

The **21st-Century Presidency:**  
A Call to Enterprise Leadership

By  
Terrence MacTaggart

**AGB** ASSOCIATION OF  
GOVERNING BOARDS  
OF UNIVERSITIES AND COLLEGES

Since 1921, the Association of Governing Boards of Universities and Colleges (AGB) has had one mission: to strengthen and protect this country's unique form of institutional governance through its research, services, and advocacy. Serving more than 1,300 member boards, 1,900 institutions, and 40,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions and institutionally related foundations with resources that enhance their effectiveness.



© 2017 Association of Governing Boards of Universities and Colleges  
1133 20th Street NW, Suite 300, Washington, DC 20036  
[www.agb.org](http://www.agb.org)  
All rights reserved

# The 21st-Century Presidency: A Call to Enterprise Leadership

By  
Terrence MacTaggart

---

## Contents

Introduction.....	1
Enterprise Leadership Today.....	2
Features of Enterprise Leaders.....	4
A Changed Landscape .....	8
For Presidents: Sudden Crises, Long-Term Uncertainty, and Immense Opportunity.....	14
For Boards: Ambiguity, Impatience, and a Fresh Opportunity to Make a Difference.....	15
Change in the Boardroom .....	16
Recommendations for Presidents and Boards.....	18
Conclusion.....	21
Acknowledgments.....	22



---

## Introduction

**A**merican higher education must redefine the work of its presidents if it is to meet today's challenges and those fast approaching on the horizon. The effectiveness—and, in a growing number of cases, the very survival—of a college or university requires leaders who make a clear-eyed appraisal of their institution's competitive position in the market for higher education services, bring an entrepreneurial spirit to their work, and possess the talent to advance the enterprise in the face of often conflicting demands. In fact, what's needed is a new model of leadership: enterprise leadership.

Twentieth-century leadership approaches will no longer suffice. Skepticism over the value of a college degree, higher expectations for performance from institutions at all levels, student unrest, intense competition for students and resources, and political divisions are among the most prominent challenges. In addition, a new wave of technological change will most likely alter higher education as we know it. Artificial intelligence, virtual reality, big data, and cognitive mapping are more than buzz words. They will define the future of higher education and society just as the Internet does now.

Such realities combine to require that presidents of colleges and universities possess talents and skills that are different from those required in the past. But presidents can't operate alone. Boards also must change to meet the demands of the twenty-first century: they must rethink and redesign governance in ways that enable them to work as allies of the president in meeting whatever challenges face the institution. At all types of colleges and universities, the governing body must participate in leading the enterprise by collaborating with the president in developing major strategies, standing firm with the executive in the face of criticism and opposition, and committing time and resources to the work of sustaining and advancing the institution. Indeed, the success of the enterprise leader rests on a foundation of trust and confidence between the president and the institution's governing board.

*The success of the enterprise leader rests on a foundation of trust and confidence between the president and the institution's governing board.*

Trustees who wish merely to oversee the president, as well as those who behave as if they themselves were the chief executive, must develop a new mindset. As recommended in *Consequential Boards: Adding Value Where It Matters Most*, the report of AGB's National Commission on College and University Board Governance, boards must "add value to institutional leadership and decision making by focusing on their essential role as institutional fiduciaries." That will be a dramatic shift for those who underestimate the need for most institutions to alter their culture and performance.

Reorganizing the board's work requires recruiting new members with experience in the fields and delivery modes at which the college or university expects to excel. Board education and self-evaluation must focus on the realities of bringing change to notoriously change-averse institutions, as well as on the attitudes of a new generation of students energized by social media. The role and scope of committees need to be redesigned to support strategic directions rather than the standard functional areas.

Most important, in selecting a chair to meet the new demands, the board must find a respected individual who can lead it in adjusting its work, as well as take the time to support, advise, and challenge the president—enabling that person to grow and flourish in the job. (And if the president is not up to the task, the chair should lead in taking the appropriate next steps to find the right leader.)

In short, whether board members are labeled trustees, regents, curators, or directors, the working relationship between those ultimately responsible as fiduciaries and the chief executive is the cornerstone of effective enterprise leadership. The institution's ability to thrive now and into the future will require a highly collaborative working relationship between the board, particularly its chair, and the chief executive acting as enterprise leader.

---

## Enterprise Leadership Today

**E**nterprise leadership is the vigorous exercise of authority in guiding an institution through a comprehensive adaptive process that positions it to prosper in a competitive, fast-changing environment. Effective enterprise leaders of colleges and universities engage the academic community in the change process. They work actively with their governing boards as trusted partners in developing strategies to strengthen their institutions' financial bases; academic quality and effectiveness; and reputation for value, to students and society as a whole.

This definition suggests (at least) five attributes of the enterprise leader and enterprise leadership. First, the modern presidency is a 24/7 job demanding hard work over a sustained period of time. Presidents require periodic respite from this intensity for their mental and physical health—and to support a return to what is often a relentless pace. Second, change

leadership is more than change management.

It requires a sophisticated understanding of the emotional brew that accompanies serious change and innovation. These skills include applying the appropriate change strategy to match the situation; exerting pressure without alienating or exhausting the team; possessing the emotional intelligence to cope with opposition; and displaying calm courage in the face of conflicts and even

*Enterprise leadership is the vigorous exercise of authority in guiding an institution through a comprehensive adaptive process that positions it to prosper in a competitive, fast-changing environment.*

personal attacks. Third, enterprise leaders appreciate clearly the challenges facing their institutions. They also have the imagination to envision ways to advance their institutions in this volatile environment. Fourth, enterprise leadership mandates the strengthening of the enterprise through time. The critical measures are financial stability; academic quality and effectiveness; and the institution's reputation for worthwhile teaching, research, and service. Finally, the sine qua non that underpins all the rest is personal integrity in all decisions and in relationships with the governing board and the academic community.

