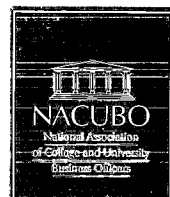
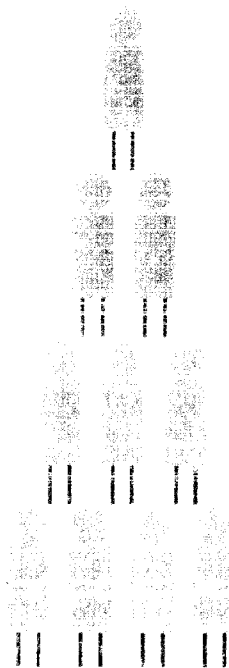
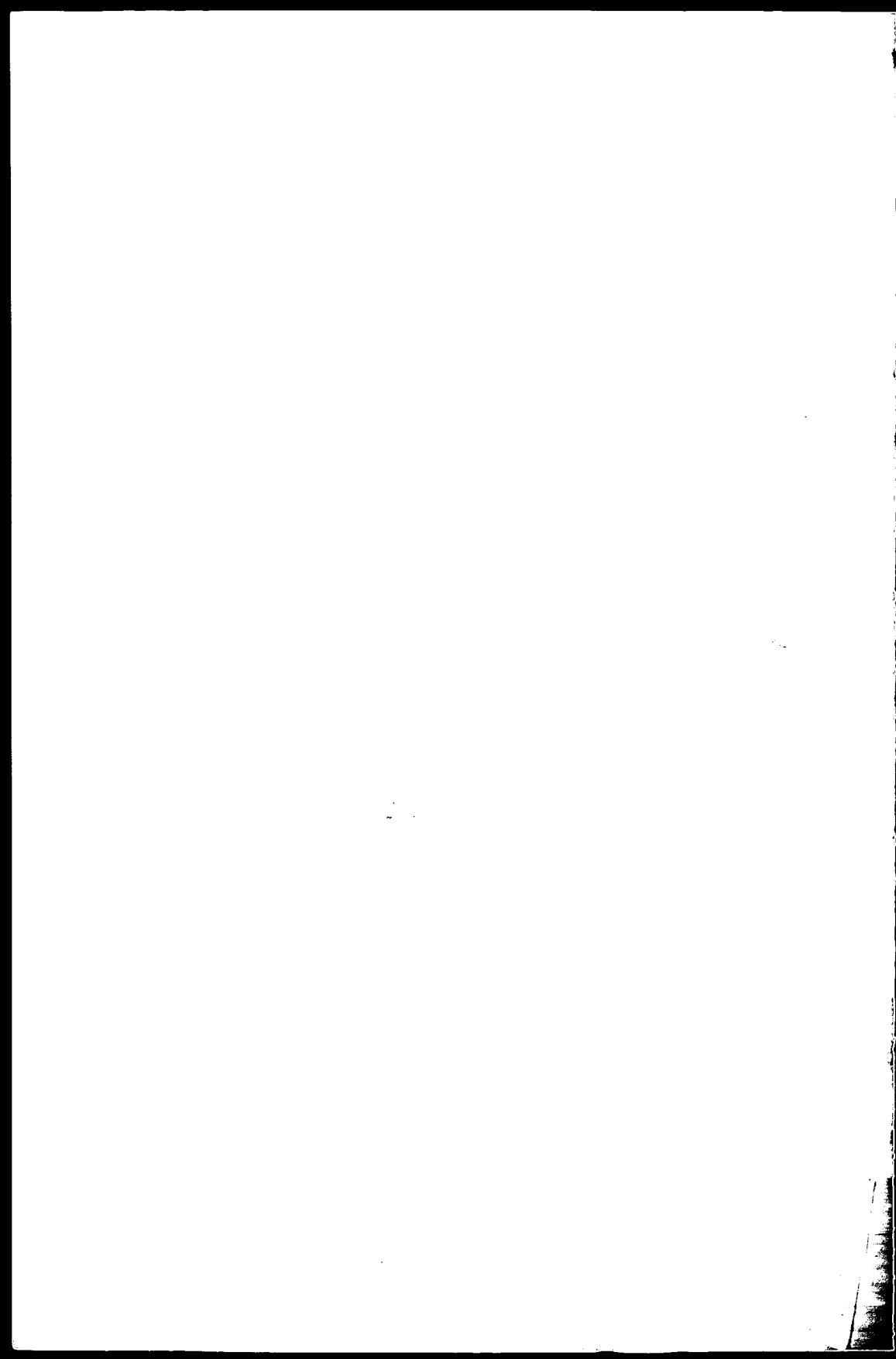


THE EXTRAORDINARY HIGHER EDUCATION LEADER

by Jay Morley and Doug Eadie



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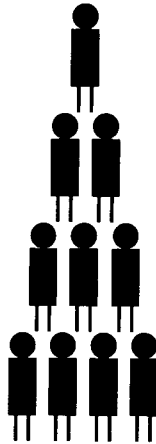
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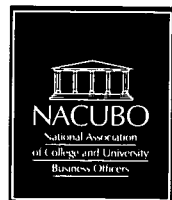
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by Jay Morley and Doug Eadie

Jay Morley

Doug Eadie





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FOREWORD

The National Association of College and University Business Officers (NACUBO) envisions itself as “the leading higher education association providing administrative, business, and financial products and services to colleges, universities, and allied entities.” Within this overarching vision for the future, NACUBO has also committed itself to be the “leading source of education, training, and professional development to college and university professionals on business, finance, and administrative issues.” *The Extraordinary Higher Education Leader*, generously supported by the Follett Higher Education Group Fund for Financial Management, is a concrete and very significant expression of NACUBO’s vision—serving the interests of higher education executive management and administration generally, while also contributing to the professional development of the executives and senior managers NACUBO serves.

Jay Morley and Doug Eadie have written a book for higher education executives and senior managers who share NACUBO’s commitment to top-quality institutional management and who aspire to take their leadership to the next—extraordinary—level. *The Extraordinary Higher Education Leader* is not a technical primer dealing with the traditional technical functions involved in managing institutional business offices. Rather, you can think of Jay’s and Doug’s book as a “postgraduate” resource that deals with questions outside of the traditional business office boundaries. Three aspects of *The Extraordinary Higher Education Leader* make it a splendid resource for executives in higher education management.

- It ventures beyond the well-traveled business management terrain into the less familiar territory of executive management, focusing on how higher education leaders—as institutional executives—can play a leading role in institutional development.
- Jay's and Doug's book provides executives in higher education with practical, hands-on guidance—based on years of executive management and consulting experience—that can be put into practice immediately in their institutions.
- The book is easily accessible—indeed, a fun read: concise, plain-spoken, and unpretentious.

I wholeheartedly recommend *The Extraordinary Higher Education Leader* to you as a powerful resource for developing your career in higher education executive management; you will surely want to keep it close at hand and consult it frequently on your professional development journey.

A.C. "Bert" Hartley
Vice President, Administrative Services
University of South Florida
Chair, NACUBO Board of Directors

ACKNOWLEDGMENTS

The board members, CEOs, and executives whom we have worked with over the past quarter-century in a variety of institutional settings are in a very real sense co-authors—along with the two of us—of *The Extraordinary Higher Education Leader*. As colleagues, they have inspired and challenged us, and have provided us with numerous examples of extraordinary leadership at work. They have been the teachers of the lessons that we share in this book.

We deeply appreciate the support we have received from the Board of the National Association of College and University Business Officers, which one of us serves as CEO and the other as consultant. We are especially indebted to Bert Hartley and Craig Bazzani, the NACUBO Board's chair and chair-elect respectively. Under their leadership, the NACUBO Board has both significantly strengthened its governance and overseen a wide-ranging innovation process involving the five associations making up the Association of College and University Business Officers "family." This book draws heavily on these path-breaking initiatives.

We are grateful to the higher education leaders who devoted precious, all-too-scarce time to reviewing the manuscript of this book and sharing their recommendations for improvement: Rufus Glasper of the Maricopa Community College District; Fred Rogers of Student Advantage, and formerly of Cornell University; and Robin Yeager and Maureen Updike of Cornell University. Their input helped to make this a better book, as did the strong support and valuable counsel we received during preparation of the manuscript from Donna Klinger, NACUBO's director of publications, and Jane Seybold, editor of the manuscript.

Finally, as always, we are indebted to our wives, Elizabeth Morley and Barbara Krai, whose understanding, encouragement, and advice inspired us to more creative effort while making the arduous task of writing a book while meeting our normal professional demands more bearable. Of course, we alone are accountable for any shortcomings this book might possess.

Jay Morley and Doug Eadie
May 2001

PREFACE

MOVING TO THE EXTRAORDINARY LEVEL

The Extraordinary Higher Education Leader is not a book about how to do better what you are already doing as a leader in administrative and business affairs; it has little, if anything, to do with honing the technical, financial, and administrative skills that you have acquired on the way up the ladder and have made you a capable manager of administrative and business affairs. Rather, this is a book about *extraordinary*—not just capable—administrative and business leadership. It assumes that you

- Have already “made it” as an administrative manager, meaning that you have mastered the technical functions of the administrative and business affairs organization in your institution and the various units that make up your organization are functioning effectively and efficiently.
- Aspire to move well beyond where you are now professionally, primarily in terms of significantly expanding the institutional impact of your work as an administrative and business affairs leader, but perhaps also in terms of your long-term career development. Indeed, many of you will surely see becoming a chief executive officer as a sensible professional goal.
- Thrive on challenge and growth, possessing the tremendous energy and courage necessary to grow and change in important ways.

The Extraordinary Higher Education Leader is intended to provide you with practical, detailed guidance in acquiring the knowledge and skills (and perhaps in unlearning certain skills that helped get you where you are) that will take your leadership to the next—extraordinary—level. Two case studies are detailed at pertinent places throughout the book to illustrate our guidance: the ACUBO 20/20 Initiative and the Cornell University Student Communication and Mailing Project (SCAMP). The ACUBO 20/20 Initiative has proved to be a powerful vehicle for innovation and collaboration among the National Association of College and University Business Officers and the four regional Associations of College and University Business Officers. The SCAMP project overhauled the process of communicating with and registering newly admitted freshmen at Cornell. The case studies are presented in Chapter 3, and examples appear throughout the text.

Of course, whether growing and changing are worth the cost and effort depends on the ends being served; change for change's sake is never justifiable. There are three very important reasons for you to tackle the challenge of becoming an extraordinary higher education leader:

- First, your institution needs your extraordinary leadership in these constantly changing, always challenging and frequently threatening times in which we live and work. As an extraordinary administrative/business leader, you can make a powerful contribution to building your institution's capacity to survive and thrive in a world of dizzying, often unpredictable change, in which yesterday's strengths can become today's weaknesses and today's challenges might not even have been imagined yesterday. As an extraordinary administrative/business leader, you take on a challenge that goes well beyond institutional administrative and business management, signing on to be one of your institution's preeminent organizational capacity builders.
- Second, you deserve to "become all that you can be" as a professional, realizing as fully as possible your potential as an institutional leader. Taking your leadership to the extraordinary level will not only benefit your institution, but also will enrich your professional life and provide you with the deep satisfaction that results from expanding your knowledge and skills in the interest of heightened impact on the world around you.
- Third, the people who interact with you in your institution—your board, CEO, cabinet colleagues, and direct report—will benefit from your professional growth. You will not only inspire and teach by example, but you will also play a leading role in designing structure and

process that will enable your colleagues to contribute more powerfully to institutional governance, leadership, and management, thereby enhancing institutional capacity.

CORE CONCEPTS

Five core concepts are at the heart of *The Extraordinary Higher Education Leader*. Covered in detail in the chapters that follow, these concepts are not based on abstract theory; rather, they draw on the lessons that we have learned during our several years as institutional senior executives and consultants. Our teachers have been the hundreds of chief executives, board members, and senior managers with whom we have worked over the past quarter-century.

1. *To become an extraordinary higher education leader, you must embrace and learn inside out a new profession, leadership, which transcends management and is, in large measure, an extension of the chief executive officer (CEO) role.* Becoming a successful leader requires that you embrace institutional development as a primary goal, that you pay close attention to inspiring and empowering the people around you, and that you add to your professional kit bag certain functions and skills that are typically not learned on the way up the institutional career ladder. Above all else, you will play a leading role in institutional capacity building, which will demand that you master organizational design and facilitation skills.
2. *You will very likely need to unlearn certain skills to function as an extraordinary higher education leader.* On the way up the institutional career ladder to the top rung in the administrative/business unit that you head, you very likely excelled at rapid problem solving, devising solutions faster than the people around you. Aggressively tackling problems is a critical career development tool—up to a certain point. When you enter the realm of leadership, however, the challenge will be to design and facilitate processes that enable the people around you to devise answers themselves. “Beating them to the punch,” thereby proving how much smarter or harder working you are, is a surefire way to fail at the leadership role. Successful leaders concentrate on bringing out the best in the people around them, instead of demonstrating their own virtuosity.

3. *Your becoming an extraordinary higher education leader depends on your developing your "total intelligence," which means that you must develop your "heart" or emotional intelligence as well as your "head" intelligence.* Head intelligence, involving rational thinking and logical problem solving, is the focus of traditional education; it is usually what we are talking about when we say someone is "smart." Without question, being intelligent in the traditional sense is a prerequisite for extraordinary administrative/business leadership, but if you do not develop your heart or emotional intelligence, you are unlikely to succeed for very long as an institutional leader. You must understand yourself, in the sense of the emotional dynamics that influence how you perceive and react to the people around you, if you hope to provide strong leadership over the long run. Developing your emotional intelligence will protect you from the all-too-common mental filters that distort reality and consequently hamper leadership.
4. *To become an extraordinary higher education leader, you must pay considerable attention to building and managing key relationships.* The highest skilled, most successful CEOs we have observed over the past quarter-century have, without exception, been consummate relationship managers. They have devoted substantial time and attention to identifying the key "stakeholders" inside and outside their institutions, to understanding the "quid pro quos" involved in building particular relationships, and to fashioning and executing detailed strategies for maintaining these key relationships. They have recognized that the stakes are too high to rely on charm, charisma, or low-level "schmoozing."
5. *Your success as an extraordinary higher education leader and the successful development of your career depend heavily on your acquiring a deep understanding of, and expertise in, two of the most critical institutional capacities: regular, systematic, large-scale innovation and change management and governance through a board of trustees that is creatively and proactively involved in leading.* Dramatic advances have been made recently in both of these critical areas, and you must become a real expert in both if you aspire to extraordinary administrative/business leadership. In the area of innovation and change management, old-time, long-range strategic planning, with its millions of words and mountains of paper, is giving way to a far more powerful innovation tool, "strategic change portfolio management." This well-tested model focuses selectively on particular strategic issues, and the "strategic change initiatives" that are fashioned to address the issues

are housed in the portfolio, which is managed separately from day-to-day institutional operations. On the governance front, a new model of board leadership has emerged and has been successfully tested in a wide variety of nonprofit and public organizations. It places the board in a leading role in making truly strategic and policy-level decisions, rather than merely serving as a passive audience for—and reacting to—completed staff work.

GO FOR IT!

Having gone this far in your career, you have already demonstrated that you have what it takes to be an extraordinary higher education leader. Nothing can stop you from moving to the next natural plateau in your professional development, so long as you are willing to master certain key skills and become expert in certain critical executive management functions. If you make the decision to move forward in your professional development, you should find the chapters that follow helpful in making your professional journey smoother and more productive.

CHAPTER 1

PREPARING YOURSELF TO LEAD

FROM MANAGEMENT TO LEADERSHIP

One of our most important aims in writing this book is to provide you with practical, hands-on guidance—based on years of real-life experience—in making the tremendously important professional transition from institutional senior manager to institutional leader. Our aim is obviously based on a critical assumption: that management and leadership are significantly different in terms of both the content of the work and the skills required. We see this important transition from senior manager to leader as serving not only your professional and career development aspirations, but also the interests of your institution, which needs particularly strong leadership in these challenging times. We understand that you may have already traveled a good distance in the journey from senior manager to leader, and, if so, our intention is to help smooth your way and accelerate your pace. If leadership is a relatively new concern to you or you have traveled only a short way, then this book should get you off to a good start in this next phase of your professional development journey.

Chapter One focuses on preparing yourself to be a leader in your institution. We begin with a brief discussion of the differences between management and leadership, after which we explain why these tumultuous times demand strong leadership as well as sound management. We then generally describe the nature of leadership and the characteristics of effective leaders, after which we discuss four critical skills that you must develop to function as an effective leader: design, facilitation, stakeholder

relations, and public presentation. Chapter One then describes how and why developing and employing what we call your “total intelligence” is a critical part of leading. After discussing the importance of unlearning certain skills and traits, we conclude with some very practical advice on keeping current your leadership knowledge base.

MANAGEMENT: THE FOUNDATION, NOT THE CAPSTONE

As the head of—or a senior manager in—your institution’s administrative and business services operation, you are undoubtedly a highly accomplished manager. Indeed, your managerial skills have taken you a long way in your career journey, laying a solid foundation for your move to the next professional plateau: institutional leader. At this point in your career you have most likely seen very few institutional leaders who have not mastered the extraordinarily important group of competencies that make up the field of management. As a senior manager and perhaps institutional executive, you, like these institutional leaders, have become an expert at such key management skills as

- Setting detailed, measurable goals and performance targets for yourself and the units making up your administrative/business services operation;
- Developing the detailed plans that enable you and the units reporting to you to achieve these goals and meet these targets;
- Supervising your unit heads and monitoring their performance;
- Evaluating operational and individual effectiveness;
- Managing complex projects; and
- Keeping yourself technically up to date in the disciplines that comprise your field—financial planning, accounting, computer-based management information systems, and the like.

Management is all about the application of technical knowledge and skills within well-established institutional boundaries. It is focused on operational discipline and control within the walls of the institutional “box,” rather than significantly pushing out the boundaries or fundamentally redesigning what goes on within the walls. Effective managers make sure that their organizations function effectively, that they achieve their goals, and that they operate efficiently, keeping unit costs in line and staying within

budgeted limits. Without sound management, your institution could not survive long, much less flourish, but managerial expertise alone cannot ensure long-term institutional success.

There is a parallel to this in your personal career: without becoming an accomplished manager, you cannot hold on to your current position, but managerial competence alone will not suffice professionally as you move up the institutional career ladder. Management is, in other words, your professional foundation, but moving beyond management to *leadership* will be your professional capstone.

DEMANDING TIMES

As you well know, these are uniquely challenging times. Of course, humans have been coping with change since the dawn of human history, but rarely has large-scale change been so constant, so big, so complex, so fast-paced. Higher education is contending with its fair share of change challenges these days: breathtaking advances in technologies related to both institutional management and the educational process itself; growing competition from nontraditional educational "providers" who are able to move on a dime, free of cumbersome bureaucratic and governance structures; the widespread and apparently growing distrust of traditional institutions; and student consumers who expect to be treated like customers rather than as members of a captive audience, to name some of the more significant ones. In these constantly changing, always challenging, and frequently threatening times, the race will be won by the most creative, innovative, nimble, and flexible institutions that are able to lead their own change, turning challenges into opportunities, while also preserving their core values and sacred traditions. In other words, the winners will be those institutions that are well led, not just well managed.

