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Special Feature:

The Struggle to Find a Future: Money, Politics, and Leadership in Universities

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Adjusting to continuing financial restraint and fostering institutional renewal – is it possible for university administrators to do these simultaneously, and to do them equally well? I believe the answer to these questions is yes, and this paper is an attempt to explain why and suggest how.

Because the present circumstances of most universities are very difficult, with a high probability of getting worse in the future, it is easy to understand how administrators become preoccupied with reducing costs. Yet the more administration is driven by the imperatives of restraint, the more likely it is to neglect needs for renewal and to initiate an unfruitful and dissatisfying cycle of action and reaction. The task is not to try to do the same things with less, but to learn to do different things with less, and this will require a high level of morale and innovation as well as very skillful administrators.

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The Main Predicaments of Universities

Universities in Canada face serious problems of money, morale and purpose, but their main predicament may be their limited capacity for addressing institution-wide issues.

Universities are expensive institutions, dependent on governments for roughly eighty per cent of their revenue. By their own accounts, universities are seriously under funded, although it is difficult to see how cash starved governments faced with equally valid financial claims from other sectors such as health and social services might provide universities with the sums they request. Seen from the outside, universities are relatively privileged institutions, and seem to have a great capacity to absorb additional resources without producing any new initiatives. All things considered, it seems prudent to anticipate continued restraint, even if national and provincial economies turn upward.

Decreasing morale is linked to diminishing resources and to uncertainty over the future of programs and positions. It is also related to university restructuring and change, as well as to widening gaps among academic, support and administrative staff. If morale continues to decline, energy is likely to dissipate, people are likely to turn inward, and emotions are likely to run high, with an increasing possibility of employee radicalization or dysfunctional behavior.

Regarding purpose, there is a growing questioning about the value of a university education for individuals, as well as about the contribution which universities make to the social and economic development of the provinces in which they are located. There is doubt as to whether universities can do everything well. The demand for increased accountability is fed, in part, by processes of research that are unclear to outside observers and by academic publications that are not meant for public understanding. Pockets of strength are not given the recognition they deserve, and liberal conceptions of a university education are being supplanted by more utilitarian views. Universities are seen as too resistant to technology, applied research, and various other demands of an increasingly competitive economic system, as well as too slow to respond to issues of equity and accessibility. Because universities value autonomy at least as much as resources, they guard it carefully. This stance often separates them from the rest of a province's educational system or keeps them out of joint ventures they do not control – in turn prompting questions about their role or niche in what is otherwise becoming an increasingly interdependent world.

There is another problem, perhaps more serious in its long-term implications. As organizations, universities are not well-equipped for constructive, institution-wide problem-solving. Whatever the strengths of individual faculties

or schools might be in this regard, universities are too preoccupied with money, too lacking in useful structures for making and then implementing decisions, and too neglectful of the limitations that accompany their organizational culture.

Universities seem to make two assumptions about resources. First, they assume that the ability to address needs depends on the availability of money. Money is the key to everything: not enough money, cutbacks; no "new" money, no initiatives. Faced with the prospect of continued financial restraint, it is hard to imagine less helpful premises for organizational action.

The second assumption is that the financial expectations of their members can be sustained. Despite growing indications that restraint will continue, universities have not yet come to grips with all the possible implications of diminishing resources. Partnership arrangements, private funding and various schemes for increasing costs to students are now widely used to make up perceived shortfalls in government support. The effect of this is to set aside, or delay, questions of how much individuals should take out of the system. Individual income is one index of well-being in universities, but not the only one. As I see it, total well-being is something like the sum of financial welfare and non financial welfare. We are too used to thinking that our total well-being and our financial welfare go hand in hand. At some point, and I fear we are coming close to it, our demands for income and other benefits will seriously undermine our non financial welfare as well as our total well-being. We will have to moderate our individual demands, because it is in the common good and our own self interest to do so.

Universities seldom have structures to deal with university-wide problems of resources and purpose. The traditional powers of boards of governors have been checked by collective bargaining and eroded because it is hard for volunteers to keep up with the volume and complexity of issues facing them. Senior administrators in turn suffer because weakened boards have difficulty creating the conditions under which the administrators can succeed.