Enterprise leadership encompasses a respect for the core values of the academy. Academic freedom in the pursuit of truth is foremost among them. The modern president also needs to publicly champion the liberal arts, especially with audiences that disparage them. In addition, the president needs to be empathetic in understanding why faculty members often resist change, as well as courageous in communicating the often uncomfortable realities facing the institution.

*The enterprise leader must give top priority to strengthening the value proposition—the promise that a particular college education is worth the time and resources invested in achieving the degree.*

It is always best to work strenuously to make shared governance function well. But the enterprise leader must be willing to make tough calls when the conventions of shared governance prohibit consensus on vital new directions. And the board needs to support its executive in the face of inevitable conflict and criticism.

The enterprise leader recognizes that a college or university is not a business. But this executive also knows full well that unless the business side is successful, academic quality and even the existence of the institution will be at risk. It is no secret that the historic value proposition of higher education has eroded. The *substantive value* of a college degree may remain positive. Yet for students, families, policymakers, and the public at large, the narrative of high cost, long times to graduation, poorly educated graduates, and a dearth of postgraduate employment opportunities have combined to diminish higher education's *perceived value*. The enterprise leader must give top priority to strengthening the value proposition—the promise that a particular college education is worth the time and resources invested in achieving the degree.

Finally, exercising enterprise leadership demands the focused efforts of a highly functioning team. The president's effectiveness depends on finding and developing talent in key aspects of the institutional enterprise: finance, academics, student recruitment and retention, resource development, and often government and public relations. An active program of talent development from within the institution, including faculty members with the aptitude for enterprise leadership, is often a better option than hiring a stranger from outside it.

The features of enterprise leaders have always been the virtues of exceptional presidents. Today, however, *all* presidents need to possess such traits to a substantial degree.

---

## Features of Enterprise Leaders

**E**nterprise leaders are realistic in appraising the challenges their institution faces, pragmatic in selecting strategies to advance it in light of its strengths and the potential in the market, and transparent in their frank communications—especially with the board of trustees and the academic community. The following summary of crucial success factors grows out of many conversations with change leaders as well as direct observation of effective executives in action.

Enterprise leaders possess:

1. ***A clear-eyed recognition of the real challenges confronting institutions and anyone who attempts to change them.*** Enterprise leaders recognize the flaws in many current business models, the need to make difficult adjustments in order to respond to increased competition, and the omnipresence of social media that fans the flames of discord and the inevitable opposition to change. Unquestioning fidelity to traditional patterns of education, organization, and governance won't work in today's environment.
2. ***The ability to develop and articulate a practical and compelling vision that positions the institution for the future.*** That vision needs to be strategic in taking into account market realities and current or potential institutional strengths. It combines a data-driven appraisal of today's realities with the ability to scan the horizon, especially with respect to competition and technological change. And while quantitatively grounding it is crucial, personalizing the vision with narratives that build support for the change journey and celebrate its accomplishments is equally important.
3. ***The emotional intelligence to advance the enterprise in close collaboration with the governing body.*** The engaged board is now a fact of presidential life. Presidents must work in concert with trustees, including those with egos to match their accomplishments, and secure their support. Successful enterprise leaders view their board members, or at least the leaders among them, as sources of advice and allies in change leadership.
4. ***The capacity to transform a legacy-oriented academic culture to one focused on today's realities and the potential of the future.*** Change leadership is an art requiring experience, persistence, and courage. The president and the board

*Unquestioning fidelity to traditional patterns of education, organization, and governance won't work in today's environment.*



must appreciate that change includes risk and that not all innovations will work as planned or bring immediate benefits. Unfortunately, the length of service for presidents is declining. And waiting out a change leader is a common response to vigorous leadership, especially if the executive doesn't stay in office long enough to institutionalize a new way of doing business. Yet a minimum of seven years is usually required to convince enough members of the academic community that a new order is here to stay, and most enduring change requires a decade or more of sustained leadership. The board needs to provide the appropriate inducements to encourage an able president to stay as long as the change program requires.

*The president and the board must appreciate that change includes risk and that not all innovations will work as planned or bring immediate benefits.*

5. ***Respect for academic values and shared governance, plus the strength to make unpopular decisions when shared governance fails to yield consensus.*** Historically, working with faculty members often meant accommodating their preferences to preserve peace in the valley or forestall a no-confidence vote. And presidents must always support the faculty when it comes to upholding the institution's core academic values. But now is a time when administrative leaders must often offer their faculty colleagues uncomfortable choices rather than easy answers. In response to reducing programs and staff or changing time-honored practices such as teaching loads, the president will face strident opposition from faculty

## PERSPECTIVES

"When hot issues go viral in days, it doesn't leave much time for the president or the board to reflect on the appropriate response. It pays to anticipate these things."

UNIVERSITY PRESIDENT

"I have staff members combing the websites to try to stay ahead of rising concerns. And because of the reputational risk involved, we keep our audit committee of the board apprised monthly."

UNIVERSITY PRESIDENT

"I was uncomfortable at first using Twitter and Facebook. But now I see it helps me to communicate with students quicker and more effectively than with speeches and newsletters."

UNIVERSITY PRESIDENT

"The younger members of our board have helped the veterans see the upsides of social media for marketing the institution and in the work of the board, too."

COLLEGE PRESIDENT

members, especially those in the humanities and social sciences. Moreover, today's competitive environment frequently demands quick response times, not the leisurely schedules of traditional shared governance. In such cases, the practice of shared governance needs to be recalibrated to clearly define the boundaries of authority. Courage, a thick skin, and equanimity are important traits in this often-contested environment.