Concentrating on managing what is—staying the course and focusing on operational effectiveness and efficiency within well-defined institutional boundaries—might suffice in more placid times, but is a recipe for disaster in these turbulent times. Thus it follows naturally that your career advancement depends on your becoming an accomplished leader as well as a capable manager. The higher you go professionally and the closer you come to your institution's executive team and its chief executive officer (CEO)—typically the president or chancellor—the more your success (and your institution's) depends on your mastering the art of leadership, becoming what we call an extraordinary administrative/business officer. If you are already

an executive team member in your institution, reporting directly to the CEO, then playing your team role effectively while realizing your full potential professionally will depend on your continuously strengthening your leadership skills. This brings us to the questions: Who are leaders, and what work is involved in leadership?

THE NATURE OF LEADERSHIP

Leadership is not a well-defined, fully developed field or discipline, but it has long been a popular subject in the fields of history, political science, management, and even psychology: witness the hundreds of books published on the subject over the past quarter-century. Far more art than science and defying neat definition, leadership—and the leaders who practice it—has been defined in various ways: in terms of the impacts that leaders produce; the practices that successful leaders employ; the psychological makeup, attributes, and skills of effective leaders; the nature of the relationship between leaders and followers; and the environmental conditions that give rise to certain kinds of leadership. Although heroic leaders who have made gigantic contributions in business and politics, such as Bill Gates, Jack Welch, Abraham Lincoln, Franklin Roosevelt, and Winston Churchill, have captured the lion's share of academic and popular attention over the years, leadership need not be the exclusive preserve of the few who are extraordinarily blessed with leadership traits. Some leaders may be born, but many more are made, and all outstanding ones consciously practice their art. There is wide agreement that leadership consists of attitudes and traits that can be developed as well as skills, practices, and processes that can be learned. Anyone who is already a capable manager can become a better leader through study and practice, practice, practice.

Our experience and research have led us to the following conclusions about the "business" of leadership and the leaders who practice it:

Leadership is at the heart of CEO-ship and executive management.

Even though your institution can benefit from stronger leadership at any organizational level, including in the classroom and even at the receptionist's desk, the skills and practices of leadership are especially important at the chief executive or executive management level of an institution. This is where the demands for strong leadership are most pressing, the institutional stakes are highest, and the opportunity for powerful impact is greatest. At the executive level, where institutional

presidents, vice presidents, and deans do their work, leadership is a survive-and-thrive tool, both for the institutions and the executives who have tied their careers to them. Widespread and deep institutional malaise, constant crises, and long-term decline in enrollment and revenues are familiar symptoms of inadequate institutional leadership. And professional graveyards are populated by former chief executives and executive managers who failed to become strong enough leaders fast enough. Failure at the top, in our experience, is almost always the result of inadequate leadership and is rarely due to inadequate technical knowledge or skills. Or, to put it another way, highly accomplished managers can easily fail when strong leadership is what is required.

Leadership is preeminently about strategic matters.

Strong leaders at the executive level in these uniquely challenging times devote significant time and attention to shaping and carrying out their institution's strategic agenda: to fashioning a clear institutional identity and setting long-term institutional directions. Institutional leaders are passionately interested in answering two strategic questions: What is our place in the galaxy of higher education institutions? Where are we headed as an institution? Therefore leaders are "boundary expanders" going well beyond merely managing and controlling current operations. They focus on such strategic "products" as institutional values and vision for the future, the institutional mission, and major investments in institutional innovation and growth.

Effective leaders care about creative capacity.

Creativity—which is essentially the capacity to generate possibilities for innovation in response to challenges from inside or outside the organization—supplies the raw material of the strategic planning process. The more creativity that is at work in the process of fashioning innovation and change initiatives, the higher the positive impact of the innovations is likely to be. Therefore strong leaders pay close attention to developing their own and their institution's creative capacity, through education, training, on-the-job experience, and the design of institutional planning and management processes (such as strategic planning) that promote participants' growth in creative capacity.

Leaders are passionate about "bottom-line" results.

Dreaming big dreams and writing or speaking strategic language are not enough for true leaders, who care passionately about action and results. The acid test of their leadership is not the publication of a beautifully crafted strategic plan, but rather the implementation of the

targets and strategies described in the plan. Leadership is therefore about hitting ambitious targets, not just shooting high. This means that leaders, far from being just "big picture" people, pay close attention to implementation, through the careful design of implementation structure and process, the allocation of resources to innovation initiatives, and communication aimed at overcoming the natural human resistance to change.

Leaders are capacity builders.

Because effective leaders are action focused, they devote serious time and attention to building the institutional capacities that are essential to developing and implementing the institution's strategic agenda: its values, vision, mission, and innovation or change targets. Three critical institutional capacities loom largest in this regard: motivated and empowered people; a well-designed planning process capable of generating the innovation that a rapidly changing world demands; and a board of trustees or directors that is capable of producing high-impact governance. Effective leaders therefore take the trouble to acquire in-depth knowledge in these three areas, familiarizing themselves with the literature, and keeping abreast of changing techniques and practices.

Leadership is about human relations.

Leaders lead people, not just institutions in the abstract. Furthermore, strong leaders recognize that long-term institutional success depends not only on well-crafted plans and well-designed systems and processes, but also—and equally important—on motivated, committed, and empowered people. Effective leaders understand and accept the key role they must play in inspiring, motivating, and empowering the people in their institutions, through such means as setting people's sights on the broad directions and fundamental purposes that give meaning to their day-to-day efforts; communicating in ways that capture the imagination and strike deep common chords among people; behaving in accordance with articulated values and never contradicting them in practice (what we popularly call "character"); ensuring that systems and processes are designed to foster meaningful participation and produce the satisfaction that comes from making a serious contribution, and developing the capacity of people to contribute through education and training.

Leaders look outward.

Effective leaders pay close attention to the dynamic interaction between their institutions and the wider world, seeking an equilibrium that enables their institutions to capitalize on opportunities to realize

their vision more fully and to counter threats from the environment. This external role is carried out indirectly, through overseeing the design and implementation of a planning process that reliably collects and analyzes intelligence on environmental conditions and trends and factors this analysis into planning decisions (such as investment in particular innovation targets). More directly, institutional leaders, most notably the chief executive, interact with key stakeholders in the environment, such as the media, alumni, foundations, government agencies, and the surrounding community, to name just a few. Playing this external role effectively involves both choosing the highest priority stakeholders at any particular time and learning to communicate effectively with particular stakeholders.

Leaders develop and employ their “total intelligence” in leading.

Being intelligent in the conventional sense—being able to acquire knowledge, to analyze and assess information, to reason, to make rational decisions, to logically solve problems—is quite important in leadership, but it will, alone, get you only so far. Strong leaders bring a more fully developed “total intelligence” to their work. Not only are they smart in the usual way—what we call “head” intelligence—but they are also able to put their emotional or “heart” intelligence to work in leading. Emotionally intelligent leaders develop this fuller intelligence by becoming more self-conscious and insightful. They are committed to taking the time and enduring occasionally excruciating anxiety in order to know themselves deeply, not just on the surface. They are willing to go far enough into their own minds to understand emotions that may be hidden from their conscious thought, recognizing that these influence their behavior. They search for valuable attributes of their selves that have been lost to consciousness and hence left undeveloped, so as to reduce the mental distortions and irrational behavior that hidden emotions can produce.

Strong leaders are courageous.

Providing strong leadership requires a large measure of courage for many reasons. Perhaps foremost is that most leaders are made, not born, which means that they must be brave enough to grow and change, both psychologically and professionally. We have encountered very few people who truly love changing in important ways, and so courage is an indispensable ally for the developing leader. Courage is also required to demonstrate strong character by “walking the talk”—behaving in ways that reinforce adherence to core institutional values and resisting pressures to violate one or more of these values in practice.

We have looked at the nature of leadership and characteristics of effective leaders. We will now examine, in some detail, four important skills that you must develop to be an effective leader: organizational design, facilitation, stakeholder relations, and public presentation.

ORGANIZATIONAL DESIGN

Organizational design may sound like a technical function, but it is actually one of the most powerful leadership tools you must have in your professional kit bag, assuming that you apply it to truly high-stakes matters deserving the attention of your institution's leaders. Through the design process, leaders make sure that an institution is made up of the right "moving parts" and that the parts work effectively together in achieving institutional goals and targets. Key institutional functions, such as curriculum development, strategic and operational planning, financial planning and management, marketing, student registration, facilities, and human resource management must be divided rationally into organizational units. The design process provides a means for leaders to ensure that systems and processes capable of coordinating, integrating, and facilitating these functions—in the interest of overall institutional performance—are put in place.

Conscious, systematic design is the only sure way to break the hold of outdated, inherited structures and practices that have become impediments to institutional success. It is therefore a powerful kind of institutional self-determination. As you venture into design territory, however, keep in mind that that "carry forward" of institutional structures and practices is still a widely practiced approach for two simple reasons. First is what we call the "the train's running down the track" syndrome, which is popular with overworked and often frenetic, type A personalities who always resist standing still long enough to engage in serious design. The second reason is the psychological ownership of certain ways of doing things, which comes from successful participation that is ego reinforcing. If you open a function such as strategic planning to redesign, you are very likely to encounter intense resistance from people who fear—consciously or not—that significant change will jeopardize their position and perhaps expose them to failure.

Now, presidents and other leaders obviously do not have the time to examine every aspect of institutional design, nor do they need to. The design of colleges and universities is the product of centuries of accumulated wisdom based on real-life experience, and we can safely assume that

much of the existing design should endure, with only minor adjustments. Your challenge as a leader is to identify the design issues that are strategically most important, in light of the dynamics of a changing world and the institutional stakes involved, and where, as a consequence, input at the highest level makes the most sense. For example, in a world of constant, often dizzying change that demands continuous, rapid innovation, chief executives and executive team members should pay close attention to the design of strategic planning (see Chapter 3 for a detailed look at this subject). And, in light of the importance that a close and productive board–chief executive partnership has to institutional stability and long-term performance, any chief executive in his or her right mind would want to have a hand in designing the board leadership structure and process.

Successful organizational design at the highest—leadership—level is heavily dependent on three types of knowledge: (1) of the forces at work in the world in and around your institution that challenge the institutional design elements currently in place; (2) of the most recent thinking, based on research and application, that is pertinent to the function or process under consideration; and (3) of human psychology. Taking strategic planning as an example, environmental challenges clearly demand a process that is capable of generating innovation in a timely fashion aimed at capitalizing on environmental opportunities and countering threatening developments. Traditional long-range planning tied to arbitrary and largely meaningless periods of time, such as three, five, or ten years, is obviously inadequate in a rapidly changing world. A savvy leader will, as part of the design process, examine other approaches that are more likely to work in a turbulent world, such as the strategic change portfolio described in Chapter 3.

Leaders who are effective designers also always keep basic psychological principles in mind. For example, leaders recognize that people's commitment to a process depends on how much ownership they feel and, furthermore, that feelings of ownership tend to come from active participation in generating outcomes, rather than passively reviewing and reacting to outcomes that others have produced. Therefore, in designing a strategic planning process, a savvy leader will ensure that people are involved in ways that foster and strengthen feelings of ownership, such as including as many people as possible in identifying issues and employing task forces to generate strategies.

Three key technical elements are involved in designing any institutional entity or process: identifying the desired outcomes; determining the steps that must be taken to produce the outcomes; and specifying the structure required to go through the steps. Let's take as a practical example the

design of the annual two-day strategic planning retreat that you hold with your senior managers. You have held one every year for the eight years that you have headed your department, but you always revisit the design to ensure that the event produces the "maximum bang for the buck." This year, you have appointed a small task force to update the retreat design.

The first step for the task force is to specify the outcomes that the event is intended to produce. There are two kinds of outcomes that any event or process can generate: direct, substantive outcomes and less direct, process- and relationship-building spin-offs. Where the retreat is concerned, for example, an important, direct, substantive outcome would be the identification of the most critical issues facing the department or the development of initiatives to address the issues. Issues and initiatives are clearly substantive outcomes; not only are they important, they can be written down, held, even weighed. The retreat can also produce very important but less tangible outcomes that have to do with feelings, such as ownership, commitment, enthusiasm, excitement, renewed energy, and the like. These feelings are essentially by-products of the process of generating the substantive outcomes, and they can be as, if not more, important as the more direct products.

Both substantive and less tangible outcomes—the what—are produced by taking certain steps and playing certain roles—the how. Continuing the retreat example, let's say that the task force responsible for designing the retreat has determined that an updated mission statement for your department should be one of the most important substantive outcomes. Since the task force has also determined that building feelings of ownership and enthusiasm are critical indirect outcomes of the retreat, it will want to design a process for updating the mission statement during the event, which will also generate feelings of ownership. Therefore, instead of recommending that you merely present your version of the updated mission statement at the retreat and invite participants to react, the task force proposes that a breakout group in the retreat brainstorm the elements of a mission statement for discussion and refinement by the whole group. Involving participants in generating the mission statement will be far more likely to breed feelings of ownership than having the group provide feedback on your first cut of the mission. In addition, such involvement is likely to provide you with insights about critical views of participants and will help identify potential allies and blockers where mission implementation is concerned.

With regard to retreat structure, the task force must deal with such questions as setting, dress, rules to guide deliberations, facilitation, and follow-through. For example, the task force might recommend that the event be

held in a comfortable, off-site location with recreational facilities, that dress be weekend casual, and that the services of a professional facilitator be procured. The retreat design might also include the rule that no formal consensus or final decisions be made, instead that the focus be on generating as much information as possible via breakout groups. The task force might be responsible for following up by analyzing the information generated during the retreat and recommending specific follow-through actions to the participants at a subsequent session. On numerous occasions, we have both seen this methodical approach to retreat design result in a highly productive and satisfying experience for participants.

FACILITATION

Facilitation is both a technical function and a style of leading. There are times that call for the heroic leadership style: for example, when institutional confidence is at low ebb and fear and distrust prevail; when crises threaten to overwhelm the organization, putting its very existence in jeopardy; and when the pace of change becomes demoralizing and even paralyzing. These are the times that call for the heroic commander-in-chief who is visibly at the institutional helm, unambiguously in charge of affairs: making the big decisions, issuing clear commands without unseemly agonizing, and employing inspirational rhetoric and theatrical flourishes to restore confidence and trust. Older Americans remember vividly how heartening it was in the midst of the Great Depression to hear President Franklin Roosevelt's rich baritone voice during the radio fireside chats—so confident, so personal, so parental, like a loving father taking the trouble to explain complex events in listeners' terms—assuring them that Americans had nothing to fear but that old bugaboo itself: fear.

Visible optimism, dramatic action, verbal eloquence—the stuff of heroic leadership—really do matter in times of crisis. There are times when we truly need to know that someone is in command and that the buck really stops somewhere, and if we can have broad shoulders, a deep voice, and even a white horse, so much the better. However, in real life, day after day there are very rarely crises of such magnitude that we must call on a heroic leader. In this regard, the preoccupation with heroic leadership in the literature is harmful because it can discourage the development of leadership skills by suggesting that if you lack the natural endowments of a heroic leader—the broad shoulders, rich baritone voice, a well-honed theatrical sense—you are unlikely to become a leader. Most of the time over the long run, leader-

ship of your institution calls for a more subtle skill: facilitation, which involves leading less directly and often from the rear or sidelines.

Facilitation basically involves helping people to participate in a process successfully—so that the process produces its intended results, both in terms of institutional benefits (for example, generating a list of strategic issues) and the effects on the participants themselves (for example, their becoming energized or feeling like owners). Therefore the design and facilitation functions go hand in hand. Through the design of a function, system, or organizational unit, we determine the outcomes it is intended to produce, the steps that must be taken to produce them, and the roles and responsibilities involved in taking the required steps. Without clear outcomes and a well-defined process, we would be unable to measure the effectiveness of facilitation. Facilitation is a tremendously important leadership tool for three major reasons.

First, facilitation is one of the most effective means for taking advantage of people's experience, wisdom, and knowledge in generating important institutional outcomes, such as fashioning innovation initiatives to address critical issues. More often than not in today's complex, rapidly changing world, in our experience, no one person, no matter how intellectually keen and knowledgeable, can be depended on to come up with "right" answers every time, all the time. Institutions benefit from diverse perspectives, experience, knowledge, and expertise, and facilitation is a powerful tool for ensuring this input.

Second, by facilitating people in doing important work—helping them come up with their own ideas and discover their own answers—rather than merely revealing the truth to them or, worse, commanding them to accept your viewpoint, you can build feelings of ownership and commitment. Even when you truly do have the "right" answer—and there will be occasions when you do—taking the time to design a process through which people—with your facilitation—can discover the answer you already know may be worth their time and yours, assuming that their deeper understanding and their feelings of satisfaction, ownership, and, ultimately, commitment are critical aims. You might be asking at this point, "Isn't this just manipulation"? Our answer is strictly speaking, yes, but we consider it justifiable manipulation in light of the desired results, and, furthermore, no malevolent intent is involved. Indeed, facilitating people through the discovery process is at the heart of the educational process.

Third, in the process of facilitating, you can critically observe board and staff members in action, as a way of determining their capacity to perform and contribute under similar situations in the future.

Well-designed and facilitated board–chief executive–executive staff retreats (sometimes known as “advances”) are a good example of this facilitated discovery process at its best. Breakout groups are often used in retreats to foster intimacy and active discussion; they are especially valuable to ensure all voices and opinions are heard. For example, at its January 2001 “advance,” the board, chief executive, and senior managers of the National Association of College and University Business Officers (NACUBO), along with the leaders of the four regional “ACUBO” associations, participated in breakout groups designed to generate information on various facets of board leadership, such as the ideal board composition, desired board member attributes and qualifications, the decisions and products deserving high-level board attention in governance areas such as planning and operational oversight, and the characteristics of a sound board–chief executive working partnership. To be sure, it would have been easier, more direct, and less time-consuming for the consultant who was facilitating the advance merely to present a “teachy-preachy” on governance, setting forth best practice in these various facets of governance and facilitating some discussion. But as any top-notch teacher knows, the result would have been less understanding, less satisfaction, and less ownership: a high price to pay for efficiency, in our opinion.

Let’s take another real-life example of the leader as facilitator rather than the leader as expert or boss—disguised, of course, to protect the innocent. Martha Robbins is vice president for administrative services at Metropolitan Community College, in this capacity overseeing the financial management, facility management, budget management, internal audit, student registration, and auxiliary services functions. Martha is chief staff officer to the board of directors’ brand-new operational oversight committee, whose responsibilities include monitoring institutional expenditures on a monthly basis. The committee’s first meeting will be held in three weeks, and Martha has been thinking about new ways to summarize and display financial information to help the committee carry out fully its monitoring responsibility. Her original plan was simply to present the recommended financial reporting enhancements to the committee for review and discussion at this first meeting. On reflection, however, she realizes that this traditional approach would put the committee in a passive review/react mode that would be highly unlikely to generate strong feelings of ownership among committee members, hence sacrificing a significant opportunity to build the committee’s commitment to its new mission.

