OCCASIONAL PAPER No. 45

System Heads, Boards, and State Officials: More Than Management

By E.K. Fretwell Jr.

A s higher education grows increasingly important in our culture and economy, so does the role of the chief executive of the higher education system. State higher education systems now encompass the vast majority of public campuses and enroll unprecedented numbers of students. The literature on leading a single college or university campus is extensive, but far less attention has been given to the more complex role of the public system head.

This paper focuses on system leadership and especially on the role of the system head, known in different states as chancellor, president, commissioner of higher education, or other titles. These executives must be more than superb managers. They must demonstrate daily the ability to read the political winds, create vision, inspire confidence, achieve team leadership, provoke positive dialogue, and evince a constellation of other star qualities.

Higher education systems vary in size from very small (three or four campuses) to gigantic operations (in one case 26, not counting affiliated community colleges). But in all systems, the performance of the system head is crucial to the success of the enterprise.

D. Bruce Johnstone, who formerly headed the National Association of System Heads (NASH) and the State University of New York (SUNY), has identified nine major decision areas for which higher education systems have responsibility:

1. to determine, reaffirm, and occasionally alter the missions of the system and of its constituent campuses;

EXECUTIVE SUMMARY

System heads have crucial responsibilities in the world of public higher education. To shed light on their efforts, this paper addresses the many facets of system leadership and the trends that affect it.

The relationship between board members and their system heads has changed considerably in recent years, forcing executives to contend with new challenges and long-standing difficulties. Factors to consider include the increasing tendency toward shortened terms for board members, board members with differing expectations for their service, the troublesome gray area between policy making and operations, and the omnipresent problem of "special interest" partisanship.

The realm of state government also has undergone changes. Growing distrust toward higher education among political leaders, increased competition for state revenues, and higher turnover among state legislators have complicated the quest for public support.

In addition to offering suggestions for handling board-related challenges, this paper provides advice for dealing with state officials and responding to the demands of a generation of students whose characteristics are changing markedly. It also outlines conditions that contribute to successful relations with campus heads. Finally, this paper defines the responsibilities and qualities of the system head and offers questions for boards to consider when searching for a new chief executive.

This paper is based on more than 100 interviews of leaders in state systems—board members and chief executives—as well as campus heads and selected state and association officials. An informal yet representative advisory panel assisted the author.

E.K. Fretwell Jr. is chancellor emeritus of the University of North Carolina at Charlotte. He also served as interim president of the five-campus University of Massachusetts system and headed SUNY College at Buffalo and the University of North Florida (interim).

2. to appoint, nurture, evaluate, and if necessary remove the chief executive officer of the system and of the constituent campuses or institutions;

3. to advocate to the legislature, governor, and other key opinion leaders and patrons the needs of the system;

4. to advocate to the constituent campuses the needs of the state;

5. to allocate missions and operating and capital resources to the respective constituent institutions;

6. to provide liaison between the executive and legislative officers of state government and the member campuses;

7. to mediate disputes over programs and missions among constituent institutions;

8. to foster cooperation among campuses, which can both cut costs and expand options for students; and

9. to audit and otherwise assess the stewardship of resources, including academic programs.

While these functions remain constant, significant changes will make the responsibilities of system boards and system heads even more challenging. These changes stem mainly from the following:

• **The rising importance of higher education.** American higher education, with public systems carrying a large part of the load, is increasingly perceived as absolutely essential to economic success and advancement. University research is in high demand at the state, federal, and corporate levels, and pressures for public engagement and accountability are rising annually.

• **Public moods.** While public higher education is more vital to the welfare of society than ever before, stakeholders tend to view it from a personal perspective—parents seeking undergraduate access for their children, strivers seeking to advance their careers, business leaders requiring better preparation for potential employees, and state officials concerned about costs versus benefits. A more conservative undertone is evident in some quarters, undermining commitments to affirmative action, to traditional academic freedoms, and to participatory campus governance.

• **Governing board culture.** Terms of board members are often too short, with the result that appointees frequently do not become fully familiar with established procedures. Some appointees have narrowly focused opinions that they sometimes voice as if

speaking directly for the appointing governor. Others tend to be impatient with deliberative decision-making procedures, bringing special-interest agendas and individual objectives to board deliberations.

• **Demand for proven outcomes.** In years past, much of the public accepted the assurance of higher education leaders that all was well in the academy. Now, state officials and employers want harder evidence of learning

flagships—have presented arguments favoring secession from the system in pursuit of more money and less control. Issues of decision making in relation to greater campus autonomy and flexibility continue to need clarification.

• **Job attractiveness.** The pool of outstanding candidates for system heads may be diminishing. Potential candidates frequently opt to remain campus heads, which they deem

Effective boards are essential to creating new systems or making existing systems flexible, nimble, and responsible.

outcomes and better documentation that public funds are being well spent. Clear and understandable definitions of quality and success are not easily identified or agreed upon. This includes a demand that colleges and universities play a more effective role in improving K-12 education.