6. *The skills to build a high-functioning administrative team in the key operational areas of the enterprise.* Fortunate is the new president who inherits a uniformly capable team. More likely, however, some members will remain and others leave, since culture change often requires a change of senior leadership, as well. The enterprise leader must be able to identify, recruit, and nurture a group of strong administrators. Team members must be especially skilled in areas where the executive is not and bring different strengths to the administrative team. Qualities required of all team members are an understanding of the dynamics of change in the academy, a commitment to the new agenda, and loyalty to its leader. They must also have the backbone to share bad news early and critique ideas that will not serve the institution well. Boards should support the president in providing the compensation and other benefits necessary to retain a high-functioning team.
7. *Personal qualities such as integrity, high energy, resilience, a positive demeanor, and the ability to sustain one's personal mental health in a fraught milieu.* Most candidates for president possess the intellectual ability to do the job. What is

*No amount of creativity or communications skills will make up for moral or ethical failures—especially in this era when such lapses are apt to be well publicized.*

sometimes missing, and predictably results in failure, are the personal qualities that enable those leaders to sustain themselves as human beings in the face of a challenging 24/7 workload. A well-tuned moral and ethical compass, for example, is the foundation for successful leadership. No amount of creativity or communications skills will make up for moral or ethical failures—especially in this era when

such lapses are apt to be well publicized. At regular intervals, presidents need to take time to refresh and renew their commitment to the work and to reframe their strategies. The board should regard coaching and periodic respites as essential supports for effective leadership, not as perquisites or icing on the cake.

In sum, the enterprise model combines several virtues, including tough-minded realism, sophisticated interpersonal skills, and courage. That said, effective enterprise leaders come from a variety of backgrounds and have a range of personalities. Academics such as provosts and deans—some with enviable publication records and some without—can become successful leaders of change in the organizations that nurtured them. So-called nontraditional candidates—business leaders, politicians, members of the military—have effectively applied their training and experience to their new roles, while adjusting to the special character of academic culture, and become exceptional presidents, as well.

### Most Important Presidential Attributes\*

- ✓ Innovation
- ✓ Vision
- ✓ Future Orientation
- ✓ Change Leadership
- ✓ Resource Development

*\*In 2015 and 2016, AGB surveyed board chairs of member institutions. Of the 56 who responded, 85 percent (48) were from independent institutions, 9 percent (5) from public institutions, and the remainder from private, for-profit institutions. The purpose of the survey was to “better understand the role of the board, and especially the chair, in enabling presidents (or chancellors or commissioners) to succeed in leading change in institutions often very averse to change.” Key findings are summarized in tables throughout the report.*

## PERSPECTIVES

“Who are ‘the faculty’ anyway? The tenured professors? Those in line for tenure? The adjuncts? The graduate assistants? The union?”

TRUSTEE

“Sometimes the no-confidence vote is deserved.... We need to be prepared to act appropriately if the president is just not up to the challenge.”

TRUSTEE

“No-confidence votes erupt whenever we get mired down during negotiations with the faculty union.”

UNIVERSITY PRESIDENT

“Truly exceptional presidents and boards take pains to enable their faculty to acknowledge the realities of the changing market for higher education and to accept the need for painful change.... This ability should be part of the repertoire of the president.”

BOARD CHAIR

“Pragmatism in the face of faculty ‘righteous indignation’ is the right response, if we want to save our college.”

COLLEGE PRESIDENT

---

## A Changed Landscape

**T**he current environment for presidents is more dynamic, challenging, and threatening—yet full of potential—than at any time over the past fifty years or more. Perennial challenges—scarcity of resources, partisan conflict, student activism—have intensified. New challenges—the influence of social media, the advent of more disruptive technologies—contribute to the drama. While most presidents certainly recognize those forces, effective ways to address them can be elusive. Increasingly, trustees, especially executives from business and healthcare, recognize that today’s dynamic conditions demand fresh approaches to leadership and governance. Alums on the board, however, are often less willing to accept the need for change. Such differences on the board can reflect just a few of the contrasting perspectives among constituents that institutional leaders must take into account when dealing with the following trends.

### AN ERODING VALUE PROPOSITION

It has long been an article of faith that a college degree amounts to a ticket to prosperity and the good life in the richest country on earth. Indeed, the value of higher education received recognition from the US Congress in the Morrill Act of 1862 and became a reality for hundreds of thousands of Americans beginning with the GI Bill following World War II. Even as the manufacturing sector began its rapid decline in the 1970s and 1980s, the sons and daughters of steelworkers, auto assemblers, and employees in basic industries could still believe that a college degree would lead to jobs and incomes that were no longer available to their parents.

But for millennials and generation Z, and their parents, that faith has been shaken by rising college costs, high student debt, and limited job prospects. Elite colleges and universities continue to attract the most able and affluent students, but many mid-range private and regional public institutions are scrambling to fill their classes. The enterprise president must play an active role in restructuring the array of programs and services the institution offers and in rebranding it to attract students in

*The enterprise president must play an active role in restructuring the array of programs and services the institution offers and in rebranding it to attract students in the face of growing questions about the value of the degree.*

the face of growing questions about the value of the degree.

For the sector as a whole, “the silos are blurring,” in the words of one experienced president. Less than two decades ago, for-profit schools served about 1 percent of the student population. Now, proprietary colleges enroll about 12 percent of college students. If their performance and reputations improve, the proprietary market share is likely to grow. The perceived value of a traditional baccalaureate degree also faces stiff competition from other alternatives, including industry-sponsored certificates; more sophisticated military education; micro-credentials; and community colleges offering less expensive, career-

focused baccalaureate degrees. Advanced education remains a necessity, but residential four-or-more-year degrees costing many thousands of dollars are not guaranteed to survive.

