly, what are the most important values to protect? Clearly academic freedom, an openness to new ideas, a commitment to

rigorous study, and an aspiration to the achievement of excellence would be on the list for most institutions. But what about values and practices such as shared governance and tenure? Should these be preserved? At what expense?

Engaging the Stakeholders

Next, as a social institution, the public university should endeavor to listen carefully to society, learning about and understanding its varied and ever-changing needs, expectations, and perceptions of higher education. Not that responding to all of these would be desirable or even appropriate for the public university. But it is important to focus more attention on those whom we were created to serve.

But of course, we also must engage internal stakeholders, the most important being our own faculties. But here the goal is to empower the best among our faculty and staff and enable them to exert the influence on the intellectual directions of the university that will sustain its leadership. However, here we must address two difficulties. First, there is the more obvious challenge that large, complex hierarchically-organized institutions become extremely bureaucratic and conservative and tend to discourage risk-taking and stifle innovation and creativity. Second, the faculty has so encumbered itself with rules and regulations, committees and academic units, and ineffective faculty governance that the best faculty are frequently disenfranchised, out-shouted by their less productive colleagues who have the time and inclination to play the game of campus politics. It will require determination and resourcefulness to break this stranglehold of process and free our very best minds.

Removing Constraints

It is particularly important to prepare the academy for change and competition. Unnecessary constraints should be relaxed or removed. There should be more effort to link accountability with privilege on our campuses, perhaps by redefining tenure as the protection of academic freedom rather than lifetime employment security or better balancing authority and responsibility in the roles of academic administrators. It is also important to begin the task of transforming the academy by considering a radical restructuring of the graduate programs that will produce the faculties of the future.

Clearly there is a need to consider the restructuring of university governance, particularly the character of lay governing boards and the process of shared governance among boards, faculties, and administrations, so that our universities are better able to respond to the changing needs of society rather than defending and perpetuating an obsolete past. In particular, we need to develop a greater tolerance of strong leadership.

Alliances

Public universities should place far greater emphasis on building alliances with other institutions that will allow them to focus on core competencies while relying on alliances to address the broader and diverse needs of society. For example, flagship public universities in some states will be under great pressure to expand enrollments to address the expanding populations of college age students, possibly at the expense of their research and service missions. It might be far more constructive for these institutions to form close alliances with regional universities and community colleges to meet these growing demands for educational opportunity.

Here alliances should be considered not only among institutions of higher education (e.g., partnering research universities with liberal arts colleges and community colleges) but also between higher education and the private sector (e.g., information technology and entertainment companies). Differentiation among institutions should be encouraged, while relying upon market forces rather than regulations to discourage duplication.

Experimentation

We must recognize the profound nature of the rapidly changing world faced by higher education. Many of the forces driving change are disruptive in nature, leading to quite unpredictable futures. This requires a somewhat different approach to transformation.

A personal example here: during the 1990s we led an effort at the University of Michigan to transform the institution, to re-invent it so that it better served a rapidly changing world. We created a campus culture in which both excellence and innovation were our highest priorities. We restructured our finances so that Michigan became, in effect, a privately supported public university. We dramatically increased the diversity of our campus community. We launched major efforts to build a modern environment for teaching and research using the powerful tools of information technology.

Yet with each transformation step we took, with every project we launched, with each objective we achieved, we became increasingly uneasy. The forces driving change in our society and its institution were far stronger and more profound than we had first thought. Change was occurring far more rapidly than we had anticipated. The future was becoming less certain as the range of possibilities expanded to include more radical options. We came to the conclusion that in a world of such rapid and profound change, as we faced a future of such uncertainty, the most realistic near-term approach was to explore possible futures of the university through experimentation and discovery. That is, rather than continue to contemplate possibilities for the future through abstract study and debate, it seemed a more productive course to build several prototypes of future learning institutions as working experiments. In this way we could actively explore possible paths to the future.

