

some portions of Chapter One, I make use of the traditional practice of comparing colleges with business enterprises, because many of our ideas about organization and management come from studies of business firms. Identifying some of the differences between the two types of organization helps illuminate why a comprehensive understanding of college and university functioning remains elusive and why their management and governance are so problematic.

The consideration of colleges and universities as systems in Chapter Two emphasizes how their parts interact with each other and with the larger systems of which they themselves are parts. The important elements of an institution, and the different patterns by which they can be combined, make institutions look different even though the processes by which they function as systems are comparable. Certain properties of systems make some problems of administration inherent and intractable, and administrators must learn to cope with what they cannot control.

Chapter Three looks at the usefulness of some common ideas about organizational rationality, goals, and effectiveness and shows why these ideas often are not helpful to administrators. The important thing about colleges and universities is not the choices that administrators are presumed to make but the agreement people reach about the nature of reality. People create organizations as they come over time to agree that certain aspects of the environment are more important and that some kinds of interaction are more sensible than others. These agreements coalesce in institutional cultures that exert profound influence on what people see, the interpretations they make, and how they behave.

## Chapter 1



### Problems of Governance, Management, and Leadership in Academic Institutions



American colleges and universities are the most paradoxical of organizations. On the one hand, it has been said that "they constitute one of the largest industries in the nation but are among the least businesslike and well managed of all organizations" (Keller, 1983, p. 5). On the other hand, many believe that our institutions of higher education exhibit levels of diversity, access, and quality that are without parallel. At a time when American business and technology suffer an unfavorable trade deficit and are under siege from foreign competition, our system of higher education maintains a most favorable "balance of trade" by enrolling large numbers of students from other countries. Our system remains the envy of the world.

The apparent paradox that American colleges and universities are poorly run but highly effective is easily resolved if either or both of these judgments are wrong. But what if they are both right? Such a state of affairs would lead to several interesting speculations. For example, it might be that the success of the system has come about *in spite of* bad management, and that if management could somehow be improved, the system could be made even more effective than it is today. Or it might

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be that, contrary to our traditional expectations, at least in colleges and universities, management and performance are not closely related. If this is true, then improvements in management might not yield comparable benefits in organizational accomplishment. Or, strangest of all, it might be that to at least some extent our colleges and universities are successful *because* they are poorly managed, at least as *management* is often defined in other complex organizations. If this is true, then attempts to "improve" traditional management processes might actually diminish rather than enhance organizational effectiveness in institutions of higher education. This book is in large part an exploration of these possibilities.

The concept that best reflects the ways in which institutions of higher education differ from other organizations is *governance*, and I shall use it extensively in this chapter. There is no single and generally accepted definition of governance; it has been variously discussed in terms of structures, legal relationships, authority patterns, rights and responsibilities, and decision-making processes. I shall use the word *governance* in a very broad way to refer to the structures and processes through which institutional participants interact with and influence each other and communicate with the larger environment. A governance system is an institution's answer—at least temporarily—to the enduring question that became a plaintive cry during the campus crisis of the late 1960s and early 1970s: "Who's in charge here?"

### Problems of Governance

The authority to establish a college or university belongs to the state, which exercises it by forming through statute, charter, or constitutional provision an institution with a corporate existence and a lay governing board. An uncomplicated view of governance need go no further than this fact, because legally the governing board is the institution (Glenny and Dalglish, 1973). But the reality of governance today is much different from what this strict legal interpretation would suggest. In fact, "decision making is spread among trustees, presidents, and faculty,

and although the legal status of the trustees has not changed, there is ambivalence about how much power they should have" (Carnegie Foundation for the Advancement of Teaching, 1982, p. 72).

*Trustees and Faculty.* In earlier times, institutions were small, trustees were clergymen, and administration and faculty might consist of a president and a handful of tutors. Boards could—and often did—exercise the full authority that they legally possessed. Governance was not an issue; it was the will of the board. But as institutions became more complex, boards delegated de facto authority to presidents. And as the faculty became more professionalized during the early part of the twentieth century, much authority on many campuses, particularly in curriculum and academic personnel matters, was further delegated to faculties. Some reached the point where "the faculty . . . tend to think of themselves as being the university. This leaves the board of trustees with little authority over the [major] function of the university, instruction" (Besse, 1973, p. 109).

As a result, different campus constituencies now assert their claim to primacy in areas over which boards retain legal obligations and responsibilities. Radical remedies to clarify governance rights have occasionally been suggested. One such suggestion argued that the board should take back from the faculty authority for the curriculum, since the board has full legal responsibility for all aspects of the institution (Ruml and Morrison, 1959). More recently it has been suggested that trustees consider simplifying governance by stripping all campus groups of governance prerogatives except insofar as they might be granted as a privilege by the president acting as the board's exclusive agent (Fisher, 1984). Proposals such as these cannot be taken seriously, but more moderate and responsible calls for greater trustee involvement in governance are increasing (Carnegie Foundation for the Advancement of Teaching, 1982).