## FLAWED AND FAILING BUSINESS MODELS

At many colleges and universities, a gap is growing between net income and the resources needed to sustain the inherited academic structure and processes. Absent strong leadership and significant change in the way they do business, such institutions will become hollowed-out shells of their former selves or be forced to merge or close their doors.

Declining state support for public colleges and universities; falloffs in high school graduation rates in major areas of the country; diminished job opportunities for a range of graduates, from English majors to lawyers; increasing student debt; and the rising costs of attendance all combine to threaten the historic business models of many institutions.

Presidents and boards who believe that their legacy brand is so strong that they are immune from the current, all-too-real threats are in for a rude awakening. The legacy business model only works for the most elite, well-financed institutions, estimated to be less than 5 percent of all colleges and universities. Better positioned are “portfolio” business models that combine traditional programs that still hold some appeal with innovations, including online and career-focused academic programs. And some

### Most Serious Challenges Facing Presidents

- ✓ Enrollment/Recruitment
- ✓ Declining Revenues
- ✓ Change Leadership
- ✓ Relationships with the Board

## PERSPECTIVES

“The belief that our state needs a public liberal arts college exists primarily at the college itself.”

*COLLEGE PRESIDENT*

“My son has a good degree from a first-rate school, but he still lives in the spare bedroom.”

*PARENT OF A RECENT GRADUATE*

“Parents especially see the degree as a commodity. They weigh the value-price equation at each school and force them to compete to offer the best deal.”

*HIGHER EDUCATION MARKETING CONSULTANT*

“Regional publics and less-distinctive, rural private colleges face an uncertain future.”

*HIGHER EDUCATION DEBT-RATING SERVICE*

“The liberal arts are still attractive, but it is getting more important to link them to internships, job placements, and other stepping stones to good careers.”

*COLLEGE PROVOST*

entrepreneurial nonprofit institutions have adopted the proprietary model of online education and adjunct professors to offer mass education that is more convenient for students and costs less in money and time.

To meet the challenges and convert them into opportunities, the modern president needs to be an innovator, entrepreneur, and deal maker who can envision fresh ways of reaching key markets while maintaining the academic qualities that make the institution worth sustaining. Doom-and-gloom visions of higher education as a declining industry will become self-fulfilling for those who refuse to seek out opportunities in this dynamic environment.

## A RESURGENCE OF STUDENT ACTIVISM

Few institutions are exempt from the public demonstrations, occupations, sit-ins and sit-outs of millennial and post-millennial generations of students adept at exploiting social media to galvanize action to support their concerns. Veteran presidents who themselves witnessed and often participated in the campus demonstrations of the 1960s expect the current unrest to match or exceed that turbulent era. Typically, student causes are just: they include systemic racism, rape and sexual harassment, income inequality, hostility to the LBGTQIA community, the exploitation of athletes, and a host of others.

Given the perhaps intractable social problems that fuel student fervor, presidents should expect eruptions to continue, grow stronger, and possibly spread beyond

*With most public university boards appointed by governors and confirmed by Republican legislators, presidents can find themselves caught in the middle between liberal academics and conservative policymakers.*

traditional four-year institutions to community colleges and career-focused ones. Board discussions of the underlying causes motivating student action and how to transform them into opportunities for civil discourse are best conducted well in advance of any sudden campus demonstration. Crisis planning for such potential disruptions should also be a major priority for boards, as well as for presidents and their cabinets. One

president told his board that “it is too late to start planning for emergencies once students take over my office or invade the boardroom.”

## STATE AND NATIONAL PARTISAN DIVIDES

The perverse deadlock in the US Congress, the vituperative 2016 national election, and the bifurcation of national news media along partisan or near-partisan lines illustrate profound schisms in American society. The fact that many higher education institutions are accurately regarded as leaning toward the Democratic Party and committed to a progressive social agenda, while the majority of states have conservative Republican governors and GOP control of at least one house in the legislature, makes for uneasy relationships.

With most public university boards appointed by governors and confirmed by Republican legislators, presidents can find themselves caught in the middle between liberal academics and conservative policymakers. In such circumstances, presidents must

be politically adroit and, especially at public colleges and universities, adept at making the case for continued support to taxpayers and other audiences. The national political divide also splits many campuses; various board members, administrators, professors, and students can hold strongly differing views on issues as vital as whether or not state legislatures should enact legislation that allows guns on campuses.

Presidents and board members at independent colleges and universities also report that federal and state regulations, long a fact of life for institutional leaders in the public sector, now represent a major concern for them, too. More rigid accreditation standards, the prospect of Title IX investigations, and questions concerning university foundations and their resources are all relatively new challenges for independent institutions. Proposals to provide free community college tuition—and New York State’s recent announcement that even four-year public colleges and universities would be tuition free for some families—amount to an existential threat to many small, independent, liberal arts colleges.

*Proposals to provide free tuition amount to an existential threat to many small, independent, liberal arts colleges.*

## FRAYING CAMPUS SHARED GOVERNANCE

A community of scholars is a fiction at the vast majority of institutions. By one estimate, only about a third of faculty positions are on a track leading to tenure, and graduate assistants or adjunct instructors now teach most college students. In short, the faculty is divided. A relatively small number of fortunate professors enjoy lifelong tenured appointments, but they hire fewer and fewer young colleagues to join their ranks.

## PERSPECTIVES

“Suddenly, I’ve become ‘the Man’ in the eyes of kids who weren’t born when I marched with Martin Luther King Jr.”