- For example, we explored the possible future of becoming a privately supported but publicly committed university by completely restructuring our financing, raising over \$1.4 billion in a major campaign, increasing tuition levels, and dramatically increasing sponsored research support to #1 in the nation. Ironically, the most state support declined as a component of our revenue base (dropping to less than 10%), the higher our Wall Street credit rating, finally achieving the highest AAA rating (the first for a public university). As one of my colleagues put it, we underwent a metamorphosis from a state-supported to a state-assisted to a state-related to a state-located...and eventually only a state-molested institution.
- Through a major strategic effort known as the Michigan Mandate, we altered very significantly the racial diversity of our students and faculty, doubling the population of underrepresented minority students and faculty over a decade, thereby providing a laboratory for exploring the themes of the “diverse university.”
- We established campuses in Europe, Asia, and Latin America, linking them with robust information technology, to understand better the implications of becoming a “world university.”
- We played leadership roles first in the building and management of the Internet and now Internet2 to explore the “cyberspace university” theme.

But, of course, not all of our experiments were successful. Some crashed in flames, in some cases spectacularly:

- We tried to spin off our academic health center, merging it with a large hospital system in Michigan to form an independent health care system. But our regents resisted this strongly, concerned that we would be giving away a valuable asset (even though we would have netted well over \$1 billion in the transaction and avoided the \$100 million annual losses we are now experiencing as managed care sweeps across Michigan.
- Although we were successful eventually in getting a Supreme Court ruling that provided relief from intrusive nature of the state’s sunshine laws, we ran into a brick wall attempting to restructure how our governing board was selected and operated. (It remains one of the very few in the nation entirely determined by public election and partisan politics.)
- And we attempted to confront our own version of Tyrannosaurus Rex by challenging our Department of Athletics to better align their athletic activities with academic priorities, e.g. recruiting real students, reshaping competitive schedules, throttling

back commercialism...and even appointing a real educator, a former dean, as athletic director. Yet today we are posed to spend \$100 million on skyboxes for Michigan Stadium after expanding stadium capacity two years ago to over 110,000.

Nevertheless, in most of these cases, at least we learned something (if only our own ineffectiveness in dealing with cosmic forces such as college sports). More specifically, all of these efforts were driven by the grass-roots interests, abilities, and enthusiasm of faculty and students. While such an exploratory approach was disconcerting to some and frustrating to others, fortunately there were many on our campus and beyond who viewed this phase as an exciting adventure. And all of these initiatives were important in understanding better the possible futures facing our university. All have had influence on the evolution of our university.

Our approach as leaders of the institution was to encourage strongly a "let every flower bloom" philosophy, to respond to faculty and student proposals with "Wow! That sounds great! Let's see if we can work together to make it happen! And don't worry about the risk. If you don't fail from time to time, it is because you aren't aiming high enough!" We tried to ban the word "NO" from our administrators.

Turning Threats into Opportunities

It is important for university leaders to approach issues and decisions concerning transformation not as threats but rather as opportunities. True, the status quo is no longer an option. However, once we accept that change is inevitable, we can use it as a strategic opportunity to control our destiny, while preserving the most important of our values and our traditions.

Creative, visionary leaders can tap the energy created by threats such as the emerging for-profit marketplace and technology to engage their campuses. to lead their institutions in new directions that will reinforce and enhance their most important roles and values.

Finally, It All Comes Back to Values

Returning once again to Kellogg Commission, transformation should begin and end with values. Let me illustrate with another example.

The history of the public university in America is one of a social institution, created and shaped by public needs, public investment, and public policy to serve a growing nation. Yet today, policy development seems largely an aftermath of image-driven politics.⁴ The current political environment is dominated by media-driven strategies, fund-raising, and image-building. Such policy as exists is largely devoid of values or social priorities, but rather shaped in sound-bites to achieve short term political objectives. Perhaps as a consequence if not as a cause, our society appears to have lost confidence both in government policies and programs it once used to serve its

needs. Instead it has placed its faith in the marketplace, depending on market competition to drive and fund the evolution of social institutions such as the university.

Those of us in higher education must share much of the blame for today's public policy vacuum. After all, for much of the last century the college curriculum has been largely devoid of any consideration of values. While some might date this abdication to the trauma of the volatile 1960s, in truth it extends over much of the twentieth century as scholarship became increasingly professionalized and specialized, fragmenting any coherent sense of the purposes and principles of a university.