Tensions between trustees and faculty are not new. Probably the most outspoken observer and critic of this conflict was Thorsten Veblen ([1918] 1957), whose 1918 book *The*

*Higher Learning in America* railed against the effects of boards of trustees increasingly made up of businessmen whose interest was focused on efficiency and who did not understand the unique nature of the academic enterprise. In their view, he said, "the university is conceived as a business house dealing in merchantable knowledge, placed under the governing hand of a captain of erudition, whose office it is to turn the means at hand to account in the largest feasible output" (Veblen, [1918] 1957, p. 62). In contrast, said Veblen, scholars pursue their work individually, each in his or her own way. It is not amenable to the orderly and systematic procedures of the administrator and cannot be reduced to the bottom line of a balance sheet. The administrative role is not to govern scholars but rather to serve as their assistants and cater to their idiosyncratic needs. To the extent that this is not done, the university will lose effectiveness, because "a free hand is the first and abiding requisite of scholarly and scientific work" (p. 63). Veblen's acerbic comments set forth the governance issue clearly if simplistically: shall the university be controlled by trustees and administrators or by faculty?

The answer to this question is important, because faculty and lay trustees have different backgrounds and values. Approximately 40 percent of all board members are businesspeople ("College Governing Boards," 1986), who are more likely than faculty to see their institutions as comparable to business firms in their structure and authority patterns and to support ideas of "top-down" management. Trustees are also likely to have a lesser understanding and support of principles of academic freedom than do faculty and are more likely than faculty to believe that certain academic decisions do not require faculty involvement. In general, "trustees differ markedly from those occupying the academic positions 'beneath' them. In terms of political party affiliation and ideology, and attitudes about higher education, the trustees are generally more conservative than the faculty" (Hartnett, 1969, p. 51).

*Administrators and Faculty.* The days of amateur administration when faculty temporarily assumed administrative posi-

tions and then returned to the classroom are long since over at most institutions. As institutions become larger and more complex, knowledge of legal precedents, federal regulations, management information systems, student financial aid procedures, grant and contract administration, and many other areas of specialized expertise is needed to accomplish many administrative tasks. Faculty and administrators fill different roles, encounter and are influenced by different aspects of the environment, and have different backgrounds. The increasing numbers and importance of managers at all levels have led to the "administered university" (Lunsford, 1970, p. 91), in which administrators are separated from the rest of the university. As a consequence, university executives and faculty form separated and isolated conclaves in which they are likely to communicate only with people similar to themselves. The use of more sophisticated management techniques can make things even worse. "In a context in which faculty members are less privileged and in which they often feel oppressed beneath the weight of administrative authority, the innovations wrought by the new devices of management may widen the gulf between faculty and administration and thus intensify the antagonism, latent and overt, which has traditionally existed between the administrative and the academic cultures" (Rourke and Brooks, 1964, p. 180).

Administration and management can become so complex that even those faculty who are interested in governance may not have the time or the expertise to fully understand the processes of decision making or resource acquisition and allocation that are at the heart of many governance issues. Because of these changes, administrators become identified in the faculty mind with red tape, constraints, and outside pressures that seek to alter the institution. They come to be seen by the faculty as ever more remote from the central academic concerns that define the institution. Faculty in turn come to be seen by the administration as self-interested, unconcerned with controlling costs, or unwilling to respond to legitimate requests for accountability.

*Normative Statements on Governance.* It might be thought that uncertainty and conflict concerning governance

roles and procedures could be moderated by authoritative statements that enunciate the elements of sound practice. Several important normative statements of this kind exist, perhaps the most influential of which is the "Joint Statement on Government of Colleges and Universities" (American Association of University Professors, 1984) published in 1967. The document articulated the concept of governance as a shared responsibility and joint effort involving all important constituencies of the academic community, with the weight given to the views of each group dependent on the specific issues under discussion. In particular, while recognizing the legal authority of the board and the president, the document identified the faculty as having primary responsibility for the fundamental areas of curriculum, instruction, faculty status, and the academic aspects of student life. The term *primary responsibility* was specifically defined to mean that "the governing board and president . . . should concur with the faculty judgment except in rare instances and for compelling reasons which should be stated in detail" (p. 109). This appears to give the de facto authority of the faculty more weight than the de jure authority of the board in those areas that in fact define the institution—what shall be taught, who shall teach, and who shall study. In the eyes of some, this muddled the problem further rather than clarifying solutions.

A major problem with the "Joint Statement"—as well as with the content of other normative statements—is that while it presents positions of high principle that can be endorsed by many campus constituencies, it is less successful in identifying the specific structures and processes that would implement these principles. The behavioral implications of the statement are unclear and can be interpreted in quite different ways. The statement has also been criticized for failing to describe how governance *really* functions in many institutions, for assuming that governance is characterized by shared aims and values without giving proper weight to the conflict and competition that exist between constituencies, and for ignoring the ways in which the external environment affects governance (Mortimer and McConnell, 1978). The "Joint Statement" is thus seen by some as an academic Camelot—devoutly to be wished for but not achievable by mere mortals.

The "Joint Statement" has another weakness, which has been less widely noticed: it does not fully appreciate the differences between various kinds of institutions. The diversity of American higher education is reflected in significant differences in such critical matters as purpose, size, sponsorship, tradition, and values. Policies appropriate and fruitful for one type of institution may be harmful for another. Recommendations of policies that treat "*the faculty*" or "*the administration*" as alike in all institutions (and that speak as if these groups were monolithic within institutions) ignore the reality that the background and expectations of faculty and administrators at community colleges and at research universities, for example, might well produce very different approaches to governance.

