FOR WHOM THE BELL TOLLS

Gordon K. Davies, a widely respected leader in higher education, was recently fired from his position as the first president of the Kentucky Council on Postsecondary Education, created in 1997 as part of a sweeping reorganization to coordinate and strengthen public higher education.

According to accounts in The Chronicle of Higher Education, Gordon’s reputation as a hard-nosed advocate of higher-education reform may have proved his undoing, as Kentucky’s public-college coordinating board signaled its intention to find a more conciliatory leader. Governor Paul E. Patton suggested that Gordon had accumulated too much political baggage in his clashes with council members, college presidents and state lawmakers to remain effective.

What were these “clashes” all about? Last month, Gordon objected as lawmakers, at Governor Patton’s behest, took $25-million out of a state fund that rewards public colleges based on performance and transferred it to the base budgets of institutions that had complained that they were receiving less state support than their peers.

This is not the first time that Gordon has been fired. In 1997, he was ousted after nearly two decades as director of Virginia’s higher-education coordinating board after disagreeing with several appointees of Republican Governor George Allen over policy and management issues. The Chronicle noted at the time, “Dr. Davies is known for his strong opinions about higher-education policy.”

From reading the Chronicle’s accounts, one would think that Gordon is a fire-breathing, trouble-making, wide-eyed radical. Of course, this is not the case.

Gordon has frequently been called one of the most visionary leaders in academe. Under his leadership, the State Council of Higher Education for Virginia was seen as a model for the nation. It worked with colleges in a restructuring effort that saved a total of $100-million in administrative costs and eliminated more than 80 low-performing and duplicative academic programs. Its Commission on the University of the 21st Century issued a 1989 report that anticipated the importance of technology in higher education and the rise of post-tenure reviews and performance-based budgeting. Gordon endorsed prepaid-tuition programs and partnerships between colleges and businesses before either was popular. In Kentucky, he initiated the Kentucky Commonwealth Virtual University, one of the first and now most mature statewide efforts to utilize technology to expand access to the state’s institutions of higher education.

In our view, Gordon is a visionary leader because he understands that something must be done about the rising cost of higher education, that statewide economic development depends on a robust, responsive system of higher education and that technology can be used successfully to provide new solutions to old problems. Most importantly, he believes that institutions need to be held accountable for their performance and that they should be judged on results.

In essence, Gordon was fired because he tried to do something.

Gordon tried to lead rather than just manage the status quo. That’s what Kentucky said they wanted when they hired him. At the time, Leonard V. Hardin, chairman of the Kentucky council, was quoted in the Chronicle as saying that the struggles that Gordon faced in Virginia only raised his stature in Kentucky. "The fact that he took a position on higher education in Virginia and defended that position to his own detriment, so much so that he was fired, says something about the man’s commitment to higher education, and we need that kind of commitment in Kentucky."

But when the Kentucky council fired him this month, Governor Paul E. Patton commented that in his view that Gordon has "gotten into some difficult fights" and suffered "some scars" in his four years at the helm of the coordinating board. The Governor said the time is right for a person "without those scars" to guide the council. Democratic State Senator Tim Shaughnessy, a member of the Senate Education Committee, echoed this view in saying that the council needs to maintain strong, positive relationships with college leaders and lawmakers.

In a recent point-of-view piece in the Chronicle, Clara Lovett, president emerita of Northern Arizona University, described how most governing boards select presidents, screening out "potential intellectual and educational
leaders in favor of men and women who look, think and act like candidates for political office," in other words, who play it safe. Higher education’s headhunters, she said, are "unlikely to promote candidates known to be brilliant but controversial or eccentric and, therefore, hard to work with. The search process, she continued, "often screens out individuals who can think critically about their institutions, challenge the conventional wisdom of their constituents, and create new paradigms in higher education."

In Clara’s words, higher education needs "thinkers-in-chief" with the talent and courage to help invent entirely new models of higher education and to take public stands on key issues. We couldn’t agree more.

How many leaders can you name in higher education today? Not those who have titles like president, chancellor, executive or provost, but those with the talent and courage to invent new models? American higher education is facing an ongoing fiscal crisis that appears to be evident to just about anyone who is not in higher education. Parents, students, journalists, legislators and other public policy makers decry the constant rise in college costs. But how many within higher education concede that it’s a problem, much less propose ideas about how to deal with it?

To be sure, many recognize budget shortfalls and the pain that results when old methods of freezes, cuts and tuition raises are once again trotted out to deal with them. But we can’t name more than a handful who understand that higher education faces an ongoing productivity problem that will not be resolved absent innovative approaches to restructuring and that it’s a problem that will continue to get worse. Most of higher education’s executives are conducting a holding action, furiously managing the status quo.

It has become something of a cliché that if we in higher education do not do something to restructure our industry to deal with rising costs, external forces will do it for us. (Do the words "managed care" ring a bell?) But where are the leaders who are suggesting ways to do it? Few understand former chairman of Citibank Walter Wriston’s adage, “The job of management is to create wealth, not to allocate shortages.” Higher education has spent a good part of its recent history allocating shortages, and we’re about to do it again.

Does anyone doubt that any leader who tries to create significant change in higher education is going to face a few bumps in the road? Gordon Davies tried, and now he’s gone. Our favorite quote that has emerged out of this sorry situation comes from Kentucky State Senator Tim Shaughnessy: "For all of his strengths, Gordon Davies is not a relationship person." Give us a break!

We are sorry to see Gordon go. But we are even sorrier to see the message that his firing sends to higher education’s current and potential leaders.