• **Term-limited elected officials.** Legislators in many states are serving shorter terms than they did previously. Chairs of important finance and budget committees who control appropriations for higher education often have reduced time (and perhaps reduced interest) to comprehend systems or appreciate their achievements. "Old friends" of higher education are increasingly rare in state capitals.

• **Competition for funding.** Demands for support by other state agencies—especially K-12 education, health and social services, and public safety and corrections—have increased significantly and compete with higher education. Most states rely upon tax structures that are antiquated in today's new economy.

• **Changing clientele.** A rising tide of students will include an increase in nontraditional students and an increase in those who approach higher education as consumers rather than students. Accompanying the expanded enrollments will be intensified internal pressures for more faculty, classrooms, laboratories, and staff, all of which mean rising costs. Greater competition from for-profit institutions will force traditional institutions to reexamine educational delivery and curricula.

• **Relations with campuses.** Campus heads and faculty frequently have viewed system central offices as inhibitors rather than helpers. Occasionally campuses—especially so-called

to be a more satisfying job with identifiable faculty, students, alumni, and a campus to call their own.

As higher education systems, their boards, and system heads seek to respond to challenges such as these, they also find themselves confronting paradoxical situations that require great ingenuity:

• A call for more collaboration but on a faster time schedule.

• Increased accountability even when institutional and system goals are being reformulated and redeveloped.

• Courageous action at the same time that more stakeholders seek to exercise a veto.

• Demand for access to institutions while per-capita state support declines.

• More reliance on private fund-raising even as state governments question the autonomy of university foundations.

• Expanded efficiencies through technology when equipment and start-up funds are inadequate.

Board Leaders and Members. The concept of citizen boards overseeing statewide higher education systems is not seriously under question. Increasingly, however, questions *are* being raised about the length of board members' terms, the perspectives they bring to the board, and the working relationships they establish among themselves and with the system head.

Good teamwork among board members and system heads is still a way of life in most state systems. Many boards work well most of the time. Yet in some systems there is rising concern about how effectively the arrange-

RECOMMENDATIONS FOR ACTION

Supporting a state higher education system represents one of each state's greatest human and financial investments. Many people are stakeholders in this investment, including the general public. For this partnership to be effective, the state's elected officials, members of the higher education system's governing board, and the system head must work together.

Recommendations for elected officials:

1. Understand that support of the system is a taxpayer investment in the present and future state economy and quality of life.
2. Delineate clear goals for the state so that higher education officials can create plans that advance these goals.
3. Realize that board success and system head performance are highly dependent on the quality, experience, and dedication of the board members. Seek capable citizens who bring a variety of professional and life experiences to overseeing the university system.
4. Consider using external and objective advice in identifying board candidates through both formal and informal means, explicitly incorporating merit criteria into their selection.
5. Impress upon board members from the time of their appointment that they serve on behalf of all the people of the state. While they should obey their own consciences and exercise their best judgment, they also must work as a board with limited individual prerogatives.
6. Encourage procedures that enhance stable

board leadership and lengthen terms of service. Provide the chair a minimum term of two years, and honor the responsibility of boards to select their own leaders.
7. Respect the integrity and mandated role of the board and its chief executive while working with them to provide quality higher education for the people of the state.
8. Expect regular reports of achievements from the university system and its campuses, as well as evidence that it is serving the needs of individual campuses. Conduct conversations with heads of the board and the system at times other than at budget meetings.
9. Challenge boards to focus on the big picture and on establishing system goals and meeting campus responsibilities.
10. Expect boards and chief executives to make clear, honest, and convincing budget requests and to demonstrate wise use of public and private resources.
11. Provide adequate funding to match the expectations of the board and system head in carrying out their duties.
12. Insist on creative working relationships between the university system and community colleges, K-12, business and industry, state agencies, and cultural organizations.

Recommendations for system boards:

1. Develop and follow thoughtful goals for the system and adopt formal plans for achieving them, taking into account the needs of the state and its

ments are working and what improvements might be desirable, particularly in light of the changes, challenges, and opportunities facing higher education and the modern university system. Effective boards are essential to creating new systems or making existing systems flexible, nimble, and responsible.

On some boards, relationships between board members and system heads differ considerably from those of a few years ago, and the resulting effect on system governance and performance has been mixed.

Here are brief looks at implications of each of those trends.

Shortened terms. Increasingly, state legislatures have mandated short terms for system

board members, often decreasing them from six years to four years. Also, some legislatures have limited the number of consecutive terms board members can serve. Regardless of the cause, board chairs and system heads are concerned about rapid turnover among board members. In theory, frequent changes in membership can provide energy and new ideas. In reality, it often makes orderly procedures difficult to maintain. Effective consideration of complex issues can be impeded by a lack of understanding of background circumstances. Board members who serve four-year terms renewable only once often wind up serving only one term if there is a change in elected state leadership.

citizens and the respective strengths of the system's campuses.

2. Recognize that the identification, appointment, and support of a top-quality chief executive is one of the board's foremost responsibilities.

3. Work with the system head in enlightened ways to bring about effective communication. A good executive can make a good board look even better.

4. Comply with existing open-meeting and sunshine-law requirements, and find informal and appropriate ways to consider different points of view and ways of doing business that maximize wise decision making.