Martha’s creative solution is to design and facilitate a process for involving committee members in developing their own financial monitoring

role, including having a say in determining the content and format of the monthly financial reports that they regularly review. This process involves three major steps:

- At their kick-off meeting, committee members will (1) engage in a brainstorming exercise intended to identify the critical features of an effective committee financial monitoring process, including ideas about the content and format of financial reports to the committee; (2) review the current reports being sent to the board; and (3) pinpoint where improvements need to be made.
- At a subsequent committee meeting, based on the work done at the initial session, Martha will present a recommended report format and review process—for committee review and discussion.
- On the basis of input at the second meeting, Martha will develop a revised financial monitoring process for committee adoption at a third meeting.

Could Martha have designed a technically solid financial reporting process for the operational oversight committee without going through the foregoing process? Of course she could have, but she would have sacrificed the benefit of the committee's best thinking about its role and, equally important, the feelings of ownership and commitment to its financial monitoring role that come from creative participation in developing it.

Although the facilitation function is relatively simple in concept, it can be quite difficult to apply in practice. In fact, we have seen few chief executives who do it really well, not, so far as we can tell, because they could not learn to become capable facilitators, but because it goes against the grain. It just does not feel right. The very traits that helped these chief executives rise to the executive ranks and eventually to the top spots in their respective institutions militate against their becoming effective facilitators: virtuoso problem solving, aggressiveness, decisiveness, and control. We are not saying that these are not valuable traits in leading. They certainly are, but good facilitation requires that an executive be willing to back off from a "type A" style that might work well in other situations and be willing to adopt a style that is compatible with the facilitator role. Being an effective facilitator means

- Truly believing in the importance of serious participation, not just mouthing the right words. One of us worked with an institutional chief executive years ago who was capable of becoming teary-eyed in an instant when talking about the virtues of participatory management;

just the thought of an afternoon spent with colleagues around the conference table, exploring complex issues, educating one another, and becoming better friends in the process could choke him up. However, in practice, he behaved like a hybrid of the Marquis de Sade and Joseph Stalin: arrogant, domineering, dismissive, occasionally stunningly rude—the very opposite of good facilitation. His “espoused theory,” in Harvard professor and author Chris Argyris’ words, clearly differed from his “theory in practice” at least where participation was concerned.

- Taking the time to design a process that will make serious facilitation possible. For example, deciding to take a couple of hours tomorrow afternoon to work through an agenda of highly complex strategic issues, when common sense tells you that a two-day retreat would be the only way to get below the surface enough to understand the issues, is not a serious approach to designing process.
- Learning the technical skills of facilitation. This includes employing techniques to stimulate discussion and bring out the various sides of an issue, listening carefully, summarizing themes and major points as they emerge, and the like.
- Being patient. An effective facilitator must take the time required to help people find their own answers and share their own perspectives. He or she does not feed the “right” answers to them.

STAKEHOLDER RELATIONSHIP MANAGEMENT

Colleges and universities are essentially human beings working together through formal structure and process to achieve common aims. People are the real stars of the institutional drama; systems, processes, and technologies are only the supporting cast. Leadership is obviously, in large measure, the business of leading people, which means defining, building, and maintaining relationships with people. This is why stakeholder relationship management is one of the most important skills that you must master as a leader. You are already probably pretty good at it; otherwise, you could not have climbed this high on the institutional career ladder. So your challenge is to do what you are already doing, but more methodically and systematically.

We propose a very straightforward definition of “stakeholder”: any person, group, organization, or institution with which it makes good sense for your organization or you as an individual to build and maintain a formal

relationship because of the stakes involved. We do not suggest that stakeholders are necessarily friendly; they might be potential or actual competitors or even enemies. Nor do we subscribe to the notion that stakeholders are owners of some kind; their "stake" in you or your institution is not, in other words, necessarily an equity investment from which they expect a return.

Personally, professionally, organizationally, stakeholders surround us. Your spouse, your parents, your siblings, your children are all your stakeholders. Within your institution, your colleagues in the president's cabinet, the president, the staff reporting to you, among others, are your stakeholders. Your institution's stakeholders include such obvious groups as students and alumni, the media, and other higher education institutions in your region, and—within campus boundaries—one of the chief executive's primary stakeholders is the board, and one of the chief executive's and board's preeminent stakeholders is the faculty. We could go on and on. Stakeholders surround you and your institution and can powerfully influence your career and your institution's success. And, as in all human relationships, how capably the particular stakeholder relationships are managed determines basically how close, positive, and productive they are.

Of course, your time, along with that of your institutional colleagues and, collectively, the members of the various organizational units in your institution such as the board, the president's cabinet, and academic departments, is both precious and finite. There is no way in the world that you can hope to pay systematic attention to every stakeholder in your environment. You must learn individually, as your institution must learn collectively, to pick the right stakeholders. The obvious first step is to set clear priorities based on an assessment of the stakes involved, coming up with a top tier of stakeholders who deserve close attention. In the Cornell SCAMP project, for example, the senior vice president serving as officer in charge of the project to redesign the process for communicating with newly admitted students identified top-tier stakeholders—the president, chief academic officer, deans, and all of the senior department heads of the affected areas. He then assembled a well-choreographed kickoff meeting with these stakeholders in order to gain their support from the start of the project.

The top-tier stakeholders will fall into two groups:

Permanent top tier—Stakeholders who can reasonably be expected to be a feature of your environment over the long run: institutionally speaking, for example, faculty, students, alumni, the media, community leaders, and competitive educational institutions; if you are the chief executive, your board and the vice presidents reporting to you; and, of course, if you are not the chief executive, he or she is your preeminent stakeholder.

Ad hoc—Stakeholders who come and go depending on particular circumstances: for example, a citizens' committee formed for the exclusive purpose of supporting the passage of the sales tax renewal that your community college has put on the ballot; a foundation that has provided your university with a one-time grant to develop a program in arts education.

Whether we are talking about your managing the working relationship with your preeminent stakeholder, the chief executive to whom you report, or your chief executive and cabinet collectively managing the working relationship with one of their preeminent stakeholders, perhaps their institution's board of trustees, a sound stakeholder management strategy consists of the same basic ingredients:

- Setting clear priorities based on the stakes involved;
- Understanding in detail the quid pro quos involved in keeping the relationship healthy;
- Understanding in-depth the stakeholder, especially appreciating his or her unique situation and circumstances;
- Fashioning a detailed strategy for managing the relationship; and
- Making sure, if one or more people in addition to you are involved in dealing with the stakeholder, that roles and responsibilities are clearly delineated.

Let's assume that you are the senior vice president for management services and chief financial officer of your institution and take as an example your relationship with your preeminent stakeholder, your chief executive—the president. She was an easy top-tier choice, because she obviously possesses the authority to reward and punish you, she can support your decisions or make it difficult for you to implement them, and she can advance or impede your career development. You know the stakes generally, but you still need to think through the quid pro quos in some detail. To understand what your chief executive wants from her relationship with you requires that you come to know her professionally as deeply as possible. In other words, she is the subject of your in-depth examination and serious thought. What are her career aspirations? What is her leadership and management style? Where is she really strong as a leader and executive, and where does she need your help? What are her executive priorities and agenda, and how can you support their achievement? What challenges is she facing, such as a tense relationship with the board or a fragmented senior management

team? What are her ego needs and her sensitivities? What behavior on your part is likely to warm her heart, and how might you be likely to alienate or offend her?

Of course, you need to flip over the coin, and think through for yourself what you want from the relationship with your president, beyond the obvious overall approval and support that anyone wants from an immediate superior. Do you want to develop a particular expertise, say, in governance, which can be acquired only by observing and working with the board? Do you aspire to a more external role, representing your institution, for example, on the local Commission on Higher Education Board or becoming an active participant in the National Association of College and University Business Officers? The point is for you to fashion and execute a strategy for your relationship with your chief executive that meets her needs and yours, without your having to violate one or more of your core values.

If your chief executive, for example, seriously needs to be center stage in any forum where both of you are present and her ego requires a clear demonstration of deference on your part in public, you can be careful not to upstage her without violating any serious principles that we know of. And, if she hates small talk and prefers to make decisions on the basis of a crisp, one-page summary that follows a specific format, even if you would enjoy a more informal, interactive approach, you can probably adapt relatively easily to her communication and decision-making style. You will almost surely have to do more elaborate planning than merely asking, if you want to assume a stronger role in, say, working with the board (many chief executives jealously guard this area as their exclusive preserve) or playing a more visible role in external affairs. You will likely need, for example, to demonstrate your competence and loyalty in a number of ways over a long period of time, thereby building a line of credit with the CEO that you can draw on in asking for an expanded executive role.

There are some generic "little golden rules" for working with your chief executive that we have found very helpful in our experience:

Go out of your way to educate your chief executive—and support his or her growth—in areas where she or he lacks knowledge and expertise. For example, we have seen many chief executives who know too little about financial management to be fully secure and successful in their leadership role. You can build your chief executive's competence over time through high-quality briefings and other means.

Take advantage of opportunities to provide your chief executive with ego-satisfying, career-building experiences that demonstrate that you really care about his or her professional welfare. For example, take the trouble to

prepare the paperwork nominating your chief executive for an award from a national association and draft his or her acceptance remarks, should he or she be chosen.

Be secure and open enough to invite your chief executive's participation in selected meetings of your management team, when you are confident that the agenda will provide opportunity for substantive input and will be of special interest to the chief executive. Not only does this demonstrate that you are not the kind of person who defensively guards your bailiwick from chief executive incursions—that you are truly in command and self confident—but it also allows your chief executive to acquire feelings of ownership about your own and your team's activities, which automatically translates into commitment and support. If you plan these occasions well, you can make sure that they are ego satisfying to the chief executive. For example, one executive we know made sure during her first year on the job that the first item on the agenda of her monthly management team meeting was "the presidential perspective," and she went to the trouble to brief the president in advance of every meeting about issues in her area and topics that the president might want to be involved in discussing. This is especially important when you are new in your job and are developing an organization of your own.

Keep your chief executive well briefed on governance matters, especially trustee or regent issues and concerns that come to your attention, and look for opportunities to help your chief executive strengthen his or her partnership with the board.

PUBLIC PRESENTATION

By this time in your career, you already know how important public presentation is as a professional and career development tool. It is also one of your most powerful leadership tools, as we will discuss in detail in Chapter 2. This is not the place for a detailed primer on public speaking, but we do want to share some lessons we have learned from frequent appearances on the podium. First and foremost, know your audience, whether it is your institution's board of trustees or 500 financial executives in a ballroom. What do you think the audience needs and wants to know about the subject of your presentation? How well versed is your audience on the subject (to ensure that you do not waste their time by making obvious points)? What important features of your audience do you need to take into account, culturally speak-

ing, so that you do not needlessly alienate audience members? For example, as recently as a decade ago, you would be well advised to avoid using the term "management" when addressing a group of educators. And when you are speaking to trustees and senior managers, you want to avoid appearing to condescend to your audience by being overdetailed in presentation, instead, providing them with an opportunity to "fill in the blanks" by asking questions, and thereby affirming your respect for their intelligence.

We have also learned to employ techniques to lessen the emotional and even physical distance from your audience as a way of promoting bonding. One very simple way is to get out from behind the lectern and, if possible, off the platform, so that you become part of the group. With a lavalier microphone, you can wander around the room from table to table, making eye contact with audience members. Since eye contact is an important way to connect with an audience, you should avoid reading your presentation to the group (which would be boring, anyway); at most, you might glance down occasionally at major points on note cards. Another simple way to lessen emotional distance from your audience is to match their dress for the occasion. If you are addressing a convention of auditors at a resort in Tucson, find out in advance what the audience is likely to be wearing and dress accordingly. If they dress in resort casual, all you demonstrate with a pin-striped suit, starched shirt, and tie is that you are different from them. Demonstrating difference is not a recommended approach to emotional bonding.

We have also learned that people hate feeling dumb, so one of the best ways to bond with an audience is to make people feel capable and smart about the subject you are presenting. This means that you must make a real effort to convey complex concepts in ways that they can easily grasp. Metaphors that an audience can relate to work well in this regard, as does the use of graphics and visual aids, such as PowerPoint slides. In our experience, one of the major reasons why board members do not feel warm toward some chief financial officers is the presentation of financial information in ways that make it hard to grasp and even confusing. Of course, using visual aids and employing metaphors that your audience can relate to are also ways of entertaining, as well as educating, your audience. Humor can also be effective, but only if it comes across as natural, rather than forced. If you possess a dry wit that emerges naturally during presentations, stay with it; but by all means avoid trying on the Bob Hope or Rodney Dangerfield persona just for the occasion.

Being yourself is a sound guiding principle for public presentation, but this does not mean you should not practice. People who are highly accom-

plished at public presentation practice religiously, as much as possible. In fact, if you practice enough, becoming intimately familiar with your material, you will inevitably appear more spontaneous, since you will free yourself from having to follow the written word. Indeed, the term "rehearsed spontaneity" probably applies to all highly accomplished presenters. As you come to know the information better and better, you will, over time, feel free to travel interesting byways, embroidering points and exploring nuances, thereby entertaining your audience more effectively. A word to the wise: never, but never, make a slide presentation without ample rehearsal, since you cannot know whether the points on the slides work or if your pacing is right without actually making the presentation—preferably over and over—before you take it "on the road."

Finally, if you have had relatively little experience in public presentation to this point in your career and perchance strongly fear mounting the podium, be assured that you join a large, distinguished group of Americans. You have probably heard that surveys indicate that public speaking outranks death on the list of people's fears, probably because no one wants to be judged harshly and found lacking, raising the horrible specter of public embarrassment, even humiliation. However, even if your fear feels intense, we encourage you to persevere in your public speaking career, bearing in mind these four points.

First, audiences typically are anything but harsh judges of speakers; they tend, in our experience, to feel some sympathy, some admiration, and some relief ("there but for the grace of God go I"). Second, practice inevitably overcomes fear, containing if not eliminating it. And third, you do not want the fear to disappear completely; many fine actors on stage and screen have testified that their always-present fear can be put to good use in performance. If you do not feel any tingle of apprehension, you are likely to be deadly boring at the lectern. Finally, despite what you might feel when you think about 3,000 people in a ballroom awaiting your entrance, public speakers do not die on the job any more frequently than members of other professions, so far as we can tell.

DOING SOME UNLEARNING, IF CALLED FOR

There are very few born leaders, although some people appear to come to that position with natural endowments and instincts that make it easier for them to lead. Everyone has something to learn about leadership, no matter how talented and well-endowed they are, and many also have some

unlearning to do. One of the ironies in the business of leadership is that styles that might have helped you rise through the ranks can turn out to be liabilities—at least if not kept under stern control—in the realm of leadership. In this regard, perhaps the most sensible course of action is for you to take a detailed style inventory, asking yourself if there are any aspects of your management style that appear potentially—or perhaps have proved in practice—to be counterproductive. This may require some serious thinking and probing on your part, since the way we do things can become so ingrained that it seems natural and inevitable.

One common example we have seen is meticulous attention to detail. There is no question that in the field of financial and other administrative services, paying attention to the details is a major virtue; in fact, if you do not, you will eventually be forced to find a career for which you are better suited. However, as you rise through the ranks and the leadership content of your work increases, attention to detail across the board is a vice, not a virtue. Now you must really pick and choose with care. As a leader, the details you pay attention to will presumably relate more to the strategic than the operational agenda and to such functions as design, facilitation, and motivation. So if you apply the same attention to every detail, you will be so overwhelmed by the trees that the forest will disappear, and you will eventually fail as a leader.

One of us worked with a highly capable comptroller several years ago whose focus on the details served her well until she was promoted to the quite different position of vice president of administrative services. Her new position required that she provide direction to six department heads while also serving as the primary adviser to the president on financial and administrative matters and as the primary liaison with the board's operational oversight committee. Her years-long habit of crossing every "t" and dotting every "i" soon got her into serious trouble, as she tardily responded to the demands of her staff and CEO, falling farther and farther behind and becoming increasingly defensive. We would like to report a happy ending, but, unfortunately, she lasted only six months in the job before being asked to resign.

Another example is problem solving. People who rise to the leadership level are typically ambitious, aggressive, and intellectually nimble. They are excellent at solving problems, and, in fact, solving important problems effectively is one of the most important avenues to career advancement in management. However, when you are functioning as a leader, you are expected to develop the problem-solving capacity of the people working for you: one of the best ways to do that is to facilitate their participation in

problem solving. Obviously, effective facilitators do not make a habit of demonstrating to their "facilitatees" that they are better problem solvers by beating them to the punch. Learning to hold your tongue and be patient as others come up with the answers might require some reeducation.

Another style of working that can cause you trouble at the leadership level is such an important career development tool in management that it is extremely difficult to alter: finished staff work. Chief executives and executive team members dealing with boards often run into trouble because they cannot shed this once-essential habit. For example, in the area of planning, we have seen chief executives send finished budgets and so-called "strategic plans" to their boards for review, with no prior board participation in developing the documents. Confronted with a finished product, there is, by definition, nothing important to do other than react; the opportunity for creative, substantive input has long passed, meaning that the potential for board members to feel any ownership for the document is virtually nil.

We call this pathological symptom the "thumbing-through" approach to policy making. The problem is not the presentation of a finished document, but the absence of any formal, significant opportunities to shape the document before it is completed. Conversely, having played a substantive role in identifying strategic issues and choosing strategic change targets, board members can happily receive and look over the finished product, knowing that it reflects their policy guidance. One of the best examples of the success of inclusion is the typical process of preparing a campus and donors for a major capital campaign. Success comes from bringing the trustees and major alumni donors along on the journey of making the case for the need for the financial support and building excitement for the future of the college or university. This inclusiveness at each step of plan development has proven to be much more effective than the staff laying a completed plan in front of trustees to approve a huge increase in resource requirements and funding.

EMPLOYING YOUR TOTAL INTELLIGENCE

If being smart in the conventional—"head"—sense were enough to be an effective leader, we would see a trebling of the leadership ranks overnight. Both our experience and the literature indicate that the most effective leaders bring a more fully developed intelligence to their leadership work,

drawing on what we call their "total intelligence." There are two aspects of total intelligence. The easier one to understand and develop relates to creating a balanced life that provides you with necessary emotional and spiritual sustenance, helping keep your energy high and your spiritual batteries charged. This involves your thinking through your personal as well as professional needs and priorities, doing careful planning to meet all of your important needs and keep them balanced, and being vigilant in executing your plans to ensure that balance is maintained in your day-to-day living.