### Problems of Organization

*Dualism of Controls.* If a college is compared to a business firm, it is possible to consider the confused relationships between boards, administration, and faculty that we have just discussed as reflecting disorganization, willfulness, or the pursuit of self-interest in preference to college interests. Corson (1960) was among the first observers to ascribe a different cause when he identified the administration of colleges and universities as presenting "a unique dualism in organizational structure" (p. 43). Corson saw the university as including two structures existing in parallel: the conventional administrative hierarchy and the structure through which faculty made decisions regarding those aspects of the institution over which they had jurisdiction. This dual system of control was further complicated by the fact that neither system had consistent patterns of structure or delegation. The faculty governance structure on every campus was different, and each administration seemed to "have been established to meet specific situations in particular institutions or to reflect the strengths and weaknesses of individuals in various echelons" (p. 45).

The two control systems not only were structurally separate but were based on different systems of authority as well (Etzioni, 1964). In most business organizations, major goal activities are directed and coordinated by a hierarchy of adminis-

trators who decide questions such as what products should be made, in what number, and with what characteristics. Those higher in rank rely on administrative authority, derived from their position in the organizational structure, to direct the activities of others. These organizations also have need for experts who are not involved in coordinating the institution's goal activities. These experts rely on professional authority to provide specialized knowledge and judgment in one or more professional areas. Their judgments are individual acts that are not governed by the directives of others.

Administrative authority is predicated on the control and coordination of activities by superiors; professional authority is predicated on autonomy and individual knowledge. These two sources of authority are not only different but in mutual disagreement. In business organizations, the administrative line officers direct the primary goal activities of the institution, and the staff professionals provide secondary support activities and knowledge. Conflict caused by the incompatibility of administrative and professional authority is resolved by recognizing the supremacy of administrative authority. But in professional organizations, such as colleges and universities, the resolution is far more problematic. These organizations have staffs composed predominantly of professionals who produce, apply, preserve, or communicate knowledge (Etzioni, 1964) and who are also responsible for setting organizational goals and maintaining standards of performance (Scott, 1981). Etzioni suggests that "although administrative authority is suitable for the major goals activities in private business, in professional organizations administrators are in charge of secondary activities; they administer *means* to the major activity carried out by professionals. In other words, to the extent that there is a staff-line relationship at all, professionals should hold the major authority and administrators the secondary staff authority" (p. 81). This reversal of the patterns seen in other settings makes the organization of colleges and universities difficult to understand.

*Mission and Management.* Clarity and agreement on organizational mission are usually considered a fundamental princi-

ple for establishing systems of accountability. It is commonly stated that "in a business corporation there is always one quantifiable measure of performance . . . the rate of earnings on the capital invested. Because dollar profits are both the objective of the activity and the measure of performance, the operation of the company is keyed to accountability for the profit achieved" (Besse, 1973, p. 110). This relationship between performance and profit can then be translated into systems for identifying responsibility, measuring costs, and preparing periodic reports and analyses.

Although it is too simple to say that the mission of a business enterprise is to make money, that assertion contains an underlying truth that to a great extent provides a clarity of purpose and an integration of management that are absent in higher education. As colleges and universities become more diverse, fragmented, specialized, and connected with other social systems, institutional missions do not become clearer; rather, they multiply and become sources of stress and conflict rather than integration. The problem is not that institutions cannot identify their goals but rather that they simultaneously embrace a large number of conflicting goals (Gross and Grambsch, 1974).

There is no metric in higher education comparable to money in business, and no goal comparable to "profits." This is so in part because of disagreement on goals and in part because neither goal achievement nor the activities related to their performance can be satisfactorily quantified into an educational "balance sheet." Does a core curriculum produce more liberally educated students than a program built on the great books? Should a college measure its performance by the percentage of students who graduate, the percentage who get jobs, the percentage who are satisfied, or the percentage who participate in civic activities? The accountability techniques of the business corporation are of little benefit to the educational purposes of higher education.

Lack of clarity and agreement on institutional goals and mission has equally important effects on organization and management. The list of legitimate institutional missions is a lengthy one, but the problem can be seen in a consideration of only the

three commonly articulated missions of teaching, research, and service. Each of these three missions is likely to rely on different structures for its effective implementation. For example, while the academic department may serve as the focus for teaching, funded research is based primarily on the activities of individual faculty members and requires different, and incompatible, management systems, budgeting processes, and organizational units. At the same time, the central coordination that supports service activities not only often operates outside existing faculty units but also conflicts with traditional notions of faculty autonomy and academic freedom (Perkins, 1973a). Teaching, research, and service are interrelated and mutually reinforcing production processes in the higher education system as a whole. However, on many campuses these activities are performed by different people operating within overlapping yet competing structures. Most faculty have their primary affiliation with either an academic department that supports their teaching, an institute within which they engage in research, or an extension division or other unit that provides community service. Few faculty are affiliated with all three. No single organizational design can optimize all legitimate organizational interests; a structure that provides the most effective support for research, for example, will be quite different from a structure that seeks to closely integrate undergraduate teaching activities.

Although some have suggested that higher education institutions could be managed more effectively if their missions were clarified, this has proved to be impossible to do in larger and more complex organizations. A more sensible suggestion might be to redefine management so that it can function usefully within a context of conflicting objectives. Given the differences in the clarity of goals, we should not be too surprised to find that effective management in colleges and universities would differ from that seen in business firms.