5. Willingly provide multiyear executive employment arrangements. Make this challenging job as attractive as possible.

6. Agree in advance to provide the chief executive periodic performance evaluations that are fair and realistic. These should focus on improving performance and providing background for compensation adjustment. Reasonable termination arrangements should be provided.

Recommendations for system chief executives:

1. Concentrate on providing vision, commitment, and good management.

2. Make every effort, public and private, to win and maintain the board's confidence and work effectively with the board.

3. Work with the board in identifying and appointing outstanding campus heads, and then help them succeed. Emphasize that the success of each campus is a major factor in system success.

4. Present carefully defined plans and budget needs to the board and state officials in ways that are factual, clear, and convincing.

5. Advocate the system's mission and goals on a statewide basis throughout the year, not just during legislative sessions.

6. Recognize that fund-raising from private sources is increasingly vital, and help campuses succeed in that enterprise.

7. Conceive of the system as a broker, through its campuses, that provides service to the private sector and to other agencies.

Recommendations for national higher education associations:

1. Encourage continuous dialogue and better communication among elected officials, higher education and trustee leaders, and the business community on mutual expectations.

2. Encourage all parties to support initiatives that tie higher education's work more closely to state needs and priorities.

3. Offer to help state governments and their appropriate agencies plan and conduct annual orientation and education programs for all board members and trustees.

4. Explore ways to enhance informal communication among system executives, with emphasis on mentoring, problem-solving, and peer counseling based on expressed needs.

5. Call attention to the need to reform board member selection by offering ideas, alternatives and consulting advice that will institutionalize changes and attract each state's most capable citizens to board membership. Urge development of concise and appropriate job descriptions for governing boards and qualifications to be sought in candidates for trusteeship.

The tendency to "look over one's own shoulder" can deter effective board service. Although all system trustees need to be aware of the needs and desires of the board and the citizenry, having to pay excessive attention to what it takes to get reappointed can compromise their performance.

Many new appointees arrive without full knowledge of board members' duties or of the system's history. They often may have some understanding of board roles in overseeing a single campus but little knowledge of systemwide governance. This may leave such board members with little appreciation of what the system head does and an inability to evaluate how well he or she is doing the job.

New working styles. Some new board members arrive with perspectives and working styles that differ significantly from those of more traditional board members. Many are busy with their professional lives and have no desire to waste time on what they consider trivia. And boards in some states are becoming more representative of citizens in terms of gender and ethnic backgrounds.

An experienced board member remarked on the increasing generational difference: "Board members are...younger and want to prove themselves. They feel they need to be involved in almost all decision making. As a result, not many things are settled in committee. Discussions have to be repeated. What

amounts to their orientation has to be repeated because they just got here."

Blurred lines between policy making and operations. While never perfectly resolved in the past, this quandary appears to have worsened. Three factors contribute to it: (1) Boards often venture too deeply into academic and other operational matters; (2) board members often act as if they alone have authority; and (3) board members sometimes fail to recognize that the system head is the person through whom policy decisions are carried out.

Recently appointed members may not have had adequate time to develop trust in their colleagues' perspectives. Doing more board business in the open, especially in states with sunshine laws, presents additional challenges. In the words of one system executive, "The traditional style, which often worked but did not involve enough participation, was a private get-together to solve problems. Now there is more open debate."

"Special interest" viewpoints. In theory, citizen board oversight is intended to shield the system from excessive partisanship and commitment to specific institutions, while engaging the system or addressing the needs and interests of the state government. Yet many boards are divided on crucial issues, with individual trustees beholden to elected leaders, caught in the wider web of the state political ethos, or set on advocating personal and special interests.

Decisive action on important matters such as securing sufficient budget support, identifying future program needs, or selecting campus heads may be delayed disastrously if board factions wrangle incessantly over every issue. Some new board members, however well meaning, sometimes arrive with a fierce loyalty to a particular region of the state or "their" special campus within the system. As a result, they have difficulty seeing the big picture.

By now, system heads generally have become familiar with one or more of those situations. There are no guaranteed solutions, but here are some suggestions:

1. Support lengthened board member terms. Explain to legislators why longer terms are in the public interest.

2. Communicate consistently. Always important, good communication requires time and effort, but it is definitely worth it. Wise board chairs and board members do not engage in micromanagement, but they keep themselves fully up to date on important matters. All parties should avoid "surprises." In large, well-run systems, the chair and the system head are on the phone frequently. In smaller, less complex systems, the chair and system head meet regularly, with telephone conversations as needed.

3. Orient new board members. When first appointed, new board members should receive a message of welcome and pertinent documents: a statement of duties and legal responsibilities, procedure manuals, recent minutes, and other explanatory papers. Do not overwhelm them, however.

Early meetings of new appointees with senior members are essential, as are informal conversations with new members during their early months on the board to discuss serious questions frankly and privately. Devoting portions of each board meeting to helping orient new colleagues is a good idea.