If you are not careful, work can crowd out very important priorities, such as a close, happy marriage; an intimate relationship with your children; and opportunities to express your artistic and spiritual side through amateur theater, creative writing, or volunteer work at your church. The penalties for letting your work crowd out other priorities can, over time, be far more severe than Jack's merely becoming a dull boy: emotional fatigue, ebbing physical stamina, perhaps even serious depression or professional burn-out. Stephen Covey in *Seven Habits of Highly Effective People* gives one of the best commentaries on the maintenance of a balanced life agenda. Covey's time management matrix demonstrates vividly the potential for seemingly "urgent" but unstrategic activities (answering phone calls, getting to the bottom of the in-basket, reading and answering all the e-mails) to overwhelm your truly high priorities.

The second facet of total intelligence is far more complex and considerably more difficult to understand and develop: what we call "heart" intelligence. Heart intelligence basically means in-depth knowledge of your psychological makeup, the emotions that influence your behavior and the mental filters that influence how you perceive the world around you. What makes heart intelligence so difficult to deal with is the fact that much of a person's emotional life, apparently, resides in the subconscious (or unconscious) mind, not easily accessible to a person's conscious mind. Heart intelligence also has to do with precious attributes of your self that may have been stripped away from your consciousness in your childhood and are therefore not available to you in leading. Making the (really never ending) effort to develop your heart intelligence will serve you well in managing your relationships with the people around you by

- Enabling you to interpret the intentions, motivations, and behavior of people more accurately, thereby enabling you to deal with them more effectively; and
- Enabling you to put valuable attributes of your "true" (complete) self to work in leading.

Clearing the lens through which you see the world around you, thus eliminating distortions that restrict your effectiveness is a process of probing deeply enough to find those emotions underlying the emotions of which you are aware (and which represent a distortion of reality). Take the classic, very common case of public speaking anxiety. The anxiety is very real—all feelings are real—but for some people the intensity of the anxiety is way out of proportion to the real situation. This is not the normal tingling and mild sense of danger; this is intense fear, accompanied by a thumping heart, perspiration, rapid breathing, and intense urge to flee, which are patently a dramatic overreaction to potential embarrassment. This response would be more appropriate if a person were just steps ahead of a charging rhino.

What is going on here? Obviously, there is an emotion at work behind the anxiety that has blown it out of proportion, distorting reality and potentially limiting one's professional growth. We know from experience and psychological literature that this kind of performance anxiety can afflict people who as children were the victims of harsh negative judgments, perhaps even stunning rejection, from parents or other caretakers. Public speaking puts you in the position of being judged, which is no particular problem—unless, deep inside, in your subconscious, such situations call up the tremendous pain and fear of a small child. You feel the symptom of that deeper child's fear of rejection and loss of love—the public speaking anxiety—but you do not have a clue as to why the fear is so intense. We want to suggest to you that knowing yourself well enough to uncover those hidden emotions that drive your conscious feelings is a powerful way of overcoming distortions of reality that can limit you as a leader. You may continue to feel some anxiety, but it will be far easier to break its hold in your personal and professional lives.

The same distorting mental filter (fear of harsh judgment and rejection) is probably at work when a leader overreacts to criticism, seeing it as a serious challenge and hence responding defensively. We have seen this phenomenon cause serious damage to chief executive–senior manager relationships, when senior managers become overcontrolling and defensive in dealing with their chief executives, too busy defending themselves from imaginary threats to creatively find solutions and develop the relationship. An intense (but unconscious) need for control resulting from childhood circumstances can cause another common distortion: an understandable and desperate need for protection and security. What you might feel consciously is tremendous anxiety when confronted with opportunities to acquire new skills or become involved in significant innovation. The feeling of being endangered (and

thus needing to be in control) is real enough, but the risk involved is likely to be far less than the feeling would suggest.

The psychological literature is also filled with accounts of natural attributes of a person that were stripped away early in childhood and sent to the subconscious realm, where they reside undiscovered and unused. For example, creativity and spontaneity can be driven out of a child by steady, unremitting, abusive criticism early in life. All a young child knows is that demonstrations of creativity and spontaneous behavior displease a parent or other caretaker and threaten the loss of the all-important acceptance and love that children crave. Common symptoms of this phenomenon are the "straight-A perfectionist" syndrome, significant anxiety when confronted with opportunities for spontaneous or creative behavior, and feelings of emptiness and depression that have no obvious cause. The result, if these symptoms are not explored, will be less effective leadership.

How can you get to know your self well enough to deal with emotional distortions of reality and put precious attributes of yourself to work in leading? We are not psychologists or licensed therapists, but the psychological and self-help literature and our own experience teach that there are a variety of paths toward greater self-knowledge.

First and foremost, of course, you must accept and take seriously the idea of hidden—subconscious—emotions that can influence your behavior without your being aware of the real causes, and you must commit to the never-ending journey of self-discovery. Once you make this commitment, a second step is to start paying attention to your feelings, being on the lookout for sharp, unexpected emotions and those that appear out of sync with reality. An obvious third step is to analyze the feelings, finding out what they mean and the lessons they teach.

Why, for example, did that criticism in yesterday's staff meeting cause you to feel so threatened and intensely angry? Why does the thought of publicly demonstrating any weakness cause so much anxiety? One of us knows a person who, every few years, rereads his favorite Charles Dickens' novel, *David Copperfield*, and every time he comes to the passage describing David's arrival at his Aunt Betsy Trotwood's cottage in Dover, he feels deep emotion, inevitably leading to tears by the end of the chapter. Eventually, he began to pay attention, looking for an explanation of the sharp emotional pangs. As a result, he learned an important lesson about his deep feelings of being fundamentally alone and at risk in his life. Then his emotional reaction to Aunt Betsy's saving David made sense, and he could put the learning to use in his work. For example, even though he would still occasionally feel sharp pangs of rejection when criticized by his CEO

or one of his colleagues, he learned to overcome the feelings and avoid responding in a hurt and defensive manner.

We have known many successful managers, generally "type As," who dealt with unexplained emotions, especially anxiety, as aberrant events and even signs of weakness, consequently pushing them aside and treating them as something to be overcome. They thereby succeeded in stunting their professional growth without knowing it. Anxiety, by the way, far from being a sign of weakness, can be seen positively. In fact, Scott Peck describes it in *The Road Less Traveled* as a very useful message from your subconscious, which merits your serious exploration. You should be on the lookout for other signs.

Some people find meditation a powerful tool for discovering what is going on emotionally; just spending significant quiet time alone can help. Indeed, when you meet a hyperactive person, always on the go, never having a truly quiet moment, you are right to suspect that he or she is running away from feelings that cause too much anxiety. Many people write journals as a way of bringing feelings to the surface. If listening to classical music, participating in a religious ritual, or reading particular authors elicits strong emotion, you can intentionally put yourself in these situations to learn more about yourself. And, of course, there is always the option of working—individually or in a group—with a trained therapist. This is a recommended course of action when emotional barriers to your professional growth, and ultimately your effectiveness, appear highly resistant to less rigorous interventions.

UPDATING YOUR LEADERSHIP KNOWLEDGE BASE

If you embrace leadership as a subject worth studying—indeed, if you think of it as, in a very real sense, your "business" at this point in your career—then you have taken the essential first step to becoming knowledgeable about leaders and their work. To know leadership in depth, you need to see it as more than just a collection of techniques in your professional kit bag that you can just dip into every now and then. It must become your preeminent "field" of study and your preoccupation professionally. You must see yourself not just as a higher education administrator who, among other things, practices leadership, but as a leader in higher education.

However, in reality, leadership is neither a field nor a profession in the strict sense; it is an art and a calling. As a consequence, you cannot consult a unified body of knowledge—academic or popular—to keep your

leadership knowledge base up to date. Instead, you must become a discerning consumer, tracking down pertinent articles in journals that have a history of dealing with the subject and books that address various facets of leadership in diverse fields, such as management, history, and psychology. You should also keep in mind that learning about leadership involves more than reading; you can observe role models, receive instruction from mentors, and even learn "on the job" by consciously testing approaches to leadership in your work.

We conclude this opening chapter by sharing our experiences in learning about leadership. Although we mention some journals and books that have proved useful, we do not intend to provide an academic bibliography. One of your tasks as a leader is to do the sleuthing yourself and build your own bibliography, which will, of course, evolve over the years. One thing is certain: to become an effective leader, you must be passionately committed to lifelong learning and growth. It is not enough to be ambitious and desire title and prestige; you must be an ardent student as well.

With regard to academic journals that regularly deal with leadership as a serious subject, two stand out: the *Harvard Business Review* (Harvard University Business School) and the *Sloan Management Review* (Sloan School of Management at Massachusetts Institute of Technology). The *Harvard Business Review* has proved over the years to be a more powerful resource for leaders because, we think, it treats top business (and increasingly public and nonprofit) leaders, particularly chief executives, as its preeminent audience. Both journals are notable in avoiding the kind of academic "bean counting" that can make reading many management journals an exercise in masochism. Footnotes are few, and it is recognized that leadership is truly an art, not a science, and hence one need not worry about academic validation of every point made. No journals in public and nonprofit management deal with leadership regularly and at a high enough level for us to cite them here. In the field of higher education, leadership is regularly dealt with in the American Council on Education's *The Presidency*, in the Association of Governing Boards' *Trustee*, and in NACUBO's *Business Officer*.

In the field of management you need to keep your eyes open for books on leadership in both the for-profit and the public/nonprofit sectors. By the way, experience has taught us the wisdom of reading in both sectors, particularly since much of the really path-breaking work continues to come from the business side of the fence. One good way to spot likely candidates for your reading pleasure is to be on the mailing lists of the publishing houses that regularly produce books dealing with leadership. For

example, Jossey-Bass, now a division of John Wiley & Sons, has published several books dealing with various facets of leadership, such as Warren Bennis' *Why Leaders Can't Lead* (1989), which presents the results of in-depth studies of real-life leaders; Douglas Eadie's *Changing By Design* (1997), which deals with leadership in the context of nonprofit innovation; and James O'Toole's *Leading Change: Overcoming the Ideology of Comfort and the Tyranny of Custom* (1995), which focuses on the subject of values in leadership. Successful chief executives from the business world occasionally summarize what they have learned in books that can be very insightful, if not scientific. One of the best is a very readable little book by Max De Pree, the former chief executive of Herman Miller: *Leadership Is an Art* (Dell, 1989).

Under the big leadership umbrella within the management field is a steady stream of books that delve into specific subjects in which you must become knowledgeable to be a truly effective leader, most notably, governance and strategic change management (including work on innovation and the so-called "learning organization"). In this regard, Douglas Eadie's *Extraordinary Board Leadership* (Aspen, 2000) provides detailed guidance on building "high-impact" boards in nonprofit and public organizations, and John Bryson's *Strategic Planning for Public and Nonprofit Organizations* (Jossey-Bass, 1995) is the definitive work on strategic planning. Examples of excellent books that look at innovation and change from a broader perspective are Peter Senge's *Fifth Discipline* (Currency-Doubleday, 1994) and Rosabeth Moss Kanter's *When Giants Learn to Dance* (Touchstone Books, 1990).

Venturing beyond the field of for-profit and nonprofit/public management is essential if you aspire to become a well-rounded expert in the art of leadership. We strongly recommend that you be on the lookout for books dealing with leadership in two very pertinent fields: history, particularly biography; and psychology, including the self-help genre. In our opinion, one of the best ways of learning about leadership is to read well-researched biographies of notable leaders. Five excellent examples are Stephen Ambrose's *Eisenhower: Soldier and President* (Simon & Schuster, 1990), Robert Dallek's *Flawed Giant: Lyndon Johnson and His Times* (Oxford University Press, 1998), David Herbert Donald's *Lincoln* (Simon & Schuster, 1995), David McCullough's *Truman* (Simon & Schuster, 1992), and William Manchester's *American Caesar* (Little, Brown, 1978).

In the field of psychology, the intersection of creativity and leadership has been the subject of three fascinating and insightful works by Howard Gardner, the director of Project Zero at Harvard University's Graduate School of Education: *Extraordinary Minds* (BasicBooks, 1997), *Leading Minds* (BasicBooks, 1995), and *Creating Minds* (BasicBooks, 1993). Numer-

ous studies linking psychological concepts such as “self” and the unconscious/subconscious mind fill bookshelves, including many that cross from professional psychology into the self-help genre. At the more professional end of the spectrum, for example, is June Singer’s *Boundaries of the Soul* (Anchor Books, 1994), which beautifully elucidates key elements of Carl Jung’s thinking. One of the most powerful books linking psychological and spiritual growth that probably fits on the self-help shelf is Scott Peck’s *The Road Less Traveled* (Simon & Schuster, second edition, 1998).

We could go on, but our objective is simply to suggest some paths that you might travel in your quest for knowledge in the “business” of leadership, rather than to provide you with a comprehensive reading list. As you well know, reading is not the only—and perhaps not the most effective—approach to learning; you will also want to engage in direct observation of leaders at work, in your institution and other settings. Involvement in regional and national associations, by working on task forces, committees, and boards, is one way to find leaders worth observing; another is to serve on corporate boards of directors and the boards of local nonprofit organizations. You are, indeed, fortunate if you find yourself working under a chief executive or board chair who is an outstanding leader with much to teach and who is willing to serve as your mentor.

IN CLOSING

In this opening chapter of *The Extraordinary Higher Education Leader* we have laid a foundation for what follows by distinguishing between management and leadership, examining the characteristics of effective leadership and leaders, and looking at four skills that you must master to lead effectively: design, facilitation, stakeholder relationship management, and public presentation. We then explained why developing your “total intelligence” is a critical part of becoming a leader and briefly described some styles that you might need to unlearn on your leadership journey. We concluded with a brief description of the sources you might consult in order to keep your leadership knowledge base up to date.

CHAPTER 2

LEADING PEOPLE

PEOPLE: A BIG PART OF YOUR JOB

Leaders lead actual living, breathing people, not abstract organizational entities. People are your institution's basic building block; by far its most precious asset in realizing its vision and carrying out its mission. To be sure, systems, technologies, and machines can make valuable contributions to institutional effectiveness and efficiency. However, learning to develop and capitalize on the human resources in your institution should be at the very top of your list of leadership challenges. Well-led, committed, dedicated, knowledgeable, and sufficiently trained human beings can overcome significant deficiencies in institutional systems and technologies. Without the right people, no investment in technology can ensure institutional success.

You would think that this is an obvious point, especially in the field of higher education, but these days, executives often appear far more excited about getting on top of and harnessing the wonders of explosive technological change than about the more mundane work of human resource development. All too often, developing an institution's human resource is viewed as the preserve of the personnel or human resources department or, worse, not even as a serious institutional priority. The life of a leader would certainly be far simpler if organizations were primarily machines; without question, institutional outcomes would be more predictable and you could concentrate on selecting the right technologies and on the mechanics of keeping your machines in good working order. At least when you are assessing technological needs and weighing alternative techno-

logical and mechanical investments, you are not worrying about those pesky people, with their diverse capabilities, complex and often inscrutable emotions, and shifting motivations and expectations. One of the most important reasons why, in our opinion, executives seem so enamored of technology these days, often at the expense of serious involvement in human resource development, is its apparent—and very attractive—simplicity.

AN INCREASINGLY GREATER CHALLENGE

The fundamental premise underlying this chapter, then, is that if you aspire to be an extraordinary administrative/business leader, you must make one of your highest priority concerns directly leading the people in your institution. Developing and fully utilizing people as your most precious resource is critical to long-term institutional success. In doing so, you are taking on a tremendous challenge. First of all, what goes on in the minds of people will always be, in large measure, invisible and mysterious: in other words, people cannot always be counted on to satisfy your predictions or meet your expectations. There will never be a time when you can say, with 100 percent confidence, that a particular action on your part will evoke a particular response from the people around you. And if the basic complexity of human beings were not enough of a challenge, leaders these days must also contend with significant cultural changes that demand even more flexibility and ingenuity, for example:

- Organizational loyalty across the board—in national, state, and local government, higher education, health care, and other segments of the for-profit and nonprofit/public sectors—is on the wane. In today's world, not only will issuing commands based on management authority not get you very far as a leader, you cannot even count on appeals to institutional loyalty to move people in certain directions or to elicit greater effort. These days the ties that automatically bind in the work world are increasingly professional, rather than organizational. In every sector, people tend to identify with their knowledge base and professional expertise, independent of and transcending, particular institutions. This is not to say that leaders cannot inspire commitment to institutional directions, rather that to do so successfully requires significant ingenuity, a well-planned effort, and, almost certainly, an ability to tie organizational interests to higher, more inspiring ends beyond just the institution itself.

- In higher education, leaders must contend, to a unique degree, with a “do your own thing” mentality that grows naturally out of the highly individualistic academic culture, which counts independence among its most cherished principles. Academic units are often like medieval fiefdoms that cannot easily be melded into anything like a “corporate” culture. It appears likely that administrative departments will increasingly mirror this traditional academic culture unless effective leadership intervenes.

There is also what we call the “crisis of rising expectations” (or “creeping consumerism”). People have come to expect a stronger return on their investment of time and energy in their work. Money has always counted for a lot, and still does, just as people have always expected more than just a paycheck for their work. While employees have always cared about the importance of their work and the satisfaction that they derive from performing it, the expected professional “ROI” has clearly escalated tremendously in recent years. Increasingly, people expect to have a visible impact—now, in concrete ways—not just vaguely, over the long run. They also expect not to have to tolerate needless formality. Standing on ceremony, at least in dress and decorum, is no longer the norm: witness the rapidly growing practices of everyday casual dress and flexible work hours. Growing employee impatience with traditional approaches to management makes the job of leading far more challenging than in yesteryear.

A third phenomenon contributing to the greater challenges in leadership is growing workforce diversity, in terms of gender, race, and cultural background. The fifty-something white males who have traditionally led our institutions are steadily shrinking as a proportion of the professional ranks in all sectors and professions. Most readers, along with the authors, would probably consider this a very healthy trend, enriching both human interactions and the content of institutional plans and strategies while also making a powerful social policy statement. However, leadership has, as a consequence, become much more difficult. Leaders must not only understand a wider range of human behavior; they must also be able to employ a more diverse portfolio of styles. To say simply, “I am who I am—in personality and style—take me as I am,” might be an admirable sign of candor and courage, but it is not an intelligent leadership approach. To lead people successfully in today’s ever more diverse institutions is therefore likely to require psychological growth and interpersonal skills development on the part of the leader.

THE KEYS TO LEADING PEOPLE

As a leader, you are uniquely responsible for building the long-term loyalty and commitment of the people making up your part of the institution or if you are the chief executive, the whole institution. You can carry out this leadership responsibility through two broad, closely related, and somewhat overlapping streams of leadership activity that are the subject of this chapter—one primarily in the domain of feeling and interpersonal relations and the other in the more technical domain of system and process design:

- Inspiring your people, which has to do with reaching their hearts more than their minds, deepening their emotional commitment to your institution and to particular institutional directions; and
- Empowering your people—the indispensable partner of inspiration—which has to do with strengthening their capacity to make a significant contribution to the institution, thereby realizing their potential.