*Power, Compliance, and Control.* Power is the ability to produce intended change in others, to influence them so that they will be more likely to act in accordance with one's own preferences. Power is essential to coordinate and control the

activities of people and groups in universities, as it is in other organizations. There are many ways of thinking about power. One influential typology has identified five kinds of power in social groups: coercive power, reward power, legitimate power, referent power, and expert power (French and Raven, 1959). Coercive power is the ability to punish if a person does not accept one's attempt at influence. Reward power is the ability of one person to offer or promise rewards to another or to remove or decrease negative influences. Legitimate power exists when both parties agree to a common code or standard that gives one party the right to influence the other in a specific range of activities or behaviors and obliges the other to comply. A major source of legitimate power in our society is the acceptance of a hierarchical authority structure in formal groups. Referent power results from the willingness to be influenced by another because of one's identification with the other. Expert power is exercised when one person accepts influence from another because of a belief that the other person has some special knowledge or competence in a specific area.

The exercise of power may cause alienation, and responses by faculty and others to various forms of power in institutions of higher education may pose problems for their organization and administration. Coercive power always alienates those subject to it. The use of reward power or legitimate power may or may not produce alienation, depending on the circumstances and the expectations of those subject to it. Neither referent power nor expert power results in alienation.

Different forms of power are typically used in different kinds of organizations, and they have different effects on the responses of organizational participants. One approach has identified coercive, utilitarian, and normative organizations as representing three major patterns (Etzioni, 1961). Coercive organizations, such as prisons, rely predominantly on the punishments and threats of coercive power, and they produce alienated involvement of participants. Utilitarian organizations, such as business firms, emphasize reward power and legitimate power to control participants. People calculate the costs and benefits of involvement in order to decide whether or not to participate.

Normative organizations, such as colleges and universities, rely on referent and expert power that is less likely to cause alienation and that produces committed participants who are influenced through the manipulation of symbols. This does not mean that faculty are indifferent to money, or that they will not become disaffected if they do not consider their salaries to be reasonable. But it is true that faculty members on many campuses are likely to be influenced more by internalized principles of academic freedom and ethical behavior, and by communications from colleagues who are seen as sharing their values, than by salary increases or threats of administrative sanctions.

The means by which faculty behavior can be influenced are therefore very different from what would be effective in traditional business firms emphasizing utilitarian power. Trying to control faculty by offering material benefits, such as money, or by giving orders might affect their behavior but at the same time would increase their alienation and decrease the effectiveness of normative power. The autonomous focus of professional authority and the unwillingness of professionals to accept administrative authority require that higher education take a different approach to the problems of management and governance.

#### Institutional and Organizational Constraints

Many factors have increasingly limited the discretion and flexibility of academic leaders (Commission on Strengthening Presidential Leadership, 1984). Some of these factors develop as institutions interact with other institutions in their environments, while some arise within the institution itself. Environmental constraints include more federal and state controls, greater involvement by the courts in academic decision making, more layers of governance, particularly in institutions that are part of statewide systems, fewer opportunities for growth and consequently for changes accompanying growth, questions of the importance of the missions of higher education, less acceptance of authority in general, and fewer potential applicants and therefore greater responsiveness to the student market. Within institutions themselves, constraints to leadership arise from

greater involvement by faculties in academic and personnel decisions, faculty collective bargaining, greater goal ambiguity, greater fractionation of the campus into interest groups, leading to a loss of consensus and community, greater involvement by trustees in campus operations, and increased bureaucracy and specialization among campus administrators. The dual system of authority, the expectation of participation as an element of shared authority, the linkages of faculty with groups external to the campus—these and related factors already noted severely limit the influence of administrators.

*Institutions and Environments.* Institutions must be responsive to their environments to survive, and the responses made by colleges and universities have had profound effects on their governance structures and processes. The number and pervasiveness of these environmental forces have increased almost exponentially at many institutions over the past decades. Two examples showing the effects of external sources of support and power serve to illustrate the problem in different ways.

The confusion in governance that results when both faculty and administration lose the ability to understand and control the processes of their institutions was noted over a quarter of a century ago (Mooney, 1963). The loss of faculty control is related to increased institutional size and complexity and the division of faculty into different departments, committees, and other units. This fractionation prevents the development of a holistic faculty perspective. The loss of administrative control is related to the presence of external funding and control agencies that bypass and weaken institutional administration. As a consequence, neither faculty nor administration feels able to take command, since neither group fully understands the enterprise or has control of enough of its resources. As individuals and groups lose their ability to affect their institution through the implementation of positive and constructive programs, they increasingly tend to assert their influence and status by acting as veto blocs, thus increasing institutional conservatism. The result, says Clark Kerr (1982, p. 30), is more commitment "to the status quo—the status quo is the only solution that cannot be

vetoed." The same forces that limit the power of faculty groups affect deans and presidents as well, so that the power of administrators in many cases is determined by their right to block programs they consider unwise or improper (Bok, 1983, p. 85).