4. Ensure continuity of leadership in the board chair. Annual changing of the board chair has been described as "a senseless merry-go-round" by one system head. A two-year minimum term makes much more sense. This may require a change in the law, or it could be achieved by board consensus. Early identification of a vice chair who will move up allows the incoming chair to learn much about board leadership. Some chairs profit by meeting with committee chairs before formal board meetings to share information and plan agendas.

5. Periodically review and update system planning documents (strategic plan, master plan). Discussion of program emphases, additions or subtractions, and responsibilities of individual campuses should be considered not as special cases but as normal procedures within an agreed-upon context.

6. Use benchmarks and strategic indicators. Board members need to keep up to date on the conditions of the individual institutions as well as the system as a whole. Providing current data on enrollments, faculty work loads, expenditures, and other strategic indicators can help chairs and system heads in the decision-making process. The board should review and discuss quality indicators and benchmarks, particularly if they are required by law. Keeping

the board informed of regular reviews of programs on individual campuses is essential.

7. *Conduct periodic evaluations of board and executive functions.* Regular reviews of system and campus heads (using criteria agreed upon in advance) encourage good performance by those officers. Further, they

revenues across the nation may be improving fiscal conditions in many states, but the competition remains stiff and may become even worse as competing agencies and their leaders escalate demands. Though the size of the fiscal pie may be larger, all participants are seeking larger pieces.

Many boards are divided on crucial issues, with individual trustees beholden to elected leaders or set on advocating personal interests.

provide board members or designated committees with opportunities to issue commendations as well as suggestions for improvement.

State Government. The quest to increase public support for higher education has become difficult. Four trends are especially evident:

• growing distrust toward higher education among political leaders, coupled with public pressures to cut back or at least hold the line on public expenditures;

• tighter competition for state revenues from other state services;

• term limits that result in high turnover among state legislators in many states; and

• system and campuses encountering increasing difficulty in "proving" they are doing a good job and that the public is getting real benefits from the dollars spent.

Some governors and legislators have definite views about what needs "fixing" in public universities. As one former system head pointed out, these political leaders "seek to alter the traditional, very wide academic standards of American public higher education ...which they see as too soft, too politically correct, and affected by such practices as affirmative-action admissions and excessive remediation."

Other governors take a balanced view of higher education systems and are businesslike in seeking better results. They realize that the effectiveness of their university system is a major factor in attracting and retaining important employers, who provide tax revenues and expanded payrolls.

That we see increased competition from other agencies for state funds should surprise no one. A strong economy and rising tax

In this context, the following advice may be valuable to system boards and heads in dealing with state officials:

1. *State the case clearly, and be prepared to be accountable.* Whether the occasion is a formal budget presentation or an informal call on a key legislator, a commonsense approach is desirable. Indicate what is needed and why, and point out what signs of success may already be evident. Many legislators—and state budget-office personnel—do not have time to listen, so be brief. Describe ways in which the institutions and the campuses expect to be accountable. (For systems involved in performance-based budgeting, some measurement criteria are readily available.)

Achieving outcomes is important. Straightforward self-examination procedures, including scrutiny by accreditors, can lead to measurable hallmarks of success. So can candid feedback from employers of graduates.

2. *Get to know officials, and keep in touch.* System heads should cultivate a personal style that is respectful without being subservient. They should be well informed about every campus in the system, particularly those in or close to a legislator's district. But they also should make it clear that they speak for the whole system.

Influential community leaders and other selected constituents can accompany system heads on some legislative visits to help tell the system's story. Becoming acquainted with office-seekers *before* Election Day to inform them of the system's priorities can be useful as well. In addition, many successful system heads make it a point to call on legislators in their home settings.

3. *Organize the system's lobbying carefully.* Smart system heads are at the state capital during legislative sessions or ready to go on a

moment's notice. Well-informed advocates from the campuses can form a mutually supportive team, provided they remember that all work for the system and all support the system's budget. Loyalty to the system's cause, which should be built throughout the budget-development process, is essential.

4. Encourage good board appointments. While governors often have their own special reasons for selecting particular individuals, it may be useful—if not always effective—for a board chair (sometimes accompanied by the system head) to discuss with a governor the *qualities* needed for good service on the board. If asked to provide names, the chair or system head might do so, preferably in a balanced, nonpartisan way.

5. Use the campuses. Work closely with campus heads. Encourage elected officials to make visits to campuses. They'll become better acquainted with the institutions and learn more about their needs and their successes. A number of such visits might even help persuade them that a well-run system is greater than the sum of its parts.

Citizens and Taxpayers. How does public skepticism affect university system relationships with citizens and taxpayers? A persistent undertone suggests that higher education systems and their leaders need to improve their relations with the publics they serve. Directly or indirectly, these groups determine the nature and extent of public support that systems need to survive. The basic message that higher education systems should send to the public is: Use us. Understand us. Support us.

While the use of such terms as "customer," "client," and "market" may jar some in academe, growing competition in such areas as enrollment and financial support demands increased attention in these times of consumer awareness. Forward-looking system heads, their boards, and campus leaders are well aware of this and understand the necessity of positive, sensitive, and continuing responses.