COLLEGE PRESIDENT

“It’s too late to plan for emergencies when students take over the president’s office.”

UNIVERSITY PRESIDENT

“I don’t feel safe on campus without a gun.”

STUDENT

“The reality that academics vote for Democrats will continue to alienate red-state legislators.”

UNIVERSITY LOBBYIST

“If you want to influence politicians, you’ve got to help fund their campaigns.”

UNIVERSITY PRESIDENT AND FORMER POLITICAL ADVISER

“A Title IX investigation will seriously damage our ability to attract students.”

COLLEGE PRESIDENT

Meanwhile, many others are nomads with doctorates who must seek a livable wage by teaching multiple courses at different academic venues. Pay differentials between professors in the high-demand disciplines and those in the humanities are another source of rancor. In the face of such growing inequalities, the unionization of graduate assistants and adjuncts is a trend that will most likely continue.

*Higher education executives and their boards should make good-faith efforts to share governance but be prepared to make the tough calls when shared governance doesn't work.*

Opposition to change often becomes personal. No-confidence votes in the president and sometimes even the board seem to be on the rise. The fragmentation makes it especially difficult to secure broad-based support for the changes that presidents are asked to lead. The conventions of shared decision making in academe have always been slow, decentralized, and prone to multiple choke points where change

can be stymied. Today, the staid traditions of shared governance often run directly counter to the nimble and rapid responses required in the current competitive environment.

In this environment, higher education executives and their boards should make good-faith efforts to share governance but be prepared to make the tough calls when shared governance doesn't work. And when a faculty senate threatens or expresses its displeasure with a vote of no confidence, a board that supports the agenda and style of its president needs to step forward and demonstrate that support.

## THE UBIQUITY AND POWER OF SOCIAL MEDIA

The rise in the numbers of users of social media and its power to influence opinion is nothing short of astonishing. The top fifteen websites—Facebook, Twitter, LinkedIn, Tumblr, and the like—host more than a hundred million users. One survey reports that 84 percent of Americans under the age of nineteen have a Facebook account.

The young dominate in social media use. According to one survey, 86 percent of people aged eighteen to twenty-nine years use Facebook, while only 35 percent of those over age sixty-five do. Another survey suggests that social networking sites absorb about a fifth of users' time, thanks largely to the proliferation of smartphones. In the United States, about three-quarters of those surveyed reported they got their news from online sources as opposed to traditional news outlets like newspapers.

Three features of social media are especially relevant for the work lives of presidents: its ubiquity among college-age people equipped with smartphones, the capacity of messages including videos to go viral with astounding rapidity, and the lack of truth testing of the validity of those messages. One major university president tells of how a false story of a fraternity rape went viral in days, leading to both student and trustee demands for quick action. An investigation confirmed the falsity of the story, but only six months after it broke.

It behooves presidents and trustees alike, especially those more at home with conventional news sources, to become versed in the growth and potential of social media for disruption as well as for educational uses. Wise are the presidents who use social media to present themselves to their many publics. Systematic monitoring of social media



sites will to an extent enable presidents to note the early warning signs that an issue may go viral. As disruptive as the advent of print in the fifteenth century and the spread of electronic communication in the 1960s, social media will profoundly change the working lives of presidents for the foreseeable future.

## THE NEXT TECHNOLOGICAL REVOLUTION

Access to the Internet has exploded through the advent of laptops, tablets, smartphones, and other mobile devices as ubiquitous as a wristwatch. These innovations have spurred change—sometimes positive, sometimes violent—with unpredictable outcomes that range from disruptions at American universities to national uprisings like the Arab Spring.

In all likelihood, higher education is in for further shocks, as artificial intelligence, virtual reality devices, cognitive mapping, and the analysis of big data separately and in combination work to transform how students learn and how and by whom education is provided. The tools of virtual reality, for example, are already beginning to transform medical education, engineering, and art—disciplines once thought to be available only in situ. The inflection point for colleges and universities from this next wave of technological innovation has not been reached yet, but surely it is approaching fast. Presidents and boards who dismissed online delivery now see their students and potential enrollees migrating to competing providers offering more convenient learning options. Those who remain blind to the next wave will suffer similar consequences. For instance, institutions that employ big data to improve marketing and diagnose student learning needs will enjoy a competitive and educational advantage over those that continue to pursue business as usual.

*The inflection point for colleges and universities from this next wave of technological innovation has not been reached yet, but surely it is approaching fast.*

## PERSPECTIVES

“Most presidents don’t know what they don’t know when it comes to the next wave of technological innovation.”

UNIVERSITY PRESIDENT

“Today, our competition may be the community college five miles down the road. Tomorrow it may be the outfit in India that offers an engineering degree through a virtual laboratory.”

FORMER UNIVERSITY EXECUTIVE

“Not just our success as a university, but our state’s ability to compete for high-tech employers, will depend on our capacity to stay at the cutting edge of technological innovation.”

UNIVERSITY PRESIDENT

## For Presidents: Sudden Crises, Long-Term Uncertainty, and Immense Opportunity

**T**hese forces of change can coalesce to make a president's life one full of periodic yet continuing calamities erupting on a landscape of long-term uncertainty. For example, partisan divides along the issues of the day, coupled with calls to arms issued through social media, can turn out group protests literally overnight. Proprietary institutions using modern communications technology and liberated from the overhead expenses of a traditional campus offer stiff competition to colleges and universities with conventional business models. The number of pressures and demands facing presidents, combined with the fact that they reinforce one another, makes for a marvelously challenging environment.