The major external force limiting institutional autonomy is the exercise of increased authority by the states. The growth of the public sector of higher education during the past quarter century, as well as support in some states of nonpublic institutions, has led to increased state funding of—and therefore concern for—the programs and management of both public and independent colleges and universities. Coordinating or consolidated governing boards in almost all states exercise increasing influence over matters reserved in the past to the campus. Other state executive or legislative agencies become involved in program review, administrative operations, budgeting, and planning. The rationale often offered is the need for public accountability, but the consequence is often chaos and confusion (Carnegie Foundation for the Advancement of Teaching, 1982). Individual institutions become part of larger regional or statewide systems in which single boards have authority for several campuses and not enough time or energy to become familiar with any of them. As the locus of influence moves from the campus to the state, public-sector presidents may find themselves becoming more like middle managers than campus leaders. Faculty may respond to increased centralization of control by centralizing their own participation through processes of collective bargaining that often ritualize disruptive conflict. The loss of ability to exert local influence leads to mutual scapegoating by faculty and administration, end runs to state offices that further reduce administrative authority, and a diminished sense of both campus responsibility and accountability. The sense of powerlessness comes not just from the recognition of one's own limited ability to exert influence upward but also from the realization that those higher in the organization cannot exert much upward influence either.

*Decentralization.* The centralization of authority at levels above the campus has influenced the distribution of influ-

ence at many institutions in two quite different ways. Institutions have become more administratively centralized because of requirements to rationalize budget formats, implement procedures that will pass judicial tests of equitable treatment, and speak with a single voice to powerful external agencies. At the same time, increased faculty specialization and decreased administrative authority have fostered decentralization of educational decision making at many institutions, which leads to further faculty specialization and continued reduction of administrative authority. As faculty become more specialized, they assert their expertise as a requirement for designing curriculum and assessing the qualifications of colleagues. Particularly in larger and more complex institutions, schools or departments become the locus of decision making, sometimes reinforced by an "every tub on its own bottom" management philosophy that makes these subunits responsible for their own enrollment and financial affairs as well. In such cases, the larger institution may become an academic holding company, presiding over a federation of quasi-autonomous subunits. Unable to influence the larger institution, faculty retreat into the small subunit for which they feel affinity and from which they can defend their influence and status.

*Inflexibility of Resources.* The ability of groups to significantly influence their campus through participation in governance is severely constrained by both the paucity of resources available and the short-term difficulties in internally reallocating those resources that do exist. Some important intangible campus resources, such as institutional prestige or attractiveness to students or to potential donors, are tied into networks of external relationships that are virtually impossible to change in the short run and difficult to alter even over long periods of time. Internally, the personnel complement on most campuses is largely fixed through tenure and contractual provisions, program change is constrained by faculty interests and structures as well as facilities limitations, and yearly planning begins with the largest share of the budget precommitted. In the public sector, institutions are subject to state personnel, purchasing, and con-



struction regulations, as well as budget management restrictions that make certain expenditures impossible even when resources are available. But resources are not always available, and when last year's expenditures exceed this year's projected income, major changes are rare. Even on campuses that stress rational planning and budgeting, opportunities for short-term effects are minimal. For example, one relatively wealthy institution found that its extensive planning program accounted for less than 6 percent of the variance in the budget over ten years. An observer commented that "it may be hard to believe that any effort above a minimal level is justifiable" but added that "since so much of the budget is virtually fixed, especially in the short run, the small portion that is free to vary assumes tremendous importance" (Chaffee, 1983, p. 402).

*Confusion of Organizational Levels.* Organizations can be thought of as composed of three levels of responsibility and control—technical, managerial, and institutional (Thompson, 1967). In colleges or universities, the technical level includes the research, teaching, and service responsibilities carried out primarily by the faculty. The responsibility of the organization's institutional level, which in higher education is represented by boards of trustees and presidents, is to ensure that the organization is able to respond appropriately to the uncertainty of external social forces. The managerial level is represented by the administration, which is charged with mediating between these two levels and buffering the faculty and researchers who make up the technical core against disruption caused by problems in the acquisition of funding, fluctuations in student enrollments, or governmental interference.

Organizations are presumed to be most effective when the institutional level specializes in coping with uncertainty and the technical level specializes in functioning effectively in conditions of certainty. This specialization is not uncommon in business organizations in which senior officers are responsible for monitoring the environment (Katz and Kahn, 1978, p. 4). But in higher education, distinctions among the three levels can be difficult if not impossible to maintain, particularly in certain

types of colleges and universities. For example, there are institutions in which faculty (technical level) are also members of the board of trustees (institutional level). At many institutions, faculty are expected by tradition as well as law (*NLRB v. Yeshiva University*, 444 U.S. 672 [1980]) to exercise responsibilities for personnel and for program that in other types of organizations would be considered managerial. Faculty in some types of institutions, through their professional associations, funded research, and consulting activities, often have direct access to major actors and resources in the environment and so bypass the managerial level. And major participants may sequentially (or simultaneously) be both administrators and faculty and therefore participants in both the managerial and technical levels, while the products of the technical level as alumni may become trustees at the institutional level. There are probably few organizations in our society in which someone who is a member of the union bargaining team one day can become the organizational president the next, but it has happened in higher education!