What does the emerging student demand look like? There will be many changes. The potential market may be significantly different—and considerably larger—as a result of rising birth rates, a changing ethnic mix, and increasing numbers of high school graduates who go on to college.

Although the four-year, full-time, baccalaureate student living on campus still will be at the heart of most institutions, the number of nontraditional students is rising rapidly. Satellite and branch operations have become a way of institutional life. Distance learning, stimulated by advanced technology and increasing customer acceptance, also promises to expand enrollments.

Perceptive system leaders know that their campuses seldom have a monopoly on what students want. Conveniently located, actively advertised, and market-focused programs at for-profit institutions have joined those of established private colleges and universities as part of the competitive scene. Community colleges are increasingly nimble in offering new or expanded programs in high-demand fields, especially work-force development.

Business organizations and public agencies also are customers. They look to higher education institutions for a wide variety of services, ranging from specialized instruction for employees to major research partnerships. As such partnerships evolve, the line between company and campus may become blurred. Research institutes, university-related research parks, and incubator centers are major components of this movement.

The message here is clear: In our consumer-oriented society, customers look for value-added services that appear to offer quality and convenience. System boards and chief executives should be prepared to respond. What can system leaders do?

• Study data on demographic and economic trends. Learn to spot future trends to compare your state with others. Analyze them as they affect your support and your ability to serve public needs through your campuses.

• Become well known in the business and civic community as a broker of ideas and opportunities. Tell potential customers how the system and its campuses can meet their changing needs.

• Encourage campuses to recognize and meet customer needs. Share information with them and draw ideas from their experience and ingenuity. As a broker, you shouldn't try to do it all centrally.

• Reward successful entrepreneurial activities by campuses. Identify public and private sources and procedures for finding

startup funding for promising enterprises. Publicize examples of how modest up-front investments have produced significant returns in terms of profit, new processes or inventions, expanded employment, and improved teaching and learning techniques.

• Use the bully pulpit to reinforce efforts of the local institution. Keep the local and state media informed of achievements and needs. Give speeches, become involved in community activities, and serve on external boards.

When campuses within systems have their own individual boards of trustees, their

upholding the traditional values of academe. Wise system heads constantly reaffirm their commitment to the campuses. They know that campuses are where the teaching occurs and where significant research takes place. Proficient and caring faculty members working in concert with campus executives are the bedrock of effective higher education systems.

Increasing external expectations and declining budgets, even in prosperous times, demand good leadership and skilled management. The following suggestions are not new. Success is more likely, however, when the six

W*ise system heads constantly reaffirm their commitment to the campuses, where teaching occurs and significant research takes place.*

members can help spread the system message. Absent a local board, many campuses have developed their own advisory councils, often with the active encouragement of the system head. Foundation boards and designated "campus ambassadors" can be part of this assertive approach. Such action could be of real value in (1) pointing out ways a particular campus serves the community and the region, (2) maintaining friendly relationships with political leaders, (3) carrying out fund-raising activities, and (4) helping campus leaders recognize needs for modified or additional programs of study or services.

Procedures that guide volunteer supporters are a good idea. They can encourage supporters to assist campus and system causes while keeping in step with official plans and policies. Their roles should be defined, with the clear understanding that the system and campus heads are the official spokespersons on basic policy and procedures.

There often is a lot of good news to share. It ranges from exciting research breakthroughs to a nontraditional student's education that changed the lives of an entire family. More examples need to be identified and disseminated. They can strengthen relationships with citizens and taxpayers.

Campus Heads. System heads are in the challenging position of striving to meet the expectations of the public while simultaneously encouraging campus initiatives and

following conditions are evident:

1. Individual campus roles are clear. The system and its campuses function better with an established master plan that both state and higher education officials understand and endorse. The plan must clearly explain the roles and missions of the campuses and the system itself. This helps officials allocate funds and define avenues for the advancement of individual institutions.

2. Working responsibilities are understood. Typically, job descriptions exist for the system head and campus heads. Beyond those, various official procedures to delegate power and responsibility are necessary. Details may vary by campus, but basic principles must be clear.

3. Clear communication procedures are followed. System heads must keep campus leaders informed on major issues and proposed changes. This precludes surprises, allows campus heads an opportunity to offer valuable insights, and can enhance a sense of ownership in the ultimate outcome.

Regular meetings of chief campus officers with the chief system officer are standard practice in most systems. It is up to the system head to see to it that these meetings are productive and engender system pride and ownership. Conference calls and videoconferences can save costs and travel time, but face-to-face sessions still play a large role. Procedures for these meetings could be discussed occasionally with the campus heads. In many cases, members of the system's senior

staff are regular participants. Occasionally, however, the chief executive may wish to meet with only the campus leaders as a reminder that *they* and their campuses are really the hearts of the system.

4. The system office both leads and serves. The system head and his or her central staff are the principal links to the board and to state government. On official matters, the system needs to speak with one voice, based on board policy. Presentation of operating and capital budgets; formalization of collective-bargaining agreements (where pertinent); auditing, gathering, and interpreting significant statistics; and other official reporting are among major central functions.