An unanticipated student demonstration at the gates of the campus, a call from a board member infuriated by a faculty comment in the newspaper, a donor threatening to withdraw a gift over the firing of a coach, and rumors of no-confidence votes on the agenda of the faculty senate can all occur in the space of just a week. It is also not uncommon for a president to be simultaneously wrestling with longer-term perils, such as drooping student demographics, too-long-deferred maintenance that demands the investment of millions of dollars, the possibility of a downgrade in the institution's bond rating, and competition from a nearby community college offering baccalaureate degrees. In addition, athletics programs—for all their value to student athletes and importance in building commitment among alums and fans—are often a huge and costly distraction from the academic enterprise.

Despite the adversity (and, in some cases, because of it), most presidents, not only at faith-based institutions but also throughout higher education, see their work and travails as part and parcel of a higher calling. To be sure, ambition plays a part in the allure of the

job, as does the respect and prestige that still adheres to the presidential office. In addition, the material rewards can be significant, as can the “executive gene” that drives many women and men to positions of power and influence. But whatever the extrinsic rewards, the call of the office persists. It may be to preserve an institution

one treasures, to seek the next level of excellence on the academic side, to enable more first-generation students to experience higher education and achieve their life goals, or simply to “make a difference for the better” in the course of one's life.

### Wedge Issues Separating Boards and Presidents

- ✓ Slow Pace of Change
- ✓ Program Reductions
- ✓ Lack of Clarity on Board/President Responsibilities
- ✓ Financial Strategy

*Most presidents see their work and travails as part and parcel of a higher calling.*

## For Boards: Ambiguity, Impatience, and a Fresh Opportunity to Make a Difference

**E**lan among presidents and commitment from smart, future-oriented board members will be vital to converting disruptions into opportunities as the pace of change accelerates. For example, some experts estimate that half of the current jobs in America will be replaced by automation in the next twenty years. Imagining the potential impact of this change, and its threats and opportunities for higher education, would make for an important board-president discussion.

The conventional model of one professor per classroom has already yielded to online and hybrid courses and curricula standardized for thousands of students. The techniques of process engineering may allow further expansion of services to students without commensurate increases in the teaching ranks. Exploring the positives in this disruptive scenario would be well worth serious discussion among administrators, faculty members, and trustees.

Given the rate of technological change, these and more potential threats to conventional thinking—and, more important, the opportunities for capturing their advantages—are not far off. Iterative discussions around such topics should be high on the president-board agenda. Yet many board members report that their board is a house divided. Some trustees, especially veterans of the competitive corporate world, are impatient for change and frustrated by its slow pace in the academy. For others, nostalgia for what they recall as a better time leads them to oppose change. And, in some cases, the political divide in the statehouse, let alone the nation, penetrates the boardroom in a manner not witnessed since the culture wars of the 1990s.

Presidents themselves hold different views on the usefulness of their boards, with some embracing board members as trusted partners in advancing the institution and others seeing them as, at best, just another constituency to be managed. A fresh commitment to

### PERSPECTIVES

“They know the new president must fix a broken business model, but they condone job descriptions as if nothing has changed since the 1980s.”

*EXPERT ON BOARD GOVERNANCE*

“My board both supports and challenges me. The university is better for it.”

*UNIVERSITY PRESIDENT*

“Clear expectations and agreement on performance metrics should be spelled out in the first appointment letter of a new president.”

*COLLEGE PRESIDENT*

“For those of us in the public sector, discussions of disruptive change in the sunshine can be difficult...but we need to have them if we are doing our jobs.”

*BOARD CHAIR*

integral leadership that combines elements of trust, support, collaboration, and challenge is the sine qua non for successful board-presidential relations.

In public university and college systems, the widespread trend toward centrally administered functions, usually termed “shared services,” adds a new dimension to collaboration between statewide boards and campus presidents. Achieving the economies of scale that systems can deliver often requires increased system dominance in finance, legal affairs, human resources, government relations, information processing, purchasing, contracting, and other administrative functions. The transfer of authority for those functions is unsettling to many campus presidents who correctly view the change as reducing their authority.

The emerging model for president-system relationships is one where presidents serve as system officers with responsibility for statewide priorities and, simultaneously, as shrewd enterprise leaders for their own college or university. In such instances, statewide boards must recognize that vigorous campus leadership requires as much freedom to maneuver as possible within the statewide framework.

---

## Change in the Boardroom

**F**ollowing through on a serious change agenda can inevitably create stress among board members, as well as between trustees and their president. Ignored, such tensions will eventually derail the presidency and defer the changes essential to sustaining the enterprise.

Three bad habits too often occur among trustees when confronted with the need for unsettling change. Alums on the board may resist change that jeopardizes their memories of an idealized undergraduate experience. Business executives on the board may believe that corporate strategies can be applied without modification to the business of higher education. Conflict-avoiders on the board, whatever their professional background, may oscillate back and forth when confronted with pushback to the change agenda.

### Board Behaviors That Support Presidential Leadership

- ✓ Regular Communications
- ✓ Full Transparency
- ✓ Partnering with the President on a Change Agenda
- ✓ Clarity of Expectations
- ✓ Demonstrating in Public Support for the President

### Board Behaviors That Hamper Presidential Leadership

- ✓ Micromanagement
- ✓ Undercutting the President with the Faculty
- ✓ Impatience with the Pace of Change

For example, several board members have marveled at the stark contrast between the rosy picture presented in the advertisement for a new president and the desperate plight of the institution. One of these board members went on to say, “The board acts as if nothing has changed since the 1980s.” He attributed this denial to the many alums on the board, one of whom said, “We need a president who will recruit students just like us.”