Little wonder that the future of public higher education has largely been left to the valueless dynamics of the marketplace. Most of our undergraduates experience little discussion of values in their studies. Our graduate schools focus almost entirely on research training, with little attention given to professional ethics or even preparation for teaching careers, for that matter. Our faculties prefer to debate parking over principles just as our governing boards prefer politics over policy. And, in this climate, our university leaders keep their heads low, their values hidden, and prepare their resume for their next institution.

To again quote the Commission, we dare not ignore our obligation in a society that sometimes gives the impression that character, and virtues such as tolerance, civility, and personal and social responsibility are discretionary. These should be standard equipment, not options, in our graduates. We need fresh approaches capable of rebalancing our multiple purposes and of reintegrating the academy while respecting the core functions and values that lie at the heart of its mission.

More than anything else, these are questions about values. The first task of institution reintegration and rebalancing lies in touching base again with the values that shape the public university. The changes in our 21st Century world demands that we think of learning, discovery, and engagement from the perspective our core values and roles.

Some Unusual Opportunities

A century and a half ago, America was facing a period of similar change, evolving from an agrarian, frontier society into an industrial nation. At that time, a social contract was developed between the federal government, the states, and public colleges and universities designed to assist our young nation in making this transition. The land-grant acts were based upon several commitments: First, the federal government provided federal lands for the support of higher education. Next, the states agreed to create public universities designed to serve both regional and national interests. As the final element, these public or land-grant universities accepted new responsibilities to broaden educational opportunities for the working class while launching new programs in applied areas such as agriculture, engineering, and medicine aimed at serving an industrial society, while committing themselves to public service, engagement, and extension.

As we noted earlier, today our society is undergoing a similarly profound transition, this time from an industrial to a knowledge-based society. Hence it may be time for a new social contract aimed at providing the knowledge and the educated citizens necessary for prosperity, security, and social well-being in this new age. Perhaps it is time for a new federal act, similar to the land grant acts of the nineteenth century, that will help the higher education enterprise address the needs of the 21st Century.

The Kellogg Commission suggests the creation of a Higher Educational Millennial Partnership Act to breathe new life into the land-grant legacy, either through direct appropriations, dedicated fees of one kind or another, or other mechanisms. These new seed funds should be employed to help public universities create new partnerships with public schools to assist in the revitalization of K-12. Federal tax policy should also encourage more private sector partnerships.

This proposal recognizes that at the dawn of the age of knowledge, one could well make the argument that education itself will replace natural resources or national defense as the priority for the twenty-first century. We might even conjecture that a social contract based on developing and maintaining the abilities and talents of our people to their fullest extent could well transform our schools, colleges, and universities into new forms that would rival the research university in importance. In a sense, the 21st Century analog to the land-grant university might be termed *a learn-grant university*.

A learn-grant university for the 21st Century might be designed to develop our most important asset, our human resources, as its top priority, along with the infrastructure necessary to sustain a knowledge-driven society. The field stations and cooperative extension programs—perhaps now as much in cyberspace as in a physical location—could be directed to the needs and the development of the people in the region. Furthermore, perhaps we should discard the current obsession of research universities to control and profit from intellectual property developed on the campus through research and instruction by wrapping discoveries in layer after layer of bureaucratic regulations defended by armies of lawyers, and instead move to something more akin to the “open source” philosophy used in some areas of software development. That is, in return for strong public support, perhaps public universities could be persuaded to regard all intellectual property developed on the campus through research and intellectual property as in the public domain and encourage their faculty to work closely with commercial interests to enable these knowledge resources to serve society, without direct control or financial benefit to the university.

An interesting variation on this theme is the *Millennium Education Trust Fund* proposed by Lawrence Grossman and Newton Minnow.⁵ This fund would be established by investing the revenues from the sale or lease of the digital spectrum and would serve the diverse educational, informational, and cultural needs of American society by enhancing learning opportunities, broadening our knowledge base, supporting the arts and culture the skills that are necessary for the Information Age. Grossman and Minnow estimate that the auctions of unused spectrum over the next several years could yield at

least \$18 billion. These revenues, placed in a Millennium Education Trust Fund, would work just as the Northwest Ordinance and Morrill Act did in past centuries, investing proceeds from the sale of public property in our nation's most valuable asset, our people,

Whatever the mechanism, the point seems clear. It may be time to consider a new social contract, linking together federal and state investment with higher education and business to serve national and regional needs, much in the spirit of the land-grant acts of the 19th Century.