Authorization to offer degree programs continues to be an important central function. Periodic program reviews with significant campus input are worthwhile, especially when related to changes in disciplinary fields and work-force needs.

Realistically, do system executives have enough time to work intimately and thoroughly with all campus heads, particularly in a large system? Close and continuing professional contact between the levels of leadership is essential, even as system executives become heavily involved in outside responsibilities. Many handle their roles with great effectiveness, but system heads need to be sensitive to the perception that campus heads are being marginalized.

5. The system provides campus stimulation and rewards. Performance budgeting is a way of life in some systems. In many cases, next year's budget is related directly to this year's enrollment—in terms of numbers and presumed quality measures, such as test scores.

In addition, cooperation with business, industry, and public agencies is a notable feature in many systems. An entrepreneurial role for campuses is increasingly being encouraged. Risk capital from campus foundations and earmarked state funds are useful in setting up cooperative enterprises. Seed money from the central office has stimulated groups of campuses to develop cooperative arrangements with external economic interests. Of great importance is the receptiveness of the system head and the central staff to new ideas related to such endeavors as joint programming, shared use of technology, and emerging

fields of study such as bio-sciences, information technology, and other areas.

6. Good performance is encouraged and evaluated. Each system head has the right to expect effective performance from campus heads. In turn, campus heads should expect clear agreement as to expected outcomes and, within reality, the resources to do the job. System heads can help by providing useful counsel and opportunities for the campus head's continuing professional growth.

As campus heads themselves have pointed out, good performance on their part is further encouraged when the system head:

- consistently communicates clearly;
- shows campus heads that he or she can be trusted;
- offers public praise when deserved, but reserves criticism (when necessary) for private meetings;
- concentrates on big issues that make a difference;
- develops reasonable tolerance for different styles of campus leadership;
- delegates enough—but not too much—responsibility and gets results; and
- plants ideas and lets campuses take the credit when they succeed.

Understanding the procedures and perspectives as suggested here can help build and sustain a spirit of collegiality among the parts of a system. It may not be fashionable to talk about a "family of campuses," but the concept is worth trying. Mutual respect and decorum are still important and should be coupled with clear and balanced leadership at all levels. How the system executive and campus heads work together can make a lot of difference. And it will be noticed.

Qualities of a Good System Head. When the time comes to select a new system head, what personal and professional qualities should the system board seek? What qualities mark the leader who can be more than a good manager?

Certain basic qualities are identified as being especially important by current and past system heads, board members, campus leaders, and others. A major national figure in the sphere of leadership development presented this perspective: "It's essential that the board pick somebody whose past experience enables him or her to have a vision of what can be

done with the system…. Unless the leader has this vision and good compass bearings, this person doesn't know how to hire the kind of people who will help achieve the goal."

A former governor who became a system head cited five major desirable attributes: (1) the ability to see the big picture; (2) the willingness to empower as well as to roll heads (and to know when to do which); (3) the habit of listening selectively, coupled with the right amount of disciplined impatience; (4) the ability to adjust to but not succumb to political pressure; and (5) the personal style that makes networking possible (and even enjoyable).

System heads also must understand the paradox of the public university: In many ways it is a creature of state government, although constitutional status (where it exists) and other provisions make it somewhat different from a typical state agency. On the other hand, it also embodies much of the culture of the academic world, with its emphasis on scholarship and participatory decision making. The tempos and outlooks of those two cultures seldom match. The system head has to cope with both.

Board members need to remind themselves of the differences in responsibilities of system heads and of campus heads. The system head, for example:

- reports directly to the board and is responsible for the total enterprise;
- provides the major vision for the short-term and long-term vision of the system in the context of the major planning document;
- focuses on leadership and "the big picture" while making sure that others are effectively managing day-to-day operations through delegation to campuses and central staff—and are being accountable;
- ensures that reasonable allocation of function exists among campuses as to academic programs, research, and public service;
- serves as the system's official voice and chief seeker of resources;
- is the major factor in selection of campus heads and in stimulating them to perform effectively; and
- recognizes the increasing diversity and cultural changes in the society and encourages enlightened responses across the system.

As the board defines its criteria, it also may need to consider four procedural or "compass" questions when it engages in a search:

1. *Should the board use outside search consultants?* Some boards have had success without using consultants, but the trend is toward using them. They frequently know good prospects. A search firm's recent track record should be quietly scrutinized before any contract is signed. Careful consideration of several successful search organizations is desirable.

2. *Should the new system head come from inside or outside?* There are arguments favoring one or the other. There is no standard answer. Again, what strengths does the board consider most important? An outsider can bring new and different perspectives and experiences but has to learn the organization. An insider is familiar with many facets of the system but may have fewer fresh viewpoints. For either, a thorough background check and analysis of experience is necessary, even for the insider, many of whose qualities may be evident.

3. *Should the board consider candidates from government, business, and other sources, as well as from the academic world?* Boards should keep an open mind and consider quality candidates from all likely sources, at least in the early stages of the search. Ideally, most stakeholders will favor an academic back-ground. On the other hand, any candidate who clearly appears able to do the best job of gaining resources, providing vision, and demonstrating the type of leadership that transcends even the necessary good management should be seriously considered.