Distinctions among the institutional, managerial, and technical levels are clearer in some institutions than in others (church-related institutions or community colleges, for example). This should make the technical core more rational and management able to be more bureaucratized without creating problems. Other organizations, such as research universities, have technical cores that resist rationality and separation from the environment; faculty engaged in state-of-the-art research often cannot determine their research plans in advance, and they must keep in constant communication with colleagues and funding agencies. In such situations, arbitrary bureaucratic boundaries would be disruptive.

*Cosmopolitans and Locals: Prestige and Rank.* The growing professionalism and specialization of faculty have tended to create faculty orientations to their institutions and to their disciplines that can be considered across a continuum. The two polar types have been referred to as "cosmopolitans" and "locals" (Gouldner, 1957). Cosmopolitans are faculty whose peers are colleagues across the country—or the world—who share their

specialized scholarly interests. They tend to do research and publish, to find their rewards and satisfactions in their disciplinary activities, and to use their institutions as bases for their external activities. Cosmopolitans are less likely to be concerned with parochial campus issues and would tend to think of themselves primarily as independent professionals and scholars and secondarily (if at all) as faculty members at a particular university. Locals, on the other hand, are faculty whose major commitments are to their campuses. They tend to be integrated into the life of the campus community, to focus their attention on teaching, and to be concerned with and participate in institutional activities. They might think of themselves primarily as faculty members at a particular university and secondarily (if at all) as independent professionals and scholars.

The proportions on a faculty of cosmopolitans and locals can have a major effect on campus governance and patterns of influence. In traditional business organizations, prestige and rank are synonymous. The president at the top of the pyramid has both the greatest degree of prestige and the highest status (or rank) in the organization. A vice-president has less prestige and rank than the president but more than a subordinate officer. The organization confers both rank and prestige, and they are mutually reinforcing.

In higher education, however, prestige and rank may not be identical. While the institution may confer rank, prestige may be conferred by professional groups outside the university. A senior department chairperson may have less prestige (and peer influence) than an assistant professor who has just won a national award; a dean with a strong record of scholarship may be more influential with faculty than a vice-president for academic affairs. Particularly in institutions with large proportions of cosmopolitans, the conflicts between rank and prestige may weaken administrative authority and increase the difficulties in coordinating activities.

*Other Organizational Differences.* A number of organizational principles that differentiate colleges and universities from other organizations have already been suggested; there are other

differences as well. If a "typical" business organization and "typical" university were compared, the university would exhibit less specialization of work activities (assistant professors and full professors do essentially the same things), a greater specialization by expertise ("unnecessary" history professors cannot be assigned to teach accounting when enrollments shift), a flatter hierarchy (fewer organizational levels between the faculty "workers" and the chief executive), lower interdependence of parts (what happens in one academic department is likely to have little effect on another), less control over "raw materials" (particularly in public institutions where student admission is nonselective), low accountability (because the administrative hierarchy and control system is less involved in directing goals activities), and less visible role performance (faculty usually carry out their professional teaching responsibilities unseen by either administrators or other professionals).

The differences between academic institutions and business firms are significant enough that systems of coordination and control effective in one of these types of organization might not have the same consequences in the other. In particular, it might be expected that colleges and businesses might require different approaches to leadership.

### The Problem of Leadership

Our common notions of leadership arise from the perception that the success of business organizations depends on the directives of hard-driving, knowledgeable, and decisive executives. There are those who also see colleges and universities as the long shadows of great leaders or who assert that "our future rests on the bold, decisive leadership of college and university presidents nationwide" (Fisher, 1984, p. 11). On the other hand, it has been said that "the view of the university as the shadow of a strong president is unrealistic now, however, if indeed it was ever accurate" (Walker, 1979, p. 118) and even that "the presidency is an illusion" (Cohen and March, 1974, p. 2).

How important are administrative leaders to college and university performance? Do presidents make a difference? Be-

cause of what we think we see in business organizations, and what experts say about leaders in higher education, questions such as these may appear foolish. Lists identify the 100 most effective presidents ("The 100 Most Effective . . .," 1986), and blue-ribbon panels argue that "strengthening presidential leadership is one of the most urgent concerns on the agenda of higher education" (Commission on Strengthening Presidential Leadership, 1984, p. 102). Leadership is treated as something identifiable, tangible, measurable, and efficacious. From the way we talk, it appears that we know what leadership is and how it should be practiced. Fine tuning may be required, of course, but the problems of higher education would presumably diminish if only leaders would be willing to exercise leadership—or if we would have the courage to replace them with others who would.

Calling for leadership is easy. But despite thousands of essays, research studies, and other scholarly and practical works, the fact remains that little is actually known about the phenomenon we refer to as "leadership." There is still no agreement on how leadership can be defined, measured, assessed, or linked to outcomes, and "no clear and unequivocal understanding exists as to what distinguishes leaders from nonleaders, and perhaps more important, what distinguishes effective leaders from ineffective leaders" (Bennis and Nanus, 1985, p. 4).

*Leadership Theories.* Most studies of leadership have taken place in business organizations, the military, and governmental agencies, with little attention given to higher education. The study of leadership is even more difficult in colleges and universities than in other settings because of the dual control systems, conflicts between professional and administrative authority, unclear goals, and the other unique properties of professional, normative organizations. In particular, the relationship between those identified as leaders and those whom they presume to lead is problematic. Some theoretical approaches assert that leadership can be understood only in the context of "followership." But in higher education, there is a strong resistance to leadership as it is generally understood in more traditional and hierarchical organizations; in particular, in most institutions it

may be more appropriate to think of faculty as constituents than as followers.