You can think of inspiration and empowerment as a powerful “one-two punch.” Inspired people are much more likely to become empowered people, thereby making an important contribution to institutional success. But neither alone can ultimately succeed. If you make a strong effort to stir people’s emotions, inspiring feelings of loyalty and commitment, but fail to follow through by fashioning systems and processes that enable them to contribute in meaningful ways to institutional directions, then inspiration can easily erode and even degenerate into cynicism. If you concentrate totally on designing and facilitating people’s participation in processes such as strategic and operational planning, without taking the trouble to inspire them, the people who report to you are likely to bring far less positive emotional energy to their participation. There is, then, no practical way for you to be successful as a leader of people without employing simultaneously both inspiration and empowerment as leadership tools.

INSPIRING BY SETTING SIGHTS

As an institutional leader, you can inspire people through your words and your behavior. Of course, words alone cannot do the job. If what you do does not consistently match what you say, or contradicts it in significant ways, then the power of your words to influence attitudes will, over time, fade away, leaving disappointment and often a sense of betrayal in its wake. As a leader, your words are most inspirational when they draw peo-

ple's attention to higher, more fundamental purposes that transcend the specific work they do and that put your organizational or institutional mission in a broader context. Talking about day-to-day nuts and bolts matters concerning operational management, no matter how important, is no way to stir people's emotions. Instead, inspirational leaders talk often, and well, about the "big picture," in terms of institutional values, vision, and mission—what we call your institutional "strategic agenda"—and about how this framework fits into a wider social context. We will touch briefly here on values, vision, and mission and deal with these elements of the strategic agenda in greater detail in Chapter 3.

VALUES

Values are the cherished beliefs and principles—the fundamental golden rules—that presumably govern all institutional planning and operations. Values are, by definition, both aspirational—pointing your institution in particular directions—and inspirational—giving deeper meaning to the work you do. Values also provide you with a transcendent ethical framework, an overarching collective conscience, telling you which institutional behavior is morally preferable and which behavior is morally unacceptable. Values can relate to what an institution does and how it carries out its mission, as well as its internal climate. One of the most effective ways to develop a values statement of an institution or one of its organizational units is to complete the sentence, "We believe in ..."

For example, a college or university might hold dear such values as instruction of the highest possible quality for the resources available; education of the whole person; prudent management of public and private resources; education of students and the advancement of knowledge as co-equal aims; an internal climate that fosters mutual respect and understanding; the promotion and celebration of diversity among students, faculty, and staff; and the like. The National Association of College and University Business Officers, through an employee steering committee, has established three core values relating to internal management and member service delivery: integrity, excellence, and leadership.

VISION

Vision is a picture of the desired future of an institution or one of its organizational units (an administrative services unit can have a vision as well

as an entire institution), which can be expressed in diverse ways: its long-term impacts on the world around it; its unique role and place in that world; its size and shape, institutionally speaking; and even its image in the eyes of key stakeholders. Vision has to do less with rules and organizational ethical boundaries than with ultimate directions and outcomes. Vision statements can be crafted by completing sentences such as "As a result of our work ... ; Our institution will be ... ; Our institution will be seen as" Now, it is true that a vision statement can be summarized into a two- or three-sentence paragraph and ultimately condensed down into one or more slogans and a logo, but the starting point, if vision is taken seriously, is a detailed, multifaceted statement that captures institutional aspirations in all of their richness and diversity.

To illustrate the point that visions can be fashioned to inspire and guide planning and operations for organizational units as well as a complete institution, let's take some elements from the vision statement of the administrative services department of an institution: "We envision that as a result of our efforts: academic and administrative cost centers will be provided with the accurate and timely financial information that they need to manage their operations and to plan for the future; advances in management technologies will be harnessed in cost-effective ways to assist educational and administrative effectiveness and efficiency; We envision that our department will be seen as: progressive, keeping up to date with advances in our field; efficient, keeping operating costs as low as feasible without compromising quality; highly responsive to requests for service; and the like."

MISSION

Mission is intended to be a clear, concise, summary statement of what distinguishes an organization or institution from other organizations or institutions in that environment. A mission statement tells basically why an organization is in business, what drives it and makes it special. For example, Massachusetts Institute of Technology's mission statement begins, "The mission of MIT is to advance knowledge and educate students in science, technology, and other areas of scholarship that will best serve the nation and the world in the 21st century."

It continues: "The Institute is committed to generating, disseminating, and preserving knowledge, and to working with others to bring this knowledge to bear on the world's great challenges. MIT is dedicated to providing its students with an education that combines rigorous academ-

ic study and the excitement of discovery with the support and intellectual stimulation of a diverse campus community. We seek to develop in each member of the MIT community the ability and passion to work wisely, creatively, and effectively for the betterment of humankind."

Loyola College in Maryland seeks to ingrain its mission into everything it does by printing it not only on its Web site but also on employees' business cards. It states: "Loyola College in Maryland is a Catholic, comprehensive university in the educational and spiritual traditions of the Society of Jesus and the Religious Sisters of Mercy, dedicated to the ideals of liberal education and the practice of *cura personalis*." Loyola also has an educational mission statement: "Loyola College in Maryland will challenge students to learn, lead, and serve in a diverse and changing world."

Public colleges and universities often have broader mission statements, reflecting their roles in the community. For example: "Oregon State University aspires to stimulate a lasting attitude of inquiry, openness, and social responsibility. To meet these aspirations, we are committed to providing excellent academic programs, educational experiences, and creative scholarship."

Units within institutions sometimes have their own mission statements. Financial Services at Duke University has the following mission statement: "The Mission of Financial Services is to provide accurate, timely, centralized accounting and financial analytical services in order to assist the Board of Trustees, senior administrative officers, and operating management in the efficient and effective management, monitoring, and control of the financial resources of the University. By pursuing this mission, Financial Services supports the core commitments, fundamental operating policies, and institutional imperatives outlined in the University's planning document, *Shaping the Future—A Young University Faces a New Century*."

CONTEXT

Drawing people's attention to the broader context within which their organization or institution fits is another way of setting the sights higher and touching people's emotions. Higher education certainly offers numerous opportunities in this regard. For example, the histories of institutions such as Harvard and the University of Virginia are inextricably bound up in our nation's settlement and the laying of its legal, social, and constitutional foundations. Institutions such as the University of Illinois, Ohio State University, and Indiana University are part of an inspiring Land Grant movement that tremendously widened educational opportunity in the newer states of the Union. And narrowing the focus a bit, the founding of Cuyahoga Com-

munity College in the Greater Cleveland, Ohio, metropolitan area took place in the context of a long battle to bring public, easily accessible education to a radically underserved community. Veterans of those early days of what became a huge, three-campus institution can inspire audiences with their tale of missionary zeal in overcoming daunting challenges.

THREE GREAT STORYTELLERS

The psychologist Howard Gardner suggests that the “stories” leaders tell can be a powerful way to capture people’s attention and strike deep emotional chords. By “story,” Gardner does not mean a fictional tale; rather, a story is more like a myth that taps into a people’s collective identity—a fundamental truth about their aspirations, if not the reality of their situation, that transcends individual differences, binding them together as a people. A leader’s followers already know the story in an intuitive sense, whether or not they can articulate it or even think about it often, and they love to hear it told again and again in creative ways.

Three of the most effective political leaders in our history in terms of their capacity to inspire trust and affection in their followers and foster institutional commitment and loyalty through their storytelling were Abraham Lincoln, Franklin Roosevelt, and Ronald Reagan. The first two rose to power in the midst of cataclysmic events: a civil war that tore a young nation apart, pitting brother against brother and calling into question the very existence of the American democratic experiment, and the Great Depression, an economic collapse of unparalleled magnitude. The third faced a discouraged, cynical people, weary and disillusioned from the failed war in Vietnam, the Watergate crisis, the continuing Cold War with the Soviet Union, and the rampant inflation that had helped to do in the Carter Administration.

Interestingly, Lincoln—by far, the most eloquent and inspiring teller of grand stories of the three—was widely unpopular during most of his first term in office. Not only was he a minority president, winning less than 50 percent of the vote in the election of 1860, he was also saddled with a succession of losing generals until Ulysses Grant began to win in the West. But as the years have passed, we have come to recognize the brilliance of Lincoln’s stories. Above all others, two of his stories stand out as the most powerful. The first was of the mystical ties of the American Union: created by the people themselves, not by the mere agreement of sovereign states, divinely inspired, not dissolvable. The second concerned equality of all people, notwithstanding the Constitution’s countenancing slavery. Both stories were beautifully woven into Lincoln’s Gettysburg Ad-

dress, which, according to the historian Garry Wills, "etherealized in the crucible" of Lincoln's language the "nightmare realities" of that terrible battle. In Wills' words: "The tragedy of macerated bodies, the many bloody and ignoble aspects of this inconclusive encounter, are transfigured in Lincoln's rhetoric, where the physical residue of battle is volatilized as the product of an experiment testing whether a government can maintain the proposition of equality. ... The discussion [in the address] is driven back and back, beyond the historical particulars, to great ideals that are made to grapple naked in an airy battle of the mind. Lincoln derives a new, a transcendental, significance from this bloody episode."

Neither Franklin Roosevelt nor Ronald Reagan brought to leadership the precise logic, the meticulously crafted rhetoric, or the sense of place in history that Abraham Lincoln did, but they nonetheless inspired Americans with their powerful stories. Roosevelt told a fearful, demoralized nation a story the people desperately needed to hear: We Americans are a fundamentally strong, resilient people who can overcome the severest of challenges so long as we do not succumb to fear itself. And Ronald Reagan told the immensely appealing story of the American Republic as a beacon on the hill, radiating the message of democracy throughout the world.

MAKING STORYTELLING YOUR TOOL

You might be saying to yourself at this point, "What do these grand examples of national leadership have to do with my institution, much less the organization that I head within that institution?" Actually, they are very pertinent, the difference being one of scale, not kind. Nothing prevents you, as a leader, from looking for shared stories that can inspire the people working with you, helping to meld them into a more cohesive group. Indeed, as was true of Lincoln, you might play a strong role in creating the story from shared events that no one but you has perceived as the ingredients of a new organizational myth, rather than merely retelling an oft-told tale. Your stories will necessarily be more mundane than Lincoln's story of a democratic experiment posited on the principle of human equality, but nonetheless they can be pertinent and powerful.

One of us vividly recalls working with a finance department staff who had gone through the crucible of an 18-month system upgrade, involving new hardware and software and the production of a new monthly budget report for unit heads. At the successful conclusion of this often painful process, which demanded many late nights and pizza dinners and during which the participants often felt under siege, a common story emerged. It

was a story of shared dedication to the principles of sound financial management, to top-notch service, and to each other's careers, something that could take the group through the toughest of ordeals, to a stronger, more unified department. This story was told often in the ensuing months and even years, when things got dicey now and again, serving as a reminder to veterans and a lesson to newcomers about the power of shared purpose.

One of us also saw this phenomenon at work in an interinstitutional context. The closing of a plant that was the community's largest employer and biggest taxpayer was the greatest crisis that this community had faced since the Great Depression. At the request of the county executive, the community college president chaired a task force of public, nonprofit, and for-profit chief executives, who over a period of 18 months, fashioned and oversaw the successful implementation of an economic development strategy aimed at replacing the lost jobs. Years later, people still told the story of how shared purpose and community patriotism that transcended narrow institutional interests had overcome tremendous barriers.

At Cornell University the story of the kickoff of SCAMP is practically a legend. The senior vice president serving as the officer in charge of the project chose to tell the story of an incoming student's experience by having staff dramatically dump more than 10 pounds of documents, brochures, and flyers onto the table around which key stakeholders were seated and declaring, "Surely we can do better than this!" This moment, which has not been forgotten by staff veterans nearly a decade later, crystallized support for the project and led to major process changes and dollar savings. The story has been repeated over the years to inspire further coordination and process improvements.

NOT ONLY WHAT YOU SAY, BUT HOW YOU TALK

Getting the content right—elevated enough to draw people's attention away from the unceasing and sometimes numbing rituals of day-to-day operations—is a giant step in the direction of inspiring people, but how you present the words is at least as important as what you say. In this regard, experience has taught us three important lessons:

- Demonstrate your seriousness,
- Strive for intimacy, and
- Use ceremony as appropriate.

DEMONSTRATING SERIOUSNESS

The people around you can quickly tell how serious you are, both about your responsibility to inspire their commitment and about the inspirational content you are communicating. Let's say that you have called a staff meeting to discuss the vision statement that was recently adopted by your institution's board of trustees. You can demonstrate your seriousness about the content of the vision in a number of small, practical ways that, taken together, will convince your staff to take it seriously as well. In the first place, you can set aside enough time for a thorough explanation and discussion. You can go over the vision point by point, demonstrating that you understand it by phrasing each point in your own language and suggesting the implications that the various points have for your administrative services operation. You can invite discussion, perhaps even breaking into small groups to explore practical ways your operation can contribute to your institution's realizing the vision.

You can provide some background to your group that will be helpful in fitting the updated vision into a broader institutional development framework, perhaps describing the board-chief executive-cabinet retreat at which the first cut of the vision was fashioned and explaining how the president's cabinet and eventually the board's planning committee refined the vision and crafted the version that was adopted. Or, of course, you can merely pass out copies of the vision and briefly comment on it before moving on to the really serious items on the agenda, thereby ensuring that no one will waste valuable time worrying about "that vision thing" after the meeting. In addition to demonstrating the seriousness of what you say—your vision, for example—you can inspire staff by striving for greater intimacy in your communication.

STRIVING FOR INTIMACY

Experience has probably taught you, like us, that the more intimate your communication, the more likely you are to get your points across and, in the case of the recently updated vision, to inspire your staff. An indispensable first step in this regard is to communicate orally, in person, or face to face. Although the written word—when the words are well chosen and the phraseology elegant—might inspire a select few traditionalists, most people prefer to hear the word from their leaders directly, if possible. Sticking

with the updated institutional vision statement as an example, you can schedule meetings with each of your organizational units over a period of weeks for the sole purpose of discussing the vision. By the way, the small groups will not only promote intimacy, but will also demonstrate your seriousness about the vision; after all, you have taken the time from a very demanding schedule for these sessions. You can also employ a more intimate style in these meetings, showing by your friendly demeanor, your patient listening, your obvious interest in the points being made, and the fact that you are not taking furtive glances at your watch every couple of minutes, that you really do care about people and what they think.

You can also narrow the distance between you and the people you lead by your willingness to share experiences with them that they would not otherwise know about, giving them an "insider's" view. For example, your staff were not privy to the deliberations at the board-executive team retreat at which the first-cut vision was developed, so you share with them some of the drama of that very important gathering, at which there was pretty heated debate about certain institutional directions. You can share the major points without talking "out of school," as a means of bringing the vision statement to life. As a leader, you are in a unique position to bring back insights from a wider world of which the staff are not a part, adding a dash of spice to the everyday operational menu. For example, you might discuss your work with a task force of the National Association of College and University Business Officers, which is exploring professional development issues.

You can also promote intimate communication with the people you lead by daring to give them a glimpse behind the façade of "strong leader": sharing uncertainties, fears, and even weaknesses. By daring to be less than perfect, you declare your membership in that large group of flawed human beings and you demonstrate trust that they will not take advantage of your candor. Now, we are not recommending unseemly washing of dirty laundry or a display of excess emotion. You need not fall apart in public to demonstrate your humanity; just allow people to see behind the façade now and then. One of us a few years ago worked with the administrative vice president of a large institution who had restructured part of her organization without adequately thinking through the practical implications. It was soon clear that the new structure was dysfunctional, and people were rightly irritated, some even quite upset. At a daylong staff session devoted to pinpointing the problems and fixing the structure, the vice president, who was an imposing figure not given to hand-wringing in public, stunned her group by confessing that when she had made the fateful re-

structuring decision, she was contending with a number of competing demands that meant she spent too little time thinking through the structural change. She not only explained her mistake, she apologized to the group, a gesture that touched their hearts and won their support. Type A's, take note.

EMPLOYING CEREMONY

Although promoting intimacy should remain on your short list of ways to enhance your communication of higher ends, there will be times when a sense of theater will serve you well as a leader. Ceremonial occasions, while not intimate, can help to inspire the people around you by dramatizing and solemnizing your message. The dramatic staging of a dump of materials mailed to incoming freshmen to show the obvious inefficiency of such an uncoordinated and wasteful process, discussed earlier in this chapter, is an excellent example of the power of ceremony. This event even calls to mind Ronald Reagan's state of the union speech where he stacked the federal budget beside his lectern.

Your leadership challenge is to strike the right balance between intimacy and ceremony. Our counsel is to look for every opportunity for intimate communication while also determining those rare times when ceremony will serve a valuable purpose. Ceremony can be used as the frontispiece to a more intimate communication process or as the capstone, depending on which you think will be most effective.

Returning to the example of the recently updated institutional vision statement, a convocation of academic and administrative department heads, at which the board chair and president provide historical background and present the points that comprise the vision, might be a very effective prelude to your more intimate meetings at which the vision will be discussed in detail. Adding ceremonial touches in less dramatic ways than a convocation is a way of saying, "You are important enough—and this subject is important enough—to dramatize you and it." For example, after you have met with each of your units for the vision discussions, you might convene a meeting of all of your staff, at which each of the unit heads formally presents the implications of the various vision elements from that unit's perspective. One organization with which we are both familiar devoted an hour at its annual board-staff retreat to a ceremony honoring the members of a task force that had, for 18 months, spearheaded a wide-ranging innovation planning process.

WALKING THE TALK: THAT CHARACTER THING

Words alone, no matter how inspiring, how well phrased, or how skillfully delivered, are never enough over the long run to build enduring loyalty and commitment. Your behavior as a leader counts for a lot, and ultimately, whether you actually "walk the talk," confirming and not contradicting in major ways what you say, will determine your success as an inspirational leader. When your words relate to widely held core values in your institution, you are venturing onto the terrain of what is popularly known as "character." In common usage, when we say that a person has "strong character," we mean two things: first, that the person professes allegiance to certain core values; and, second, that the person behaves according to those values. When we question a person's character, we typically mean that his or her behavior deviates in important ways from those professed core values. Two of the most common and damaging failures to "walk the talk" by CEOs that we have observed are making only a rhetorical commitment to teamwork and failing to back their staff when the going gets tough.

What is the difference between "personality" and "character"? Many people treat personality as an aspect of a person's character. We would like to suggest that in the process of developing your leadership skills, you view your personality, which is a vital part of your psychological makeup, as an ally of, but distinct from, character in leading. Your personality is the face you show to the people around you, and it is manifested in your style of interacting with those people. Although your personality will undoubtedly help to shape onlookers' perceptions of your character, it relates more to your style of behaving, than to the direct tie between your behavior and core values. For example, your sunny disposition and obvious enjoyment of the company of others might predispose people around you to believe that you respect them; it will certainly help you to build an emotional line of credit with people, which you can draw on in leading. However, they cannot truly know that you respect the people around you (a question of your character) until you confirm it by showing that respect over and over again through concrete behavior. Put another, simpler way, outgoing people with pleasant dispositions have been known to tell big lies.