A strong, respected board chair is the essential remedy for such bad habits. The chair should be a staunch champion of the president when opponents choose personal attack as a strategy for combating change. It is also the chair’s job to remind board members to keep their eyes on the prize of changing the institution in order to sustain it and to rein in those who favor overly simple solutions. Developing mutual expectations for change, including expected results and a timetable for obtaining them, will enable presidents to assert strong leadership in the knowledge that the board “has the president’s back.”

Commitment to a timetable for change also helps lessen the odds that individual board members will allow their impatience to cloud their judgment regarding its pace.

*Developing mutual expectations for change, including expected results and a timetable for obtaining them, will enable presidents to assert strong leadership in the knowledge that the board “has the president’s back.”*

## PERSPECTIVES

“[The new president] came in planning to shore up a liberal arts college. Instead she had to fire most of the senior staff, deal with a Title IX scandal, perform damage control following an off-campus student riot, and cut the budget by \$5 million.”

TRUSTEE

“Would-be presidents should take a hard look at the realities of the job before throwing their resume in the ring.”

FORMER UNIVERSITY SYSTEM HEAD

“My parents never finished high school. They were part of the Greatest Generation who saw us through World War II and built this country. This presidency is my opportunity to play my part in helping others realize the American Dream.”

UNIVERSITY PRESIDENT

“Forward-looking institutions should consider focusing on their core strengths in education and research, then outsource everything else.”

TRUSTEE

“The era of the solo leader is over. Now, successful change leaders must orchestrate the contributions of networks and partnerships as well as the senior executive team.”

ORGANIZATIONAL EXPERT AND TRUSTEE

## Recommendations for Presidents and Boards

**A**n axiom of governance holds that a strong board coupled with a weak president can do little but elect its own officers, while a strong president tied to a weak board can accomplish some good things but never reach full potential. Unfortunately, this imbalance is also a recipe for instability when dramatic change is required or a crisis erupts. A lack of board engagement and weak support for the president typically results in his or her premature departure and the lost opportunity for institutional progress and success.

However, a strong president and a strong board working together can seize opportunity in the face of adversity. Most colleges and universities today grapple with the kind of issues that demand individual board members and their presidents not only to perform at the highest level, but also to work more closely together than ever to sustain and advance their institutions.

To underscore the importance of shared leadership, the following recommendations are directed to both presidents and governing bodies.

1. *Reexamine and, if necessary, change both the president's and the board's fundamental assumptions about their working relationship.* Presidents who regard the board as just another constituency to be managed, placated, or endured need to reimagine their trustees as potential allies in moving the enterprise forward. This transformation requires patience and persistence on the part of the executive and an active board chair who appreciates the importance of integral leadership. The new relationship should be articulated in a document that defines the commitments and practice of such leadership, including the locus of authority for both parties.
2. *Acquire a shared understanding of the dynamic business of higher education today and its prospects for the future.* Starting with the erosion of higher education's value

### Responsibilities of Chair to President

- ✓ Frequent Communications
- ✓ Giving Advice
- ✓ Clarifying Mutual Expectations
- ✓ Serving as a Sounding Board

*A strong president and a strong board working together can seize opportunity in the face of adversity.*

proposition with many important publics, this learning process should include gaining a familiarity with (1) the demographics of the student market, (2) the evolving attitudes of recent high school graduates and older students alike, (3) the impact of social media for marketing, communications, and managing risk, and (4) the implications of the next wave of technological change. The president can play an educator's role in this learning process, although

in all likelihood she or he will benefit from it, as well. Board members who have experienced the effects of disruptive change in their professions will be able to offer lessons.

3. *Focus on the true competitive position of the institution.* A brutally honest, data-based assessment of (1) where the institution stands in relationship to its historic markets and the competition; (2) trends in net income, discount rates, and costs; and (3) prospects for the future should be the point of departure for this work. The process of accumulating, interpreting, and discussing the data may well help individual board members overcome doubt with regard to change. The president and the chair are probably best suited to guide this discovery process, but they must do so with the right touch—one that enables board members, especially alums who hold a legacy vision of their undergraduate experience, to accept current realities.

*In most cases, the transition from boards as overseers to partners in enterprise leadership won't happen without restructuring the way they work.*

4. *Restructure the board's processes to enable it to concentrate on top strategic priorities.* In most cases, the transition from boards as overseers to partners in enterprise leadership won't happen without restructuring the way they work. Some boards are simply too large and lack the right mix of talent and experience to serve as effective partners with the president in leading change. Smaller boards with the time and interest in collaborating with an energetic president should be the norm. Also, a sharp focus on strategy and strategic directions needs to guide the shift from committees based on historic functional areas to those centered on the institution's top goals, such as educational effectiveness and strategic innovation. In addition, the board chair and the president need to make a yearlong board agenda a priority and not delegate it to

## PERSPECTIVES

"America has without design settled on an arrangement that includes all colleges and universities in its ethos of capitalist competition."

GEORGE KELLER, TRANSFORMING A COLLEGE

"The strategies of 2007 won't work in a post-recession world."

TRUSTEE

"Developing a sustainable business model goes far beyond finding new sources of revenue. It requires a total rethinking of the relationships between the campus and the market."

COLLEGE PRESIDENT AND FORMER CORPORATE EXECUTIVE

"Our faculty must understand our business model, and our CFO must understand the academic model."

COLLEGE PRESIDENT

vice presidents, as is often the case. And when it comes to identifying and recruiting new members, the criteria should be oriented to the future needs and services the institution intends to offer. At public institutions where a governor nominates new members, the president and the chair should encourage that governor or his or her staff to appoint trustees with experience relevant to the institution's strategy.