Five basic approaches to studying organizational leadership are found in the literature (for summaries, see, for example, Yukl, 1981; Bass, 1981; Hollander, 1985). They include *trait theories*, which identify specific characteristics that are believed to contribute to a person's ability to assume and successfully function in a leadership position; *power and influence theories*, which attempt to understand leadership in terms of the source and amount of power available to leaders and the manner in which leaders exercise influence over followers through either unilateral or reciprocal interactions with them; *behavioral theories*, which study leadership by examining activity patterns, managerial roles, and behavioral categories of leaders—that is, considering what it is that leaders actually do; *contingency theories*, which emphasize the importance of situational factors such as the nature of the task or the external environment in understanding effective leadership; and *symbolic and cultural theories*, which assume that leadership is a social attribution that permits people to cognitively connect outcomes to causes and thereby make sense of an equivocal, fluid, and complex world.

*Social Exchange Theory.* One orientation to leadership particularly suited to higher education is known as social exchange theory. The theory posits that there is a reciprocal relationship whereby leaders provide needed services to a group in exchange for the group's approval and compliance with the leader's demands. In essence, the group agrees to collectively reduce its own autonomy and to accept the authority of the leader in exchange for the rewards and benefits (social approval, financial benefits, competitive advantage) the leader can bring them. Leaders are as dependent on followers as followers are on leaders.

Leaders accumulate power through their offices and their own personalities to the extent that they produce the expected rewards and fairly distribute them and lose power to the extent that they do not. This suggests that effectiveness as a leader depends on either fulfilling the expectations of followers by being

a transactional leader or changing those expectations by being a transformational leader (Burns, 1978; Bennis and Nanus, 1985). The transactional leader meets the needs of followers and emphasizes means; the transformational leader emphasizes ends and taps the motivations of followers to lead them to new and better values in the support of intended change. Neither form, says Burns, should be confused with what commonly passes for leadership—"acts of oratory, manipulation, sheer self-advancement, brute coercion, . . . conspicuous position-taking without followers or follow through, posturing on various stages, . . . authoritarianism" (Burns, 1978, p. 427).

This caveat is important. It illuminates a common cognitive bias that leads us to base judgments about leaders on the extent to which they have characteristics that make them *look* like leaders. The old joke states the qualifications for college president as "white hair for that look of experience and hemorrhoids for that look of concern." As is true of many jokes, there is an important core of reality in this one that suggests that the effects of leadership may rely as much on our preconceptions and biases as on the observed outcomes that are clearly the consequences of leadership behavior.

*Leadership as Symbol.* Symbolic, cognitive, or cultural theories (see, for example, Deal and Kennedy, 1982; Cohen and March, 1974; Schein, 1985; Sergiovanni and Corbally, 1984; Weick, 1979) view organizations as systems of belief and perception in which reality is invented, not discovered. From this perspective, the role of leaders in business organizations is to "manage" the organizational culture. But the professional nature of colleges and universities may make the management of culture difficult if not impossible, and the role of leaders may therefore be more symbolic than real. Presidents may have relatively little influence over outcomes when compared with other forces that affect organizational functioning.

The possibility that leadership in its traditional sense may play only a minor role in the life of most colleges and universities most of the time is difficult to accept. We have developed highly romanticized, heroic views of leadership—what leaders

do, what they are able to accomplish, and the general effects they have on our lives. One of the principal elements in this romanticized conception is the view that leadership is a central organizational process and the premier force in the scheme of organizational events and activities. It amounts to what might be considered a faith in the potential if not in the actual efficacy of people identified as leaders (Meindl, Ehrlich, and Dukerich, 1985). Cognitive biases allow us to see the "evidence" of the effects of leadership even when it does not exist. For example, work groups that are arbitrarily told that they have been successful at a task are more likely to perceive that they have had good leadership than groups that have been arbitrarily told that they have failed (Staw, 1975). Extreme (good or bad) performance of an organization is likely to lead to a preference to use leadership as an explanation even in the absence of any supporting data (Meindl, Ehrlich, and Dukerich, 1985). And it has been proposed that merely focusing someone's attention on a potential cause (and who is more likely to be visible and thought of than the president?) will affect the extent to which it is perceived as the cause (Nisbett and Ross, 1980). Findings such as these suggest that administrative leadership may be in part a product of social attributions. By creating roles that we declare will provide leadership to an organization, we construct the attribution that organizational effects are due to leadership behavior (Pfeffer, 1977). This allows us to simplify and make sense of complex organizational processes that would otherwise be impossible to comprehend (Meindl, Ehrlich, and Dukerich, 1985). In some ways, it is perhaps as sensible to say that successful organizational events "cause" effective administrators as it is to say that effective administrators "cause" successful events.

In many situations, presidential leadership may not be real but rather may be a social attribution. This can happen because of the tendency of campus constituents to assign to a president the responsibility for unusual institutional outcomes because the leader fills a role identified as that of leader, because presidents are very visible and prominent, because presidents spend a great deal of time doing leaderlike things (such as engaging in ceremonial and symbolic activities), and because we

all have the need to believe in the effectiveness of individual control. Leaders, then, are people believed by followers to have caused events. "Successful leaders," says Pfeffer (1977, p. 110), "are those who can separate themselves from organizational failures and associate themselves with organizational successes."