In our experience there are only a few core values that people expect a leader of "good character" to uphold in practice; three appear to loom largest in defining character: honesty, respect for others, and integrity. A leader who violates any one of these three values in significant ways will tend to lose the trust and support of his or her followers. Honesty, very simply, means telling the truth, the whole truth, and nothing but the truth, to the

best of your knowledge. A half-truth can be just as harmful as a downright falsehood. For example, if the board asks you what the financial consequences of a proposed course of action might be, and in answering, you omit an important consequence of which you are aware, you have been dishonest. Respect means treating those around you as you would like to be treated, never belittling or humiliating them or causing needless pain. Integrity means that people can count on you to actually do what you say you will do; your word is good enough. For example, your employees will watch very closely how you advocate for their priority needs, whether for a new steam boiler or an additional staff position. If you make a commitment to fight for particular staff requests, then you must deliver—or explain clearly why you could not—if you want to maintain your integrity in their eyes.

One of the challenges that you face as a leader, where character is concerned, is to creatively reconcile competing values in practice, since going too far in the pursuit of one value can violate another. This is where we need to bring in a concept discussed in some detail in Chapter 1: your total intelligence. You will recall that, by total intelligence we mean an in-depth understanding of your emotional makeup, including surfacing unconscious emotions, as well as your “head” intelligence. We talked about the hidden emotions creating a mental filter that can actually distort reality without your knowing that it is happening. In other words, you can unwittingly fool yourself, at the expense of your effectiveness as a leader.

We suggest that the more you develop your total intelligence—the more *self-aware* you become—the more effective you are likely to be at reconciling competing values, and consequently, the stronger your character is likely to be. Let’s take a very common example, which we have both seen countless times over the years, of an unrecognized emotion clouding a leader’s judgment in applying values. Many people who obviously have a strong need to be loved are aware of its influence on their judgment, so they tend to feel passionate about the value of respecting others, but this can be at the expense of truthfulness and integrity. Such people tend to mute criticism in evaluating performance, thereby withholding information untruthfully that might aid a person’s professional development. Thus, in the process of being untruthful, they are also being disrespectful of the person’s right to grow professionally.

This strong—but unconscious—need for the love and affirmation of others can also manifest itself in promises intended to please the audience of the moment, which turn out to be undeliverable and, more often than not, were never seriously intended. The leader who—driven by the need

to please but consciously believing that he or she is merely adhering to the value of respecting others—repeatedly promises the undeliverable will soon stand convicted of lack of integrity among his or her followers. The need to be loved can also result in an unhealthy degree of conflict avoidance. Although constant conflict can certainly damage an organization, there are clearly times when, as a leader, you must be willing to engage in conflict. For example, if a staff member is visibly violating a policy that you have established, say, relating to submission of progress reports, then not challenging the violator would convey to other staff that policies need not be taken seriously.

Flipping over the coin, we have also observed the distorting mental filter at work in professionals who unwittingly punish others, believing that they are only paying homage to the value of honesty. There can be an unconsciously motivated need to harm the other person that causes the leader to use honesty as a weapon, at the expense of the value of respect for others. One of us, for example, worked with the chief executive of an institution who clearly found working with strong, aggressive women on the executive team to be tremendously challenging—in fact, so challenging that he basically drove the strongest woman on his team, his vice president for finance and administration, away from the institution. In the conscious pursuit of honesty, his constant criticism was needlessly harsh and often quite cruel, but he was apparently not conscious of his need to harm. Indeed, in private he professed—sincerely, it appeared—to want to help his vice president hone her leadership skills, preparing herself for an institutional presidency some day. This dramatic example appears to confirm Chris Argyris' distinction between an espoused theory—paying allegiance to a particular value—coexisting with a theory in use that contradicts the value, without a person's being consciously aware of the contradiction.

PEOPLE EMPOWERMENT: MORE THAN A SLOGAN

Inspiring your people—drawing their eyes to higher ends, touching their hearts as well as their minds, and building their loyalty and commitment to the institution—will ultimately go for naught without also empowering them. In fact, if they are not empowered, you will find yourself saddled with some very frustrated and eventually angry and cynical people, some of whom are likely to depart for greener pastures. You would be better off not having gotten them so inspired in the first place. You can think of feelings such as being inspired, excited, committed, and loyal as a kind of fuel

that energizes people in doing their work and participating in institutional activities. Empowerment has to do less with people's feelings and more with their technical capacity to participate productively in doing institutional work. Empowered people are more capable, more productive, and ultimately more satisfied, and their institutions are more effective as a result.

Although the term "empowerment" is often tossed around as a political slogan (a variation on "power to the people"), to us it is a very practical tool that you can put to productive use in exercising leadership in your institution. It consists of two basic components that we will explore in some detail in the remainder of this chapter:

- Ensuring that your organization's systems, processes, and structures are designed to enable people both to make a meaningful contribution to the work of your organization and to strengthen their capacity to contribute through their participation; and
- Systematically developing the capacity of the people in your organization to contribute through formal education and training.

THE DESIGN SOLUTION

In Chapter 1 we described organizational design as one of the most important functions of a modern leader. Design is the alternative to merely inheriting past practices. You will recall that designing a system, process, or organizational unit means basically determining:

- The outcomes it is intended to produce,
- The steps that must be taken and events that must occur to produce the outcomes,
- The structure required to make the process work and the environment that will be conducive to carrying it out (in keeping with the axiom that form should follow function), and
- The assignment of roles and responsibilities.

The connection of the design function to empowerment is very direct and simple: As a leader, you can make sure that the most important institutional functions, systems, and processes are designed in such a fashion that they empower the people participating in them to the maximum feasible extent. But this will happen only if the intended outcomes explicitly include empowerment.

To illustrate the use of design as a very effective empowerment vehicle, take the example of a vice president for administration and finance and that "Mississippi River" of institutional planning processes: annual operational planning/budget preparation. The units making up the vice president's division are required to submit their budget requests to the vice president by January 15, and the president and her cabinet will hold operational planning and budget review sessions in March. If the vice president is truly committed to the empowerment of his people, he will design into the operational planning and budget preparation process that his units follow—within the overall institutional policies and procedural guidelines—features that are intended to promote empowerment. Examples of such features that we have observed over the years include:

- Supplying a divisional framework for the operational planning and budget preparation process within the division of administration and finance by kicking the process off with a daylong meeting of the seven unit heads with the vice president, at which division-wide priorities for the coming fiscal year are fashioned, divisional performance over the past year is assessed, critical issues facing the division—in the form of challenges and opportunities—are identified and their implications for divisional planning are discussed, and possible initiatives to address the issues are brainstormed;
- Convening another daylong divisional unit head work session six weeks later, at which unit heads will present their preliminary operational plans/budget requests and participants will raise questions and offer suggestions for improvement;
- Making sure that when the vice president has prepared his submission to the president's cabinet for its first series of institution-wide budget hearings, he takes the trouble to explain to the assembled unit heads the decisions that underlie the submission; and
- Ensuring that unit heads are regularly briefed in detail on operational planning and budget deliberations at the president's cabinet and board of trustees levels.

Although the foregoing example involves relatively simple, low-tech design features, the cause of serious empowerment—of unit heads reporting to the vice president, in this case—has been well served. For one thing, the vice president did not initiate the planning process by merely issuing a priorities statement or announcing the critical issues that his unit heads should consider in fashioning their operational plans and budget requests.

He invited input via a daylong participatory work session, thereby (1) providing his unit heads the opportunity to shape the priorities and issues, contributing to their sense of satisfaction; (2) strengthening the content of the priorities and issue analyses by bringing in the perspectives and experiences of unit heads; (3) strengthening the planning skills of the unit heads (the learning-by-doing approach); and (4) also building the inevitable feelings of ownership that come from meaningful participation in shaping products.

The vice president also empowered his unit heads by giving them an opportunity to present their preliminary plans/budget requests at the subsequent work session and to critique each other's presentations. Such give-and-take at a high level is a very effective way to sharpen presentation and analysis skills and to make sure that everyone is knowledgeable about every part of the division. By providing feedback on his own planning and budget decisions and on the deliberations of the president's cabinet and board of trustees, the vice president ensured that his unit heads were knowledgeable about the wider context in which planning decisions were being made. The vice president might also have taken the time to provide his unit heads with a detailed account of the political and technical issues under consideration at the cabinet and board levels since meeting high-priority institutional needs is one of the surest ways of competing successfully in the budget allocation process.

Leaders who are committed to empowerment also commonly use mechanisms such as task forces and ad hoc committees to foster meaningful participation in producing important outcomes, as we discuss in greater detail in Chapter 3. For example, let's say that the image of your financial and administrative services department within the institution has emerged as a top-tier issue over the past few months, in part because of the trials and tribulations of your department's installation of a new financial reporting system. The inevitable bugs that needed working out and the numerous slipped deadlines have helped to make your department "public enemy number one" for the time being in the institution. Instead of carrying the ball yourself, analyzing the situation, and coming up with some image repair initiatives, you might take the empowerment option of putting together an image task force with representation from all five of the operating units making up your department and perhaps even representatives of your institutional "customers."

If you take the trouble to provide a clear charge to the task force, supply it with a workable methodology, and make sure that task force members are given enough time to do the work of devising image enhancement strategies, then you have empowered the task force participants. They are

contributing in a meaningful fashion in dealing with an important issue, and in the process they are learning more about both issue-focused planning techniques and the issue area of image itself. Keep in mind that you have also empowered your whole department by strengthening its collective capacity to deal effectively with other issues as they arise.

EDUCATION AND TRAINING: AN UNCERTAIN TOOL

You cannot rely on your institution's personnel or human resource department to handle leadership development. Such departments typically focus on midlevel management and support staff skills development, seldom, if ever, dealing with senior and executive management education and training. So, as a leader, you must play an active role in the development and implementation of high-level educational programs. The acquisition of new knowledge and skills through education and training can be a useful empowerment tool, but only to the extent that what is learned is put to practical use in doing important institutional work or in developing one's career. Knowledge, alone, is neither power nor an empowerment tool. In fact, it can be downright disempowering if the opportunity for practical application is severely limited. We suggest that you keep three broad guidelines in mind when you consider the use of formal education and training—for yourself and for your staff:

- **Avoid education and training in the abstract.** Instead, match it with specific needs associated with particular process or system design enhancements. For example, if your institution is launching three task forces to come up with strategies in three issue areas, as part of the implementation of an institution-wide innovation planning process, it makes the most sense to prepare task force members to participate effectively in the strategy formulation process. There is nothing abstract about the training, and the potential for practical application of the knowledge is 100 percent.
- **Maintain firm quality control.** Just because a vendor offers education and training in an area where you have determined it is needed does not mean that the education will meet your needs in terms of delivery or content. Bad content abounds in fields that are rapidly evolving, such as governance, strategic planning, and change management. It is all too easy to end up with yesterday's outdated knowledge when fields are being radically rethought. For example, as discussed in Chapter 3, com-

prehensive long-range planning for arbitrary periods such as three or five years is a virtually useless tool for large-scale institutional innovation in a rapidly changing, frequently challenging world. The field has advanced well beyond this kind of Soviet-like approach, but you will still find plenty of consultants out there willing to sell it to you. Our counsel: *caveat emptor*.

- **Do not get caught off guard.** Never put anyone in your organization through an education and training experience, especially one that is likely to raise expectations significantly or breed dissatisfaction with current practices, unless you have worked out a detailed game plan for meeting those expectations.

THE PRICE OF IGNORING THE RULES

Not paying attention to the foregoing rules for making use of education and training as an empowerment tool can be costly: people who are disillusioned, dispirited, dissatisfied, frustrated, or angry and, in extreme cases, even the loss of your job. Take the all-too-common example of sending staff away for some kind of creativity and team building, perhaps of the Outward Bound ilk. In theory, this might sound pretty attractive: take my people and turn them into a more valuable resource by teaching them to be more sensitive in their interpersonal relations, more creative in their planning and program development, more effective problem solvers, and more collaborative team players. That is all fine and good, provided that you, as their leader, have taken the trouble to design systems, processes, and structures that will enable your people to put these newfound skills to work.

More often than not, in our experience, people bring their new knowledge and skills back to the same old "salt mine," where the opportunity for practical application is extremely limited. In this situation the likely outcomes are negative: unfulfilled expectations, frustration, even anger and cynicism. One of us saw a vivid demonstration of this phenomenon at work a few years ago in a community college, whose president talked his board members into attending a two-day "higher education governance" workshop being offered by a national association. Broad concepts were explored ("what governing means"), golden rules were expounded ("good little boards should focus on policy and stay out of operations"), and even some team building and problem solving were done. It was thought-provoking at times and learning did take place, but the opportunity to put the learning to positive, practical use was virtually nil, in light of the board's unclear role, in-

adequately designed processes, and dysfunctional committee structure. Rather than leading to better governance, the workshop led to a more frustrated board and, not long after, to the president's being sent packing. What was missing in this case was any well thought out design for using the workshop as the first step in a board development process. Instead, board members merely learned how bad things were, and the president paid the price.

MENTORING

Mentoring is a less formal, more personal form of education that can produce powerful results when conscientiously practiced. Mentoring a person means to provide one-on-one guidance, sharing lessons and "tricks of the trade" that experience has taught you, thereby preparing the person you are mentoring to succeed when facing similar circumstances. Your serving as a mentor will not only build capacity among your staff, it will also promote emotional bonding and commitment by demonstrating an extraordinary level of caring on your part that goes beyond normal supervision.

For example, let's say that one of the unit heads reporting to you is scheduled to present the report of a task force on information management to the president's cabinet. This will be her inaugural appearance at a cabinet meeting, and she is also relatively inexperienced in formal presentation. Your mentoring might include

- Briefing her on the collective culture of the cabinet: the unwritten customs and rules that guide cabinet deliberations and that she should avoid violating. For example, she should be aware that delighted facial expressions and raucous laughter, in keeping with the long sycophantic tradition of the institution always greet presidential jokes, no matter how lame. She should also know that cabinet members are encouraged to interrupt presentations at will with questions and even challenges, as a way of testing the mettle of presenters, and that remaining calm and good-humored under fire is seen as a preeminent virtue.
- Alerting her to idiosyncrasies of individual cabinet members so she is not thrown off guard. For example, she needs to know that if a particular vice president dozes off during her presentation, it is most likely due to his ongoing, courageous battle with narcolepsy and not to deficiencies in her presentation style. And she should be advised that another cabinet member's pained expression is most likely a symptom of dyspepsia, not dissatisfaction with her presentation.

- Assisting her in structuring her presentation to meet cabinet expectations. For example, you might advise that she employ PowerPoint slides with bulleted points, make copies of the slides available to participants, and use a pointer to draw cabinet members' attention to particular items.
- Providing her with an opportunity to practice. You might also take the opportunity to critique her presentation.

IN CLOSING

In Chapter 2 we explored practical ways that you, as a leader, can inspire and empower the people who work for you. We examined ways that you can inspire people by employing words that set their sights on fundamental purposes and higher ends, including telling stories that tap into heartfelt truths that bind people together. We discussed the very important role of a leader's character in inspiring loyalty and commitment among people, "walking the talk" rather than relying on words alone as an inspirational tool. We described how you can employ the design function to develop systems and processes that empower the people who participate in them. We concluded with a discussion of formal education and training as a limited but important empowerment tool. We now turn to one of the most critical of all leadership capacities: leading institutional innovation and growth.

CHAPTER 3

LEADING CHANGE

THE CHANGE IMPERATIVE

If changing—personally, professionally, organizationally—were a simple, straightforward process, we would see many more dreams realized, visions actualized, and missions accomplished. In real life, producing relatively minor changes can require considerable ingenuity and discipline, and planned, systematic, large-scale change is the rare exception that proves the rule: *changing in major ways is a tremendous challenge*. The only easy course—not to change—is highly dangerous in the world in which we live and work these days. Therefore developing your capacity to lead change should be one of your highest professional priorities and a preeminent responsibility.

Our purpose in this chapter is to provide you with very practical, down-to-earth tools that you can use in leading change in your own career, in your organization, and in the wider institution. Our concern in this chapter is real change—action, not words, no matter how artfully expressed or how beautifully bound. Our practical counsel is based on recent dramatic advances in the field of nonprofit and public planning, which has moved well beyond old-time, control-oriented, long-range “strategic” planning. Planning, as we outline here, should foster and facilitate systematic innovation, supported by the annual operating budgeting systems rather than “monster” five-year plans.

We begin by discussing the need to play a leading role in producing organizational change and the various forms that self-directed (as contrasted with externally forced) change can take. Next we examine the daunting

challenges that make producing significant change so difficult and discuss why traditional, comprehensive, long-range planning has failed as a change management vehicle. We then look at what you can do as a leader to foster an innovation-friendly organization, after which we turn our attention to the key components of a powerful, recently developed process that has proved highly effective in producing strategic change at all levels—individual, organizational unit, and institution: Strategic change portfolio management. After discussing how you can create a change-friendly culture in your organization and addressing the implementation question, we conclude this chapter with a real-life case of successful application of the portfolio approach: the ACUBO 20/20 Initiative.

Surviving, growing, and thriving—professionally and institutionally—in today's rapidly changing, always challenging, and frequently threatening world depends heavily on developing the capacity to produce change rationally and systematically. Rational change is explicitly aimed at addressing the highest-priority issues (both opportunities and challenges) facing you or your organization. Systematic change is the product of well-designed, orderly processes that continuously generate change and keep it within manageable bounds, preventing needless disruption. The choice you and your institution face is not whether—but how—to change. Either you learn to lead your own change, or the forces at work in the wider world—new competitors, lower cost alternatives, new models of learning and effective training, growth in demand, technology—will do the changing for you, usually with maximum pain and suffering. Digging in your heels, circling the wagons, clinging to past practices are a surefire path to professional and institutional stagnation and decline.

Change can take many forms: in concepts, philosophies, programs, products, services, facilities, technologies, processes, systems, attitudes, behaviors, relationships, image, and more. Change can also be more or less "strategic." In this book we are most interested in strategic change—professionally, organizationally, and institutionally—by which we do not mean change for some arbitrary period of time, such as three, five, or ten years, which is the product of some kind of comprehensive long-range planning process. Rather, we are talking about change that, in your (or your institution's leaders') judgment: (1) responds to high-stakes issues in the form of significant opportunities to move toward your professional or organizational vision or to remove significant barriers to such movement; (2) is likely to produce enduring, significant professional or organizational impact; and (3) is too complex to be left to business as usual or to be handled through your organization's operational planning and budget development process.

The process of producing change, no matter how strategic it might be, involves two essential capacities: innovation and implementation. We define innovation as the process of generating concrete "change chunks" ("change initiatives" in scientific argot) and implementation as the process of translating them into practice. Innovation can be broken into two subcapacities: creativity, which is the capacity to generate possibilities for change, and a planning process, which enables you to select the right possibilities and to translate them into change chunks. As we discuss below, traditional, long-range, "strategic" planning has proved to be a notoriously ineffective innovation vehicle. We propose that you employ a more powerful planning approach that we call "strategic change portfolio management," which we will describe in elaborate detail later in this chapter.