5. ***Schedule upstream discussions of major opportunities, challenges, and strategies well before the time for action arrives.*** Orchestrating leadership as “conversation” is primarily the chair’s responsibility. However, the president and the chair should collaborate in identifying the topics that require in-depth board dialogue on current or prospective activities or trends. The president needs to enable staff members to shift from a reporting style that, in effect, stifles conversation and questions to one that invites dialogue around implications and options. At public institutions, where open-meeting laws prevail and private, generative discussion is prohibited, the chair and the president alike must enable the board to engage in serious conversations in the open sessions.
6. ***Infuse the search process with candor.*** Boards need to play the decisive role in structuring the presidential search process, identifying a small group of finalists, and selecting the president. It is important to engage a wide range of institutional constituents early in the search process. On-campus discussion early in the search

*The high degree of shared leadership suggested in this paper requires mutual trust and collaboration between the president and the board, coupled with respect for the boundaries that divide their respective responsibilities.*

schedule and an advisory committee that includes the key constituents will be enlightening to the board and help ensure eventual support for the person who is ultimately selected. A search firm can be useful in identifying potential candidates, provided it takes the time and deploys the talent to really understand the kind of leader whom the board is seeking. Final candidates and boards alike need to insist

on full disclosure of the institution’s competitive and financial position, the board’s expectations for leadership, and the nature of the working relationship with the board.

7. ***Practice the “discipline of governance” by combining persistent board involvement with restraint in not crossing the lines between strategy, policy, and management.*** The high degree of shared leadership suggested in this paper requires mutual trust and collaboration between the president and the board, coupled with respect for the boundaries that divide their respective responsibilities. The chair and the president should clarify those limits and check often to ensure they are honored. They should determine when items for discussion are occasions for advice from the board or times when a board decision and vote is necessary, and when they are simply an administration or board matter. Management of the board itself often falls into that latter category: correcting errant trustees and disciplining the occasional rogue is one instance where the chair must act without apparent coordination with the president.



---

## Conclusion

### COLLEGE AND UNIVERSITY PRESIDENTS: AMERICA'S INDISPENSABLE LEADERS

**T**he work of the contemporary American college or university president is much more challenging than at any time in the modern era. The impact and ramifications of the powerful forces roiling higher education and the broader society combine to make the work more difficult, stressful, and important. The life of the contemporary president is punctuated by sharp crises and underlying uncertainty surrounding the future of the institution he or she leads. These same challenges confront the boards of trustees charged as fiduciaries with overseeing the colleges and universities that they govern, and they exacerbate tensions in the boardroom among the trustees themselves and between them and their chief executive.

This paper focuses on the responsibilities of the contemporary presidency with an emphasis on leadership of the institution in the midst of these disruptive forces. It makes the case for a fresh style of leadership—enterprise leadership—that the times require. It also offers recommendations aimed at strengthening the relationship between the president and the board as they work together to sustain and advance their institutional enterprise.

Indeed, the future calls for an entire new generation of enterprise leaders. On average, current presidents are approaching their mid-sixties. There will be a major turnover in the next few years.

One experienced former president advised that boards should begin presidential searches by asking, who would want this job? The era of presidents who could expect to preside over an adequately funded and fundamentally stable enterprise is gone. Now, active enterprise leaders are the order of the day. The fate and certainly the effectiveness of many a college or university hinge on the courage and creativity of its president.

If the role of the contemporary president has become more challenging, it is also more important not only to the institution, but also to our society at large. A strong higher education system is essential to maintaining the economic vitality of the country. Higher education collectively provides upward pathways for the growing population of adult learners without degrees, immigrants, and others; addresses income inequality and the social instability it engenders; and advances social justice writ large—to name just some of its most vital purposes. To be sure, many people contribute to this important work—boards of trustees, donors, and faculty and staff members, among others. But at the heart of this enterprise are the indispensable men and women who serve as America's college and university presidents.

---

## Acknowledgments

The Association of Governing Boards of Universities and Colleges (AGB) gratefully acknowledges the work of the distinguished advisory group of sitting and former college, university, and system presidents whose insights into the evolving role of the presidency and how boards can best support presidential innovation and leadership are reflected in *The 21st-Century Presidency: A Call to Enterprise Leadership*.

### ADVISORY GROUP

**Eric J. Barron**, President, Pennsylvania State University  
**Joseph G. Burke**, President Emeritus, Keuka College  
**Nancy J. Cable**, President, Arthur Vining Davis Foundations  
**Mary Schmidt Campbell**, President, Spelman College  
**Clay Christian**, Commissioner, Montana University System  
**Pierce B. Dunn**, Former Board Member, Goucher College  
**R. Barbara Gitenstein**, President, The College of New Jersey  
**Brian O. Hemphill**, President, Radford University  
**Henry M. (Hank) Huckaby**, Chancellor, University System of Georgia  
**Leo M. Lambert**, President, Elon University  
**Todd J. Leach**, Chancellor, University System of New Hampshire  
**Paul J. LeBlanc**, President, Southern New Hampshire University  
**Terrence MacTaggart (Chair)**, Former Chancellor, Minnesota State University System and University of Maine System  
**Brian McCall**, Chancellor, Texas State University System  
**Rod McDavis**, President Emeritus, Ohio University  
**Timothy D. Sands**, President, Virginia Polytechnic Institute and State University  
**Barbara R. Snyder**, President, Case Western Reserve University  
**Janet L. Steinmayer**, President, Mitchell College  
**Eileen Wilson-Oyelaran**, Former President, Kalamazoo College

### AGB STAFF

**Richard D. Legon**, President  
**Susan Whealler Johnston**, Executive Vice President and Chief Operating Officer  
**David Bass**, Former Director of Foundation Programs and Research





1133 20th Street NW, Suite 300 • Washington, DC 20036  
[www.agb.org](http://www.agb.org)