Moreover, structures to deal with university-wide problems may not yet be wanted, at least at the level of faculties and departments. Universities are fragmented systems. If a university is to develop an institutional sense of purpose, then deans and department heads sometimes may have to act against what they see as the interests of their individual units. Because it is hard to imagine this happening very often, we should not be surprised if relationships within universities remain competitive, with deans and department heads fighting for their units with limited regard for the whole. Senior administrators are likely to react as best they can, with budget controls and mission statements full of verbiage. If cuts eventually are unavoidable, they will be made not strategically, but where

they can be made – usually through retirements or cuts to vulnerable faculties and departments, to weaker unions or employee groups with fewer protections, and to untenured staff. The weakness of the university and the autonomy of its faculties can easily defeat university renewal.

Finally, the problem-solving capacity of universities is also shaped by their culture. Universities take their structures from the form of academic work, not its functions. While the functions can be described as teaching, research and community service, the form that has evolved in the last fifty years is discipline based. This has benefits, but also imposes some costs. Specialization contributes to the competition just mentioned, makes linkages among various units harder to establish, reduces interdisciplinary research to a matter of individual interest rather than institutional priority, and makes the redeployment of staff much more difficult.

The Illusions of Control and Drastic Action

In the face of adversity and a limited capacity to respond to it, there is the risk that universities will react only through controls and cutbacks. Confronted with too many demands, too many problems, too many inherent conflicts, and possessing too few organizational and financial resources, it should not be surprising that people seek the simplicity of drastic measures. Ultimately, however, controls and cutbacks acquire a momentum of their own, leading only to more controls and more cutbacks. We simply must find ways to break this cycle.

There are many reasons for controls in organizations, but promoting efficiency, morale and innovation are not among them. We have controls to achieve various social goals, to avoid fraud and abuse, to ensure productivity and to reduce costs, as well as to hold people accountable for following standard procedures. Whether the controls are exercised by committees or administrators, the strategies are those of centralization and oversight, with crucial decisions made, or second-guessed, at higher levels.

Too much emphasis on control systems has several consequences. More controls require more administrators and committees to observe and enforce them – a primary source of inefficiency in universities. People become risk averse – they have more incentives to worry about constraints than tasks, processes than outcomes. Planning and reorganizing take on disproportionate importance – in spite of their known tendency to be time and energy consuming processes that often use up the goodwill in organizations and seldom produce results that are commensurate with the effort that goes into them. Initiative is lost: people who were once expected to make decisions and guide the implementation of programs now spend their time writing proposals and lobbying for

their approval. And disengagement is the result: people distance themselves from any responsibility for having caused the problems, or for solving them.

The search for drastic measures is based on the illusions that there are simple solutions to the problems we face, that these can be found in the short term, that drastic measures are sometimes needed, and that the negative consequences of these measures are short-lived and restricted to a few people. Worse, such measures foster the belief that our problems are, in some final sense, solvable. None of these things is true, although it is probably human nature to want to believe that they are.

The measures that are most often considered are the amalgamation of faculties or departments, the appointment of sessional instructors to replace full-time staff, the use of technology as a substitute for professors and support staff, inter university consortia and rationalization, and the elimination of faculties or schools. Trying to mitigate the effects of cutbacks by assisting and counselling people who lose their jobs or are relocated obscures the human costs of these measures: the pain caused to people who are forced to leave, the frustration of individuals who are required to watch while programs they have spent a career building are eliminated, and the worry of individuals who wonder when their turns might come. Proceeding with cutbacks as a prelude to renewal is a dubious strategy, not just because cutbacks undermine morale and productivity, but also because the programs and activities that are among the most vulnerable are often among the most promising.

Cutbacks are also a contemporary dogma, and do not really challenge other ideas about what universities could be and what university education should be for. The ideal of a university as a community is challenged when layoffs to support staff and vulnerable academics are accompanied by growth in the number of administrative positions and salary increases for those who remain. Moreover, cutbacks usually mean shrinking a university, not finding a new direction for it. Setting priorities must be more than simply choosing among existing units. The overall situation of universities may now be serious enough to justify major changes in how things are done.