Conclusion

As our society changes, so too must change societal institutions such as the university. But change has always characterized the university, even as it sought to preserve and propagate the intellectual achievements of our civilization. Although the university has endured as an important social institution for a millennium, it has evolved in profound ways to serve a changing world.

The past decade has been such a time of significant change in higher education, as our institutions have attempted to adapt to the changing nature of resources and respond to public concerns. Undergraduate education has been significantly improved. Costs have been cut and administrations streamlined. Our campuses are far more diverse today with respect to race and gender. Our researchers are focusing their attention on key national priorities.

Yet, these changes in the university, while important, have been largely reactive rather than strategic. For the most part, our institutions still have not grappled with the extraordinary implications of an age of knowledge, a society of learning that will likely be our future.

Clearly higher education will flourish in the decades ahead. In a knowledge-intensive society, the need for advanced education will become ever more pressing, both for individuals and society more broadly. Yet it is also likely that the university as we know it today—rather, the current constellation of diverse institutions comprising the higher education enterprise—will change in profound ways to serve a changing world. The real question is not whether higher education will be transformed, but rather *how* . . . and by *whom*. If the university is capable of transforming itself to respond to the needs of a society of learning, then what is currently perceived as the challenge of change may, in fact, become the opportunity for a renaissance, an age of enlightenment, in higher education in the years ahead.

For a thousand years the university has benefited our civilization as a learning community where both the young and the experienced could acquire not only knowledge and skills, but the values and discipline of the educated mind. It has defended and propagated our cultural and intellectual heritage, while challenging our norms and beliefs. It has produced the leaders of our governments, commerce, and professions. It has both created and applied new knowledge to serve our society. And it has done so

while preserving those values and principles so essential to academic learning: the freedom of inquiry, an openness to new ideas, a commitment to rigorous study, and a love of learning.⁶

There seems little doubt that these roles will continue to be needed by our civilization. There is little doubt as well that the university, in some form, will be needed to provide them. The university of the twenty-first century may be as different from today's institutions as the research university is from the colonial college. But its form and its continued evolution will be a consequence of transformations necessary to provide its ancient values and contributions to a changing world.

As the quote from Machiavelli in this paper suggests, leading in the introduction of change can be both a challenging and a risky proposition. The resistance can be intense, and the political backlash threatening. To be sure, it is sometimes difficult to act for the future when the demands of the present can be so powerful and the traditions of the past so difficult to challenge.

Yet, perhaps this is the most important role of university leadership and the greatest challenge for the public university in the years ahead.

¹ Vernon Ehlers, "Unlocking Our Future: Toward a New National Science Policy," a report to Congress by the House Committee on Science (September 24, 1998).

² Michael G. Dolence and Donald M. Norris, *Transforming Higher Education: A Vision for Learning in the 21st Century* (Ann Arbor: Society for College and University Planning, 1995).

³ Patricia J. Gumpert and Brian Pusser, "Academic Restructuring: Contemporary Adaptation in Higher Education," in *Planning and Management for a Changing Environment: A Handbook on Redesigning Post-Secondary Institutions*, ed. M. Petersen, D. Dill, and L. Mets (San Francisco: Jossey-Bass, 1997).

⁴ Robert Zemsky and Gregory Wegner, "A Very Public Agenda," *Policy Perspectives*, Vol. 8, No. 2, Knight Higher Education Collaborative, Philadelphia, (1998).

⁵ Lawrence K. Grossman and Newton N. Minow, *A Digital Gift to the Nation: Fulfilling the Promise of the Digital and Internet Age* (Carnegie Corporation of New York, New York, 2000).

⁶ Werner Z. Hirsch and Luc E. Weber, "The Glion Declaration: The University at the Millennium", *The Presidency*, Fall, 1998 (American Council on Education, Washington) p. 27