4. *Is the board really ready to commit to a chief officer who has the demonstrated track record and potential to provide more than management?* If a board is perceived by candidates (and by people who know where to find the best leadership) as looking for a truly outstanding executive, and if it demonstrates that it will properly support the chief executive, then good things can happen. Should a board *not* really want a strong leader, that already may be evident, and many truly good prospects will not be interested.

Preparation and Continuous Learning. How can the preparation of system heads be improved, and how can their learning be made continuous? Many system heads begin working almost immediately after they are appointed and consequently have insufficient time to

prepare to take the helm. Fortunately, there are several ways to help system heads get off to a good start and keep learning. These include

- a relationship with the board chair that allows candor;
- relationships with colleagues in other systems who are willing to share pertinent experiences or provide a friendly ear;
- opportunities to speak occasionally with the *previous* chief executive, assuming personal relationships have stayed open and friendly;
- opportunities to attend an institute on system administration after being on the job a short time;
- opportunities to participate in annual— or special—meetings of such organizations as AGB, NASH, and the State Higher Education Executive Officers (SHEEO), which monitor major systems issues, offer fellowship, and provide "conversational therapy"; and
- opportunities to attend institutes or seminars on overarching challenges facing society and the world, on such topics as changing demographics, future effects of technology, regional planning, the environment, and so forth.

Rewards, Incentives, and Pitfalls. Why do individuals want to become system heads? Some undoubtedly see the job as an expansion of personal and professional power and achievement. Because it usually is the top-paying position in the world of public higher education administration (with exceptions such as heads of medical centers), the post is a natural goal for the ambitious.

The incentive that persuaded one state university head to move to another system was the opportunity to "remake that system," which prior to his arrival had incurred damaging personnel and organizational problems. (His dream of being able to make major improvements was helped considerably by the departing executive, who had thoughtfully left a number of key positions vacant so that the incoming head could fill them with members of his own team.)

One long-term system board member noted that a number of system heads are more attracted by the prospect of building *new* programs, services, and even campuses, in contrast to the *re*building job facing some newly hired system heads. Some new appoin-

tees, fortunately, are willing and skilled rebuilders.

Although the opportunity to work directly for and report to the system board is attractive to some, a few current campus heads reportedly have turned down opportunities to become system heads. They see the campus job as more fulfilling and less frustrating.

In contrast, another observant and experienced higher education leader—once a campus head and later a system head—sees the statewide job as the more satisfying. He put it this way:

The system head avoids most of the truly dirty features of the job of the campus head— getting caught in vicious squabbles among deans, chairs, and faculty; contending with agonizing faculty personnel issues such as tenure denials; contending with the misbehavior and sometimes with the tragedies of students, and dealing with a generally negative press.... My role and my reward are making the campuses thrive by supporting and helping the campus heads.

Any wise candidate for the system head position would do well to size up a board before becoming a serious contender. While the spirit and ethos of a board are not always evident from official records of its meetings, a serious candidate will benefit from reading board minutes prior to final interviews.

Seeking observations from less formal sources as to how a board does its work and how it has related to chief officers in the past can be helpful. Are there many split votes? How serious are members about the real work? Sometimes a good executive can help improve board performance.

Good candidates like to serve boards that take their responsibilities seriously, work hard to make a difference, are relatively free from domination by political leaders, and understand and observe the difference between policy development and actual administration. They discuss ideas seriously and, once decisions are reached, support their chief executive as he or she goes about implementing them.

Boards and candidates for system head have some other serious concerns as well. How long should a contract be? One current chief executive reported that he was glad he had a three-year contract but stated that if he had a

five-year contract he could take on more issues. "If you want independent thinking and action, a longer contract helps."

"Safety nets" for presidents are suggested in another AGB publication, *Renewing the Academic Presidency.* System heads need them, too. Clear definitions of severance arrangements and any continuing benefits, where appropriate, are important. As one system head noted, "Football and basketball coaches often receive contracts for as much as five to ten years, with buy-out opportunities, of course."

A vital issue is the need for adequate staff and the ability to have the right people serving on a compatible, cooperative central-office team. It is unlikely that a chief executive can head a system effectively without top-quality senior staff, including an executive deputy. Typically, senior-staff officers are concerned with academic affairs, business and financial management, public affairs, and governmental relations, to mention only some of the many functions. Good legal counsel and professional auditing also are essential. A new chief execu-

tive should have the opportunity to decide which personnel to keep and which to replace.

The job is complicated. It's hard to be right all the time. Of all the mistakes system heads can make, the most common appear to be the following:
- trying to do too many things simultaneously while devoting too little attention to the system's *major* needs;
- delegating too little—or too much—and not following up to ensure compliance;
- not having a sense of timing as to when an idea might work and when it might not;
- encouraging or allowing board members to take on inappropriate administrative duties;
- not keeping up with important trends, issues, and tools; and
- forgetting to say "thank you."