*Leadership and Environments.* Comparing traditional notions of leadership to those that come out of the symbolic or cognitive approach puts us in a rather difficult situation. Those who call for the strengthening of presidential leadership recognize the high quality of current presidents (Commission on Strengthening Presidential Leadership, 1984), and yet the best appear not to be good enough. The primary factors affecting leadership may be found not in the presidents themselves but rather in the constraints that exist in the environment within which administrators function. Good times seem to call forth strong leaders. The late nineteenth century is seen now as a time of giants who founded or expanded great institutions (although it might have been difficult in 1890 to predict exactly who these giants would appear to have been in 1990). Similarly, the early 1960s saw an extraordinary number of campus leaders who were skillful in directing new construction and burgeoning enrollments. But, as has been pointed out, administrators then had an easy job, and "by traditional standards, administrative effectiveness was almost universal. Enrollments were increasing, revenues were growing, innovations in the form of new and experimental programs were common. . . . Of course, the problem with traditional standards of administrator effectiveness is that criteria such as those listed above are largely a product of environmental forces and beyond administrative control" (Whetten and Cameron, 1985, p. 35).

Unfortunately, leadership appears in short supply in bad times, such as during eras of decline or of student unrest. In the late 1960s, for example, presidents faced with campus disruptions were criticized for not calling in the police as frequently as they were for calling them, and for calling them either too soon or too late. Presidents were castigated for ineffective leadership even though post hoc suggestions proposing how one president

could have succeeded were precisely the explanations given on another campus for why a president failed.

Presidential influence is constrained by many factors, and many aspects of institutional functioning do not appear to depend on who the president happens to be (Birnbaum, forthcoming c). But this does not mean that presidents are unimportant. Complex social organizations cannot function effectively over the long term without leaders to coordinate their activities, represent them to their various publics, and symbolize the embodiment of institutional purpose. Moreover, if these leaders are to avoid conspicuous failure, they must have a high level of technical competence, an understanding of the nature of higher education in general and the culture of the individual institution in particular, and skills required to effectively interact with external constituencies. These are uncommon traits, but the processes of presidential selection function in a manner that makes it likely that successful candidates by and large will usually possess them (Birnbaum, forthcoming b). There may be little relationship between institutional functioning and presidential actions, but this does not necessarily mean that presidents are too weak; it could equally well be used to argue that presidents in general are quite good but that they are generally homogeneous in their effectiveness. This may in part be because the training and socialization of a new president are likely to be similar to those of the predecessor president, as well as to those of other persons who could plausibly have been considered for that specific vacancy. In general, most presidents do the right things, and do them right, most of the time; they properly fulfill the requirements of their roles even if they are unlikely to leave a distinctive mark on their institution.

#### The Nature of Academic Organization—A Summary

Because most institutions of higher education lack a clear and unambiguous mission whose achievement can be assessed through agreed upon quantifiable measures such as "profits," the processes, structures, and systems for accountability commonly used in business firms are not always sensible for them.

Many college and university managers do not exercise primary control over the curriculum, faculty recruitment or promotion, or the methods of teaching, major processes of production that in business firms would be fundamental managerial prerogatives. Issues of governance are clouded at least in part because "there is no center of authority analogous to the owners of the corporation, to the cabinet member, governor or mayor" (Corson, 1979, p. 7). The authority of various constituencies to participate in or make decisions is often unclear and frequently contested.

Although it is tempting to consider a college or university, in view of its corporate existence, as being comparable in many ways to a business corporation, the differences between the two are striking. In addition to matters already discussed, it has been noted (Kerr and Gade, 1986) that business firms, unlike institutions of higher education, have no tenured faculty members, face no criticisms from employees shielded by the principles of academic freedom, and have no alumni. The boards of business firms are likely to include large numbers of corporate officers and to be controlled by the corporate administration. The business firm can make and remake decisions constantly without the need for full consultation. In short, as Baldrige, Curtis, Ecker, and Riley (1978, p. 9) have put it, "the organizational characteristics of academic institutions are so different from other institutions that traditional management theories do not apply to them. Their goals are more ambiguous and diverse. They serve clients instead of processing materials. Their key employees are highly professionalized. They have unclear technologies based more on professional skills than on standard operating procedures. They have 'fluid participation' with amateur decision makers who wander in and out of the decision process. As a result, traditional management theories cannot be applied to educational institutions without carefully considering whether they will work well in that unique academic setting."

Common ideas about the efficacy of strong and decisive leadership may have some validity in business firms that are hierarchical and goal directed and in which subordinates expect

to receive directives from superiors. But leaders in higher education are subject to internal and external constraints that limit their effectiveness and may make their roles highly symbolic rather than instrumental.

If traditional management theories are not applicable in higher education—at least in many institutions much of the time—people interested in exercising constructive influence on colleges and universities need other conceptual orientations to guide their interpretations and behaviors. A number of such orientations are presented in the models discussed in the second section of this book. These models will be easier to understand if first we can determine how colleges and universities operate as systems and how people come to act sensibly within them. In the next two chapters, we will look at these two questions using Huxley College, a fictitious institution, as a case in point.