A Positive Agenda for Universities

There are many ideas making the rounds about what universities should do, for example: interdisciplinary studies, research with clearer social and economic applications, partnerships with the private sector, and the use of technology to improve the quality of teaching and increase the accessibility of courses and programs. These ideas have some merit, and circumstances are pushing

universities in their direction. Although it sounds glib to say it, perhaps there is some truth to the old saw that every problem is an opportunity in disguise.

My present concern, however, is not with outlining what universities ought to become, but with suggesting some processes by which each university might invent its own future. The strategies and processes for renewing universities are not the same as those for reducing their cost and size. There are three primary requirements for renewal: morale, innovation, and systems for organizational learning that enable universities to use the best in their own traditions and innovations in order to redefine themselves.

Morale is basic, and I know of no other way to develop it than to reassure individuals that they have a place in the system (even though the system that emerges could be quite different from the one they currently have) and to demonstrate that their efforts can make a difference. To accomplish this, universities will have to cultivate an overall sense of community, develop less adversarial relations with unions, lower the effective locus of decision-making in the institution, and adopt a different style of problem-solving. University administrators will have to become problem framers, not just problem solvers, making the problems known and the essential constraints clear, but giving people considerable latitude to find solutions within these constraints.

Framing problems, as opposed to simply solving them, will do much to create a climate of innovation in an institution. Other things are also needed. It is important to remember that initiatives come from individuals rather than committees, that people who have the drive to innovate often need support and protection, that many small steps are usually better than a few big ones, and that implementing programs is more important than planning them.

But innovation by itself will not lead to a coherent sense of what the institution stands for and where it is heading. Most universities contain pockets of strength and innovation, but have not been able to mold their successes into a coherent mission for the whole institution. Many of the things that will be needed in the future are now occurring, but these are not given recognition and so lie at the periphery of universities. We need to find ways to bring these to the center and make them the foundations of a renewed system. Universities need processes by which to judge the success of different ventures, as well as to ensure that unsuccessful activities are improved or eliminated and that successful ones are used to redefine the institution itself.

Finally, making this learning process public is the essence of accountability. Accountability is more than ensuring that money is spent frugally and honestly. Within universities money must be well spent, on promising activities that

are closest to its main functions. Looking in from the outside, the people of a province need to feel confident that money is better spent on universities than on some other social institution.

The Leadership We Need

Universities are about people in relationships. If the primary organizational needs of universities are morale, innovation and institutional learning, then we need to cultivate relationships that foster these, and this is where skillful, humane and determined administrators can make a major contribution.

Financial restraint makes innovation and morale more difficult; it also makes them much more important. Administrators will have to work hard to preserve system flexibility, not just to protect their own discretionary powers. They will have to learn to use discretionary funds strategically—the total budget of a system is less important than its flexible resources and how these are used.

But any system's most important resource is its people. Individuals need to be drawn out and nurtured, and the development of a positive overall culture needs constant attention. Reducing our personal expectations while at the same time maintaining optimism in the future of the university will not be easy, and much of the burden for doing so will fall on administrators. They will be successful to the extent they are optimistic, visible, open to dialogue, and caring. There is little reason to expect much to happen in the future if people do not see reasons for optimism in the present; we have to believe that when we get through this difficult period, we will be better for it. The physical and psychological gulf between administrators and others is a major problem in many universities; availability is a primary condition for any dialogue that is to be useful and satisfying. Openness is an attitude, not a strategy; it requires people who are willing to enter into relationships in which they can really be influenced by each other. And caring, for individuals as much as for the future of the institution, just may be the foundation of it all.

The difference between nurturing and controlling lies in how and why power is used. The task of every administrator is to assist people in their on going struggles to become their better selves. Administrators can do this by drawing out the potential of others and making it available to all, removing obstacles to the success of others, and helping to create a climate of optimism and confidence that makes a community adaptable to new situations and alert to new possibilities.

A Concluding Observation

These are difficult times for universities, yet the real question is not whether our present difficulties will continue but how we will react. We will not accomplish the challenging tasks of reinventing universities if we concentrate on short term controls and cutbacks. If we want universities built around the creative possibilities of a learning organization, then all of us, and especially administrators, have a lot of work to do.

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