--CAT

Bob is taking a break from The Learning MarketSpace for a few months to complete a book. In the interim, we will publish the “best of Bob.” This column, written in April 2000, demonstrated a degree of skepticism regarding the establishment of a number of for-profit university subsidiaries. In view of the recent demise of almost all of them, it’s worth a second look.

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IT’S BETTER THAN IT SOUNDS

Recent announcements by several well-known institutions of higher education that they are forming for-profit subsidiaries to deliver distance education is yet another sign of the transition of higher education to a more market-driven, commercialized existence. This transition has not been caused by advances in technology, but it has certainly been exacerbated as a consequence of them.

For the past 40 years, generally under the cloak of some form of foundation, universities have begun to create for-profit subsidiaries to handle patent income, develop and operate research parks and generally engage in businesses that avoid the appearance of competition with private enterprise in the local community. This activity has typically been ad hoc and not driven by an conscious policy other than the base instinct that developing additional sources of revenue was somehow "good" for the institution.

During this same time period, we have witnessed significant growth in the fund-raising activities of institutions. Large endowments with significant capital appreciation are a relatively new phenomena in higher education. Particularly with state-assisted institutions, the accumulation of capital or an excess of revenue over expenditure has been a hallmark of this transition. So much so, that many public research institutions have reached the point where state assistance represents a minor (but still important) portion of their operating revenue.

It is not at all uncommon to find the Trustees of those institutions focused on the fund-raising capabilities of candidates during presidential searches. Judging from news reports and anecdotal evidence, the major portion of presidential time is spent in fund-raising as each capital campaign is followed very quickly by a new, and even larger campaign.

It is getting very difficult to tell the players, even with a scorecard. We used to have not-for-profit institutions of higher learning, some of which were privately supported and some of which were publicly supported or at least publicly assisted. Then we witnessed the beginnings of for-profit, commercial entities offering higher education. Now we have closely held subsidiaries of not-for-profit institutions offering for-profit educational opportunities.

This is not intended to be a Jeramiad lamenting the involvement of profit-making entities in higher education,
but rather to raise the question of the implications of not-for-profit educational organizations forming for-profit subsidiaries to deliver education. The creation of for-profit subsidiaries to market intellectual property, operate research parks, and now, to deliver education, raises more than a few questions about the general structure of higher education in the United States.

This really shouldn't be too surprising. When we began this publication, we observed that we would track the signals of the transition of higher education from public and/or philanthropic support to a marketplace, competitive enterprise. We have to confess that we didn’t think it would come quite so quickly or nearly so boldly.

With the growth of graduate education and a shift in student demographics away from the traditional, resident, 18-22 year old, institutions need to confront their organizational raison d’etre. Just as institutions of higher learning shifted from religious to state support in the mid-1800s, we are witnessing a shift from state to private support to commercialization in the 21st century. Absent a clear understanding and a well thought-out plan on the part of Trustees and legislatures, this shift is likely to remain murky, undirected, and frequently, controversial.

A successful subsidiary delivering distance education will require a level of research and development uncharacteristic of institutions of higher education. One reason frequently proffered for higher education’s general failure to invest in research and development of its mainstream instructional delivery function is its not-for-profit status. In this regard, the establishment of for-profit subsidiaries may signal a rational approach to the creation and investment of R&D dollars.

However, there is nothing to suggest that institutions of higher learning possess the skill set, management flexibility, or entrepreneurial reward structure to be successful in the creation and maintenance of customer-attractive, asynchronous learning products. Many institutional administrators naively equate the posting on the web of a course syllabus and some instructor developed notes with the effort required to produce successful distance learning environments. Many faculty, equally naively, assume that to post their lecture notes on the web is to lose control of (and the financial benefit from) valuable intellectual property. Most faculty I know have trouble getting their word processor to work consistently. To think that they will, in their spare time, develop compelling, micro-immersion learning environments for remote learners is naive in the extreme.

Such learning tools will be developed, and some by faculty currently in institutions of higher education. But absent major R&D investments, forgoing the master teacher paradigm in favor of design teams with broad skill sets, and new compensation strategies, it is highly unlikely that our current institutions of higher education will be the developers of such tools—even in a for-profit subsidiary. What seems to be clear is that for-profit is not synonymous with entrepreneurial. To be seriously in the course development and distribution business, institutions of higher learning will need to be entrepreneurial.

While these restructuring attempts by institutions of higher education, no matter how modest or faltering, at least demonstrate an awareness that the status quo is not likely to be successful in the age of the Net, our reaction is somewhat the same as that attributed to Mark Twain upon first hearing Wagner—it's better than it sounds.

--RCH

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UPCOMING LEADERSHIP FORUM EVENTS

IMPROVING QUALITY AND REDUCING COSTS: REDESIGNING CAMPUS LEARNING ENVIRONMENTS
EDUCAUSE Full-Day Pre-Conference Seminar
October 1, 2002, Atlanta, Georgia
Tuesday, October 1
8:30 a.m. - 4:30 p.m.

The Pew Grant Program in Course Redesign has funded 30 institutions to show how to improve quality and reduce costs using technology. This seminar will replicate the workshops that have successfully taught grant applicants how to redesign large-enrollment, introductory courses. Through presentations, case studies, and group work, participants will learn the basic planning steps as well as how to adapt the redesign model to the needs of their institutions.

Conducted by:
--Carol A. Twigg, Executive Director
--Carolyn Jarmon, Associate Director
Center for Academic Transformation

For registration information, please visit the EDUCAUSE 2002 Conference web site.

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