There are a number of incentives and rewards for being a system head. A system is vastly better when trustees recognize those incentives and attractions, reward effective performance, and thus encourage the stability of their chief executive. ◆

SUGGESTED READINGS

Association of Governing Boards of Universities and Colleges. *Bridging the Gap.* Washington D.C.: AGB, 1998.

Immerwahr, John. *Taking Responsibility: Leaders' Expectations of Higher Education.* San Jose, Calif.: The National Center for Public Policy and Higher Education, 1999.

Johnstone, D. Bruce. *Public Multi-Campus College and University Systems: Structures, Functions, and Rationale.* Washington, D.C.: The National Association of System Heads, 1993.

Johnstone, D. Bruce. *Studies in Public Higher Education.* No. 1. Albany, N.Y.: State University of New York, 1992.

Jones, Dennis. *A Framework for Devising State Policy Toward Higher Education Revised,* Boulder, Colo.: National Center for Higher Education Management Systems, 1996.

Kerr, Clark and Marian L. Gade. *The Guardians.* Washington, D.C.: AGB, 1989.

Leslie, David W. and E.K. Fretwell Jr. *Wise Moves in Hard Times: Creating & Managing Resilient Colleges and Universities.* San Francisco, Calfi.: Jossey-Bass, 1996.

MacTaggart, Terrence J. and Associates. *Restructuring Higher Education: What Works and What Doesn't in Reorganizing Governing Systems.* San Francisco, Calif.: Jossey-Bass, 1996.

MacTaggart, Terrence J. "Seven Steps to Successful System Governance." *Trusteeship.* Vol. 7, no. 4 (August/July 1999): pp. 18-22.

McDonald, Jean Graves. *Changing State Policies to Strengthen Public University and College Trustee Selection and Education.* Washington, D.C.: AGB, 1995.

McLaughlin, Judith Block, and David Riesman. *Choosing a College President: Opportunities and Constraints.* Princeton, N.J.: The Carnegie Foundation for the Advancement of Teaching, 1990.

Schick, Edgar G. and others. *Shared Visions of Public Higher Education Governance: Structures and Leadership Styles that Work.* Washington, D.C.: American Association of State Colleges and Universities, 1992.

Schwartz, Merrill Pellows. *A National Survey of Board Performance Assessment Policies and Practices.* Washington, D.C.: AGB, 1998.

Schwartz, Merrill Pellows. *A National Survey of Presidential Performance Assessment Policies and Practices.* Washington, D.C.: AGB, 1998.

THE AGB OCCASIONAL PAPER SERIES

ORDER FORM

Individuals affiliated with AGB-member institutions may photocopy and distribute copies of this paper.
If you would like additional copies in this format, please use this order form.

Prices for Occasional and Public Policy papers:
AGB Members: $5.95 ($4.95 for ten or more copies of the same paper).
Nonmembers: $9.95 ($7.95 for ten or more copies of the same paper).

Shipping and Handling:
- For orders less than $10 or more than $100, we ship for free.
- $10-$29, add $3
- $30-$49, add $5
- $50-$100, add $7

Standard shipping is by Fourth Class Book Rate, and delivery takes two to four weeks.
Please call for information on special delivery services.

Paper Number or Short Title	Unit Price	Quantity	Total Price
		Subtotal	
		Shipping	
		TOTAL	

Payment Options:
All orders for less than $25 must be prepaid. Make
your check or money order payable to AGB, or call to
arrange payment by credit card or purchase order.
If your order is more than $25, we'll be happy to bill you.

How to Place Your Order:
- Call AGB toll-free at 800/356-6317.
- Fax your completed order form to 202/223-7053.
- Mail your order form to AGB Publications, One Dupont Circle, Suite 400,
  Washington, D.C. 20036.

For more information on AGB or to order publications online, visit our Web site at www.agb.org.

Name _____

Address _____

City _____ State _____ Zip _____

Phone Number _____

THE AGB MISSION

he Association of Governing Boards of Universities and Colleges (AGB) is dedicated to strengthening the performance of boards of public and private higher education. It advances the practice of citizen trusteeship that has distinguished American higher education for more than 350 years. By serving as a continuing-education resource to trustees and boards and by contributing to effective working relationships between boards and chief executives, AGB seeks to strengthen the governance of higher education institutions.

AGB recognizes its leadership responsibilities to members and to a diverse system of higher education. The association strongly believes in citizen control of our colleges and universities, rather than direct governmental control, and works to ensure that higher education remains a strong and vital national asset.

AGB carries out its mission adhering to the following objectives:

- To educate individual trustees and boards on matters that affect their institutional oversight responsibilities.
- To promote wider understanding of and appreciation for citizen leadership and lay governance as the only effective ways to ensure the quality and independence of American higher education.
- To advance the philosophy that all elected or appointed trustees serve in the public trust and should consider themselves trustees of higher education as a whole.
- To strengthen the relationship between trustees and chief executives in the fulfillment of their distinct yet complementary responsibilities.
- To stimulate cooperation with public-policy makers, government agencies, and private organizations that have a stake in the effective governance and quality of colleges and universities.
- To identify and study emerging public-policy issues of concern to higher education by providing forums for their discussion and by encouraging appropriate member initiative.