BUCKING THE ODDS

Things are constantly changing—inside each of us and all around us—and, as we have pointed out, the dramatically increasing magnitude, pace, and complexity of change these days make this a challenging world (and also, we should note, an exciting and high-opportunity world). Although change in general is a constant, we cannot say the same for thoughtfully conceived, well-planned, and carefully executed change—individual and organizational—that strays very far from the way things are. Rational, intentional, significant change is so rare outside of a crisis situation, such as the outbreak of war between a board and its president, the breakdown of a student registration system or the failure to get paychecks out on time, that we celebrate those rare instances when large-scale change is accomplished, enshrining them in case histories whose lessons are diligently studied.

Indeed, leading and managing significant innovation and change is so challenging that, in recent years, a whole subfield has grown up under the broad management umbrella called "change management." Unfortunately, the near field of change management has tended, up to now, to be preoccupied with techniques for getting the "troops" to go along with planned changes, while paying much less attention to the qualitative question: What change makes sense?

Why is it so tough to lead and manage innovation and change in our lives and our organizations? Experience has taught us that the five most significant barriers to successful leadership of change are normal human resistance, the pressure of day-to-day events, scarce resources, inadequate

planning process, and incomplete information and changing circumstances.

Fear of changing is apparently a common human trait, rather than being the preserve of the weak and unduly fearful. Have you met many people who truly relish the possibility of major change in their lives or in their organizations, when it threatens to alter their status and cause discomfort by changing the work they do or how they accomplish it? We certainly have not, and we seriously doubt that you have either. Indeed, you might want to seek therapeutic help if you find yourself waking up every day with the question, "How can I change in important ways today?" The psychological and spiritual literature well document the anxiety—and hence the resistance—that the prospect of change can kindle in the breasts of normal, intelligent, hard-working human beings, not just those suffering from major neuroses. Even just contemplating the theoretical possibilities for change that exercising your creative capacity might produce, much less specific change targets, can cause fear and anxiety. The philosopher and early psychologist Sorin Kierkegaard aptly called anxiety "freedom's possibility," and the psychologist Rollo May has written about the courage that is required to venture onto the terrain of creativity and to grapple with what he calls the "creative confrontation."

More often than not, so far as we can tell, at the heart of resistance to change is a very powerful emotion: fear—of being inadequate to the new demands, of failing and suffering humiliation, of being seen as inept or weak, or, if in a position of authority, of having that power and status diminished. This emotion is so powerful that we have come to think of leadership largely in terms of overcoming people's resistance through inspiration and motivation, and anyone aspiring to lead change will underestimate natural human resistance at his or her own peril. You should also keep in mind that resistance to change could be especially insidious and pernicious in its unconscious form, i.e., when the fearful person is not even consciously aware of the emotion of fear. There is a phenomenon we have often observed in major change efforts: "killing change with a million rational questions." This is the familiar resident, self-appointed devil's advocate who, like a bulldog, examines proposed changes from every conceivable angle, asking one what-if question after another, never finding satisfaction, wearing colleagues down and dampening their enthusiasm. The traditional campus governance process is a model for killing change. Up to a point, of course, any rational person should examine the possible consequences of proposed changes; after all, we have all encountered plenty of ill-advised proposals. But past that point, we are dealing with a person whose unrecognized emotion fuels irrational resistance.

Making the job of a change leader even more challenging is that, in

addition to normal emotional resistance to change, you must also contend with the inexorable press of day-to-day operations and the scarcity of resources to apply to change. You, like your colleagues in your institution, probably find that your current responsibilities not only consume every last ounce of energy and minute of time that you have, they occasionally threaten to overwhelm you. You are hard-pressed to scrounge up enough time to answer your e-mail, go through your in-basket, or return your phone calls, much less keep up with your professional reading. Even if you are a CEO, you are not the undisputed lord of your domain; crises continue to happen, and key internal and external stakeholders, such as a powerful board member or the state chancellor of higher education, can always lay a claim to your time and attention. Not only are time and energy at a premium, few nonprofit and public organizations, including higher education institutions, are fortunate enough to have a huge reserve of unrestricted money to invest in innovation. Only an elite few can easily come up with the millions of dollars to finance a major innovation target, and your organization unit might be lucky to find a spare thousand or two.

Under these somewhat grim circumstances, which virtually all of us share, producing significant innovation requires a well-designed planning process that is highly selective, well protected from the never ending demands of the day to day, and resistant to the allure of comfort and safety that comes from standing pat. We wish we could simply point you to long-range, "strategic" planning as the solution, but, alas, traditional, comprehensive, long-range planning has proved to be an abysmal innovation tool.

GOODBYE FIVE-YEAR MONSTER PLANS

We believe that comprehensive, long-range, so-called "strategic" planning for arbitrary periods such as three, five, and sometimes even ten years may very well have been the invention of a Soviet ministry, probably agriculture or manufacturing, during the Stalinist era. Such planning has sacrificed millions of trees and countless hours to produce weighty planning tomes that have generated little important innovation. Although such planning is clearly on the wane—having largely disappeared in the for-profit sector—five-year monster plans are still being produced here and there in the public and nonprofit sectors, including higher education.

Four reasons, we think, explain the persistence of such an ineffective innovation tool. First, the comprehensive nature of the process makes it familiar and comforting, since it deals mainly with what an organization

is already doing, hence avoiding the anxiety that conjuring up possibilities for change might generate. Second, comprehensive long-range planning provides the illusion of security and control in a rapidly changing, often frightening world; after all, things have been tied down for the next three, if not five, years. You should never underestimate how powerful the longing for control and security can be in confusing and threatening circumstances. Third, the process does produce an important benefit: education of participants. It is not possible to play an active role in updating your organization's five-year plan without learning a tremendous amount about its current programs and how they are funded and carried out. And fourth, a long-range plan, especially if it is attractively illustrated and handsomely produced, can serve as a marketing and political tool: evidence for the wider world of organizational planning capacity and seriousness.

Since traditional, long-range planning of the three- or five-year ilk is a dying beastie, we do not want to spend much time beating on it. Eventual extinction is certain, and so we only want to touch on the critical conceptual and operational flaws of the process. At the top of the list is the futility of projecting, in any detail, current programs and services into the future much beyond the coming year, in light of the rapidly changing world. This is the principal reason why three- or five-year plans virtually always end up gathering dust on a shelf, rarely if ever consulted, until it is time to update them again. The comprehensive nature of the process, with its attention to replanning what is already happening and basically confirming the conventional wisdom, inevitably overwhelms serious innovation, which requires focused attention. And, to add insult to injury, arbitrary time periods such as three, five, or ten years have nothing to do with reality; they are the invention of control-oriented planners longing for certainty. Nothing in nature or human affairs follows a three- or five-year rhythm, as far as we have been able to tell.

Now, we do not want to give the impression that we are crazed incrementalists or impassioned antiplanners (although it is true that we do not have a fetish for planning tomes). The point we want to make is that planning in detail everything your organization is already doing very far into the future is likely to be a waste of precious time, producing neither real security nor much innovation. This does not mean you should not project trends and explore possible consequences. For example, it makes the best of sense to extend institutional revenue and expenditure lines into the future, noting where expenditures might begin to outstrip revenues and brainstorming possible initiatives that might be taken in the near term to avert the projected crisis. Note, however, that this example involves analyzing trends as a device for identifying a potential issue and then considering near-term

action to avert a problem. It is anything but a comprehensive, long-range financial plan that projects detailed expenditures by organizational unit into the future for an arbitrary period.

There are specific areas that lend themselves to formal long-range planning, such as capital construction and scheduled facility maintenance. Case Western Reserve University, for example, is—as we write this chapter—constructing a stunning Frank Gehry-designed building for its Weatherhead School of Management. You can be sure that a detailed, long-range plan is being followed—from raising money and developing the broad design parameters and specifications to sending out invitations for the ribbon cutting years later. We also do not intend to suggest that your institution or organizational unit is not now producing innovation. Our point is that your formal planning process should foster and facilitate systematic innovation, rather than burying it in paper describing what is already going on. One of us did a research project some 20 years ago that vividly demonstrated how formal planning and innovation can diverge—at a high cost to the organization.

It was a study of the linkage of significant investments in innovation over a period of five years with the formal five-year planning process at a three-campus higher education institution serving approximately 30,000 full- and part-time students. During the period examined, a number of significant investments were identified, including developing an impressive new center for delivering customized high-tech training for local businesses and a state-of-the-art student registration system, but not one could be traced to the formal, five-year planning process. In every case the original idea came from outside the planning process, and the development occurred outside the process as well, including allocating the funds. The most that the formal, long-range planning process did was to eventually integrate the innovation into the long-range planning document, once it had received presidential blessing. In other words, the formal planning process served a useful purpose as historical recorder and supplier of context; but as a device for innovation, it was a clear bust and has since been dismantled.

To take another example of the futility of formal, long-range planning for an arbitrary period of time, one of us vividly remembers sitting late one evening with colleagues in the management and budget services office of a higher education institution, wondering how we could sensibly project our activities, year by year, into the future for five years, as the institution's strategic planning process required. We finally decided that we would take the mechanistic approach of increasing activities 5 to 7 percent annually, and we would also take the prior year's five-year goals statement and change the infinitive clauses ("to do ...") to participial clauses ("doing ..."). "After

all," as one of our colleagues pointed out, "no one's going to read the thing anyway, much less pull it out to review a year from now."

READYING YOUR ORGANIZATION FOR INNOVATION

The single most important step that you can take as a leader to build the innovation capacity of the organizational unit you head is to establish a contemporary planning process that is designed to produce innovation regularly and systematically, rather than saddling your organization with the antiquated, long-range planning process described above. In addition to this "planning system" solution, discussed in detail following this section, you can make your organization more innovation friendly by

- Building an internal climate that fosters and celebrates creative thinking,
- Preparing your staff to participate effectively in the innovation process, and
- Legitimizing the process through your serious participation.

Keep in mind that creativity is essentially the capacity to generate the ideas that fuel the innovation process, providing it with the possibilities for change, which eventually become concrete "change chunks." As a leader, you are in an ideal position to build an internal climate in your organization that is conducive to creative thinking. In the first place you can make clear that creativity is one of your top-tier values. More important, you can demonstrate your seriousness by welcoming new ideas and avoiding punitive behavior that discourages creative thinking, such as humiliating or otherwise punishing staff who make mistakes in their efforts to take fresh approaches to problem solving. You can also encourage your staff to become more knowledgeable about the creative process by circulating pertinent books and articles and by providing them with educational opportunities, such as conferences and workshops.

When you have made a commitment to launch a serious innovation planning process, such as the strategic change portfolio management approach discussed below, you will want to make sure that your staff both understand the reasons why the process is being undertaken and receive a thorough orientation on the steps involved. This will not only breed commitment to participation, but will also help to lessen the anxiety that new processes inevitably cause. You will also want to confer legitimacy on the

process by seriously participating yourself, rather than merely exhorting the troops and then disappearing into the inner sanctum, reappearing only at penultimate points in the process. Your personal, visible leadership throughout the process is the surest way to teach your staff that it is worth their serious involvement. You can also build legitimacy by making clear, at the onset, that you intend to allocate resources to the change initiatives that eventually emerge from the process. In other words, make sure your staff understand why and are oriented, participate yourself, and allocate resources.

STRATEGIC CHANGE PORTFOLIO MANAGEMENT IN A NUTSHELL

We want to acquaint you with a powerful new approach for systematically, continuously producing concrete, real-life innovation that has been successfully tested in recent years in nonprofit and public organizations of all shapes and sizes: strategic change portfolio management. A variation on the broad strategic planning theme, the strategic change portfolio management process has nothing in common with wish lists of five-year goals or "blue skying" for an imaginary five-year cycle. Rather, it is a very practical and down-to-earth mechanism for investing finite and precious organizational resources in particular "change chunks"—above and beyond what the organization is already doing as set forth in its annual operational plan and budget. These investments are made year by year as a way of moving toward an organization's vision of the desired future (see Figure 3.1).

Interestingly, this poststrategic planning approach to generating and managing change draws more from the product research and development work of for-profit businesses than from the field of nonprofit/public planning, which has tended to remain wedded to elaborate, long-range planning. The strategic change portfolio management approach has also been heavily influenced by the research of Rosabeth Moss-Kanter at the Harvard Business School and others focusing on large-scale business innovation. Books like Moss-Kanter's *When Giants Learn To Dance* support what we have learned from experience: that the total innovation process—from fashioning specific change targets and projects through implementing them—must be protected, nurtured, and managed through formal structure and process that is kept separate from what Moss-Kanter calls the "mainstream" of organizational planning and management. Otherwise, the "newstream" will be overwhelmed by the requirements of business as usual. The two case studies that we will discuss later in this chapter illustrate this organization-

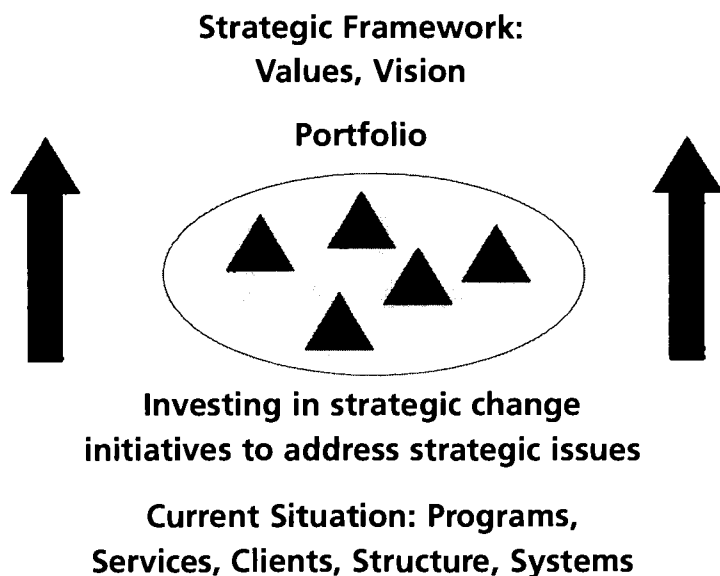


FIGURE 3.1. Strategic Change Portfolio Management in a Nutshell.

within-an-organization approach to protecting change through a dedicated structure consisting of ad hoc, special-purpose bodies such as steering committees, task forces, and development teams.

The strategic change portfolio management process is characterized by:

- Guidance by a clear “strategic framework” consisting of values, vision, and mission;
- Process flow through an annual planning stream concurrently with, parallel to, and separate from the annual operational planning and budget preparation stream, hence doing away with the mythical planning hierarchy that has five-year goals and strategies serving as a kind of conceptual umbrella for annual plans (see Figure 3.2);
- A focus on particular, highest-priority strategic issues, in the form of opportunities to move toward the envisioned future and of challenges—barriers and threats—standing in the way of realizing the vision
- Generation of “strategic change initiatives”—very practical projects aimed at addressing the selected strategic issues;
- Management of these strategic change initiatives in a strategic change portfolio that is kept separate—and protected—from day-to-day operations; and

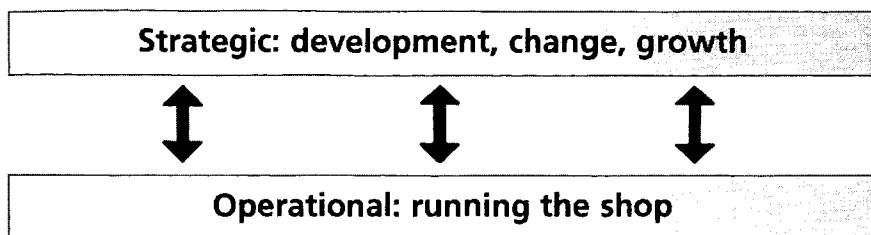


FIGURE 3.2. The Strategic Change and Operational Streams.

- Meticulous attention to implementation of these strategic change initiatives through well-defined structure and process.

The strategic change portfolio management approach is independent of scale and can be applied to produce innovation at any level: for individuals, organizational units, total institutions, and even interinstitutionally to address issues transcending particular institutions. The strategic change initiatives that make up an individual's or organization's change portfolio will typically relate to diverse issues; for example: the need to strengthen image; the opportunity to apply a powerful new technology; demand for a new service; disappearance of a major funding source; erosion of your relationship with a critical stakeholder. At any given time, each of the strategic change initiatives making up your portfolio will involve a different time frame: for example, refurbishing your image is planned to take 14 months; putting the new technology into operation, 42 months, or 3 years; launching the new service, 18 months; and replacing the funding source, 6 months (see Figure 3.3). So much for five-year planning! As the years pass, complete initiatives drop out of the change portfolio and new ones are added to deal with newly identified and selected issues, all within an evolving strategic framework of values, vision, and mission.

As we will discuss in greater detail later in this chapter, many organizations and institutions employ an annual one- or two-day retreat involving their board, chief executive, and executive managers as a vehicle for kicking off both streams that comprise the annual planning cycle: the operational planning and budget preparation stream and the parallel, but separate strategic change portfolio management stream. An intensive retreat (also known as "strategic work session" or "advance") enables institutional leaders to back away from—and get on top of—detail: revisiting and perhaps updating values, vision, and mission; surfacing strategic issues by examining conditions and trends in the outside world and inside the institution; exploring those issues and brainstorming possible change initiatives to address them.

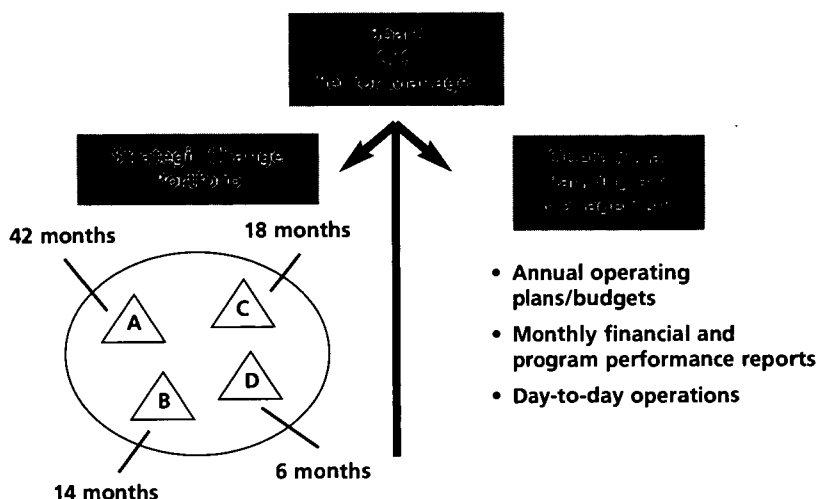


FIGURE 3.3. Strategic Change Portfolio.

We will now look at each of the key elements of the strategic change portfolio management process, after which we will describe two real-life applications of the portfolio logic and methodology: Cornell University's transformation of its process for communicating with and registering newly admitted freshmen and a national innovation effort—ACUBO 20/20—involving the National Association of College and University Business Officers (NACUBO) and the four regional associations that, with NACUBO, make up the Association of College and University Business Officers (ACUBO) "family." For illustrative purposes, before turning to the case studies, we will use a hypothetical institutional Division of Financial and Administrative Services, which you head as administrative vice president, as the organizational unit applying the process. Keep in mind that the model can be expanded to encompass the whole institution or contracted to a subunit of the division.

VISION: THE OVERARCHING INTELLIGENCE OF CHANGE

In Chapter 2 we define the three elements of an organization's strategic framework—values, vision, and mission—and discuss them in the context of a leader's inspiring and motivating her or his followers. Here we want to take a closer look at vision as the true intelligence and driver of the strategic change portfolio management process. Without a clear, detailed vision for the future, an organization—regardless of its size—cannot ra-

tionally select the right strategic issues on which to focus above and beyond merely "running the shop." Keep in mind that strategic issues are opportunities to move toward your vision or barriers that stand in the way of movement toward your vision. Thus vision is a key player in the drama of issue identification and selection. However, many people and organizations manage to avoid doing serious visioning, in our opinion, because "that vision thing" appears too abstract to be of practical significance and also because it raises fundamental questions about changing actions and behaviors, which tends to cause real discomfort.

You can think of vision as a multifaceted picture of the organization you want to develop over the long run (somewhat akin to the traditional five-year goals statement—without, of course, the meaningless time frame). There is a virtue in painting this picture of the desired future in as much detail as you can; otherwise, it does not function well as the standard by which to identify strategic issues facing your organization. You will hear people talk of vision as a succinct statement amounting to no more than one or two sentences that capture the desired future in a nutshell, but keep in mind that this is a summary of your institution's vision for public relations purposes. The detailed vision, in all its glory, is what you need to succeed at leading change.

The senior managers of our hypothetical Division of Financial and Administrative Services can, for example, envision the division's future in terms of its long-run impacts on the institution around it; its role in the institution; how it wants to be viewed by "outsiders" in the institution, especially key stakeholders; and the kind of culture it wants to create internally. The division's fully fleshed-out vision might include such impact elements as an institution whose board is knowledgeable about the institution's financial condition; whose leaders and managers possess the financial information they need to anticipate possible problems in the future; whose administrative support systems capitalize on technological advances; whose budget preparation and control processes strengthen management accountability throughout the institution; and whose wider public understands its financial dynamics. The vision statement might also describe the division of the future as innovative and flexible in meeting institutional needs; an active participant in, and supporter of, institutional growth and development; responsive, helpful, and friendly; a place where people can grow professionally; and an environment where creativity can flourish.

Visioning should be a dynamic, ongoing process involving the senior staff of the division for three very good reasons. First, the division's environment—both within the institution and beyond—is always changing,

and these changes will now and then raise vision-level "should we?" questions. For example, the defeat of an institutional tax increase by county voters makes it clear that the division should include playing a key role in educating the public about institutional finances as an essential vision element. Or, the appointment of a new president who is knowledgeable about and places a high priority on institutional long-range financial planning suggests that the division should envision actively supporting the new CEO in his financial leadership role. Second, visioning is a demanding creative process that benefits from the active involvement of division senior managers, who bring diverse expertise, experience, and perspectives to the table. And third, the commitment of the division's senior managers to the vision will depend on the ownership they feel, which can come only from participating in shaping the vision. For these reasons, it makes sense for the division's senior managers to revisit vision annually in a retreat setting, at which they can also identify and analyze strategic issues facing the division.

STRATEGIC ISSUE IDENTIFICATION AND SELECTION

The sad reality is that the time, money, and other resources that you can commit to strategic change, while also carrying out the day-to-day responsibilities set forth in the annual operational plan and budget, are finite and extremely precious. These limited means require that you and your colleagues be very selective in choosing the few strategic change initiatives that you can afford to implement at any given time. Choosing the "right" initiatives in terms of the ratio of benefits produced to the cost of producing them depends on identifying and selecting the right issues. As we wrote earlier, an issue is a "change challenge" in the form of an opportunity to move toward your vision or a barrier to that movement. The top-tier—"strategic"—issues are the ones that you and your colleagues decide deserve very special attention as part of the strategic change portfolio "stream," rather than being left to normal operational planning and budget preparation, because they are too high stakes and complex.

A strategic issue asks you the question: "Should my organization do something it is not now doing to deal with this issue"? Issues can relate to emerging new needs, process design flaws, technological advances, human relationships, external relations, internal leadership and management, and more. Let's take our hypothetical division, whose vice president and senior managers have spent a day together in a retreat setting, updating their vision and surfacing issues by examining conditions and trends external to

the division and by analyzing divisional strengths and weaknesses. The issues that have emerged from this session include an outmoded financial aid system that cannot keep up with the rapidly growing student population and changing federal regulations and that is attracting lots of negative attention, not only from aid candidates, but also increasingly from the institution's board; the need to respond to a memo from the president asking for thoughts about designing more creative board involvement into the budget preparation process; an apparent style clash between the division vice president and the president that has dangerously eroded their working relationship; growing frustration among members of the board's operational oversight committee about the hard-to-understand financial reports they receive; the inability to fill vacancies at the entry level in the division in a timely fashion, leading to service shortfalls, overextended staff, and eroding morale; the rising cost of vehicle maintenance, reflecting an aging fleet; and the need to assess a new bookstore inventory management system now on the market that promises significant savings over the long run.

How should the division go about ranking the issues to determine which ones deserve attention in the near term and which can be put on hold for later? Experience has taught us that it makes sense to come at this critical task from a cost—rather than benefit—perspective, asking the question: What will be the direct and indirect (lost benefit) costs that we can anticipate paying if our division does NOT act on the issue NOW? This damage control approach may seem a bit negative, but it is the quickest way of determining which issues are most critical to the continued health and well-being of the division. For example, the potential cost of not acting on the outmoded financial aid system would, most likely, be high enough for this issue easily to make the first cut: unhappy students/customers, severe negative financial consequences, and erosion of division credibility in the eyes of the board and president. By contrast, the cost of not moving on the new bookstore inventory management system would clearly be lower: inefficiency that keeps costs higher than they might otherwise be. The cost of not acting to improve the financial reports that are making the board members on the operational oversight committee unhappy and frustrated is, by definition, potentially huge, in light of the board's power to cause pain and suffering among institutional executives.

In determining a set of issues to be acted on during the coming year, the management team of our hypothetical division must flip over the coin and look at the likely cost of acting, not just the price of inaction. From this perspective, the cost of a new financial aid system would be much greater than the installation of new inventory management software in the

institution's bookstore. However, the student aid problem is not only much more visible, it also is at the heart of the institution's mission, unlike the question of bookstore efficiency. The potential cost of dealing with the frustrated board members on the operational oversight committee is fairly low, perhaps merely redesigning report formats and fine-tuning briefing techniques.

The ideal mix of issues will combine no more than one or two high-stakes, high-cost issues, such as student aid, with some high-stakes, low-cost issues, such as financial reporting to the operational oversight committee and the style clash with the CEO. Issues that are distinctly second tier in terms of the stakes involved, such as vehicle maintenance costs and bookstore inventory management, can sensibly be put in the holding pen (a kind of "tomorrow file")—not to be forgotten, just to be addressed when it makes more sense.

BUILDING AND IMPLEMENTING THE PORTFOLIO

Having selected the issues it intends to focus on now—during the current planning cycle—you and your division managers can turn to fashioning the strategic change initiatives that will make up the division's current strategic change portfolio. A strategic initiative is, very simply, an action project consisting of familiar elements:

- An analysis of the issue being addressed, breaking it down into its component subissues;
- An overall change target;
- A set of objectives;
- An action plan, specifying the steps to be taken, the deadlines, and accountabilities; and
- An expense and revenue budget for the initiative.

This is familiar territory. What makes the strategic change initiative "strategic," entitling it to a place in the division's current portfolio, is its tie to a particular strategic issue that the division managers have selected.

Take the example of the board operational oversight committee's unhappiness with the current financial reporting. Let's say that as the division vice president, you have appointed three of your senior managers to serve

on a task force to come up with a strategic change initiative to address the selected issue. This task force has developed the following initiative:

Detailed analysis of the issue, drawing on interviews with committee members, indicates that it breaks down into four related subissues that need to be addressed:

1. The absence of committee ownership of the reports, which the group merely inherited, rather than playing a part in designing;
2. The lack of focus and selectivity in the reporting, which provides so much detail that it tends to overwhelm committee members;
3. The complete absence of creative graphics to highlight points and facilitate painless understanding; and
4. The lack of incisive commentary with the reports, directing attention to particular potential or actual problems and suggesting possible solutions.

The overall change target is to have an improved financial reporting process to the committee, fully implemented by the beginning of the new fiscal year on July 1, five months from now.

The specific objectives are as follows:

1. To build committee commitment to the reporting process by creatively involving committee members in shaping it,
2. To make better use of the committee as a resource by directing its attention to particular financial issues emerging from the reports, and
3. To facilitate committee understanding through the use of visual aids and commentary.

The implementation steps involved are as follows:

1. An initial committee work session for the purpose of identifying the subissues that the committee wants to see addressed, including the committee's perceived needs;
2. The staff task force design of a new reporting format;
3. Review of the format with the president's cabinet and, after its approval, presentation to the committee; and
4. A trial run to work out kinks.

The budget for this initiative is modest—basically the time of the task force—and so no new funding is required.

We took a simple example to illustrate what makes up a strategic change initiative. You will recall that a three-person task force was appointed to come up with the initiative. Whether involving a three-person task force from one division or seven task forces drawn from diverse campuses and departments in a huge institution, the process of fashioning strategic change initiatives is likely to succeed if you

- Choose task force members carefully, making sure that participants not only bring the requisite knowledge, skills, and energy to the task, but also satisfy political requirements (such as geographical, organizational, racial, and gender diversity).
- Make sure the task force chair possesses the intellectual and facilitative skills, knowledge, commitment, and reputation or presence required to lead the task force through the process successfully.
- Provide the task force with a clear, detailed charge so that members can hit the ground running, without having to meander around trying to figure out what they are supposed to be doing.
- Ensure that the task force is supplied with the resources required to do the job, including such items as a serious commitment of member time (rather than asking for the infamous 27-hour day) to work on the task force; adequate orientation and training; meeting space; a professional facilitator, if called for; supplies and equipment; and the like.

Keep in mind that the structure and process required to fashion strategic change initiatives will be more elaborate as the scale grows significantly, along with the technical and political complexity: for example, the strategic change portfolio management process of an entire educational institution versus that of two or more independent organizations as with the ACUBO 20/20 case discussed in this book.

Experience has taught that managing your organization's strategic change portfolio—implementing the strategic change initiatives that make it up—is far likelier to be successful if you follow some simple golden rules:

- Make sure that the strategic change initiatives that are adopted for inclusion in your portfolio are thoroughly developed, including the financial requirements, and are technically and politically feasible. It is especially important that the implementation plan be realistic, setting a pace that can be sustained without overextending your staff. At-

tempting to draw blood from the proverbial turnip is the opposite of sound leadership, and burning out your staff is abusive to boot.

- Make sure that, taken together, the strategic change initiatives comprising your strategic change portfolio do not stretch your organization too thinly. The objective is not to shoot high and miss (known as the Don Quixote approach to change), in the process demoralizing your staff and killing the credibility of the process, but rather to hit targets—on time and within budget.
- Make sure that the strategic change portfolio consists of both long- and shorter-term initiatives. Including some less complex and costly initiatives that can be implemented in the near term is a tried and true way to build enthusiasm and commitment to the change process, while also building a “line of credit” to draw on when tackling more complex and expensive initiatives.
- Take steps to build ownership of the initiatives and to reduce normal anxiety and resistance. Perhaps the most important step you can take in this regard is to make sure that as many of your staff as possible are involved in the issue identification and selection steps and in fashioning the strategic change initiatives themselves, typically employing ad hoc mechanisms such as task forces.
- Continue to keep the strategic change portfolio management process separate from the operational planning and management process of your organization or institution, employing committees and task forces that are never involved in day-to-day operational matters. This typically involves the same cast of characters wearing different hats at different times for different purposes and never confusing what they are doing when. For example, the management team of our hypothetical Division of Financial and Administrative Services might meet every week as the normal management team, attending to operational matters and keeping each other up to date on team members’ activities; however, every month, they meet as the division’s “Innovation Steering Committee,” in this capacity, monitoring the implementation of the strategic change initiatives in the portfolio and nothing else. Same people, different hats, and the twain do not—by intention—meet.

We bring this chapter to a close by describing two highly successful applications of the strategic innovation portfolio approach, which have not only resulted in concrete innovations, but have also provided a model for continuing change management in their respective settings. We will begin by examining the Cornell University experience in overhauling its

process of communicating with and registering newly admitted freshmen, which involved one of us—then a senior vice president at the institution—as the officer in charge of the innovation effort. We will then describe the ACUBO 20/20 Initiative of the National Association of College and University Business Officers and the four regional Associations of College and University Business Officers, with which both of us have been involved—one as CEO and the other as consultant and facilitator. ACUBO 20/20, which has been underway for two years as of the time of this writing, has already proved to be a powerful vehicle for innovation under the most difficult of circumstances: five independent nonprofit associations in a collaborative effort. Our point is simple: if the five associations collaborating in the 20/20 Initiative can make practical use of the portfolio approach, you can be sure that any educational institution or any of its divisions can, too.

THE CORNELL UNIVERSITY INNOVATION EFFORT

Cornell University's process of communicating with and registering newly admitted students in the spring and summer of the year preceding the start of fall classes was highly decentralized. Each of the nearly 20 departments involved in the process, including admissions, financial aid, housing and dining, the health center, library, and athletics, as well as the seven undergraduate colleges, employed its own publications and methods of interacting with parents and prospective students. Although there was—and is—a central administration admissions office, there are also admissions offices in each of the seven undergraduate colleges. Thus, once the decision was made to admit students, each department that needed to communicate with students and their parents proceeded to "do its own thing." The resulting inefficiency and confusion were made readily apparent during an administrative staff meeting when a Cornell employee, who was also the parent of an incoming freshman, shared with the group some 10 pounds of admissions- and registration-related material that had been received from April through the end of August.

As the administrative staff of several departments pondered this problem, the idea developed that there should be a coordinated, institution-wide process to reduce the cost and confusion of this obviously expensive and disjointed activity. Staff did some other quick checking on related problems, finding a high degree of frustration on the part of newly admitted students and their parents, who were unable to obtain quick and accurate answers

to their questions. In many instances, incoming phone calls were transferred as many as six times before a prospective student or parent received the definitive answer to a question.

A senior vice president (one of the authors of this book) was designated as officer in charge of this effort, recognizing that a high-level champion with "organizational horsepower" was needed in order to bring about coordination and cooperation across so many departments. An overall project leadership group—representing all pertinent departments and consisting of the leaders of several project development teams—took responsibility for defining the issues, securing the support of the deans of the schools and colleges and other senior administrators, and providing overall policy direction and oversight. The project teams were responsible for working out detailed approaches to such key components as a unified communications piece and the compilation and mailing of documents in time for the April 1 deadline.

The overall leadership group, recognizing the importance of support from the college deans and departmental managers in key areas, decided to stage a dramatic event. It was intended to highlight the inefficiency of the existing processes, the confusion created for prospective students and families, and the obvious expense resulting from the lack of coordination. Over time, this event, by the way, gained the status of an institutional story/legend demonstrating how a commitment to higher ends and a sincere desire to cooperate overcame traditional boundaries and rivalries (see Chapter Two). The story was repeated countless times over the years to inspire further coordination and process improvement.

The senior vice president serving as officer in charge of the initiative was able to assemble the president, chief academic officer, deans, and all of the senior department heads of the affected areas in a conference room in order to explain the initiative and to secure their understanding and support. The dramatic event that kicked off the discussion was the dumping of the more than 10 pounds of documents, brochures, and flyers onto the table around which everyone was seated, accompanied by the statement, "Surely we can do better than this"! This dramatic staging of the obvious inefficiency of such an uncoordinated and expensive process turned everyone into a supporter from the get-go.

The end result of this innovation initiative was a major overhaul of the communication and registration process. Numerous documents that were formerly mailed separately along with letters of acceptance were now consolidated into one coordinated brochure for such things as signing up for residence halls and dining services and including the necessary financial aid forms. Other materials that had previously been sent out separately (and

obviously at a considerable cost) were incorporated into one mailing pamphlet that included all of the forms that a student needed to fill in before arriving on campus and an envelope to mail all of the completed forms back to one office. Along the way it was determined that much of the material did not need to be presented to students and parents until they actually arrived on the campus. Significant savings resulted from reserving this material until registration, when students had already arrived.

The major changes in the communication process exposed other inefficient processes. One glaring problem was that the financial aid office was unable to calculate student aid awards in a timely manner because the decision on the next year's tuition rate was not set until the governing board's spring meeting. The senior vice president discussed this problem with the president, and board chair, and the board subsequently decided to move its vote to set tuition to its January meeting.

The coordination and development teams did not fade away after the completion of what became known as the Red Book (produced in Cornell colors). Rather, the structure in subsequent years continued to take advantage of opportunities for improvement in the registration process. For example, by allowing the early submission of a student photograph, ID cards could be generated before the student actually arrived for the fall semester. This helped to prevent the long lines of the past, which, while they provided opportunities for meeting students of the opposite sex, signaled poor customer service to parents.

THE ACUBO 20/20 INITIATIVE: A CASE OF INTERASSOCIATION INNOVATION

For the past two and a half years, the five allied but independent associations that make up the "ACUBO corporate family" have been engaged in a far-reaching, collaborative change initiative, "ACUBO 20/20." ACUBO 20/20, which employs the strategic change portfolio management approach to generate strategic change initiatives, is jointly "owned and operated" by four regional "ACUBOs" (Associations of College and University Business Officers)—the Central, Eastern, Southern, and Western—and the National Association of College and University Business Officers (NACUBO). The four regional ACUBOs and NACUBO are professional associations with institutional memberships representing all types of higher education institutions. Although membership in one of the regional ACUBOs is required

to join NACUBO, institutions can belong to a regional ACUBO without also having to join NACUBO.

During this two-year period, the five collaborating associations have laid a firm foundation for significant interassociation change:

A detailed ACUBO 20/20 design was developed, consisting of a 20/20 mission statement, the identification of five "issue areas" within which specific strategic change initiatives are to be fashioned, a 20/20 governance and management structure, and a detailed planning methodology.

The leadership of the five "ACUBOs"—in an intensive one and a half-day strategic work session ("advance")—solidified joint ownership of the ACUBO 20/20 design and developed strategic guidance for the 20/20 Task Force and development teams that are the vehicles for generating strategic change initiatives in the five issue areas.

The five development teams were established, and as of January 2001, all five had generated recommended strategic change initiatives.

Although implementation of the recommended strategic change initiatives is in the early stages, we are convinced that the first act of the ACUBO 20/20 drama—laying a firm foundation—is worth sharing. There is no question in our minds and in the minds of our ACUBO colleagues that a strong foundation has been laid for leading interassociation change and that ACUBO 20/20 will achieve its intended result: important, practical, affordable change in "chewable bites" that is aimed at strengthening member services.

THE GENESIS OF 20/20

The genesis of the ACUBO 20/20 program can be traced back to the annual NACUBO board retreat (called an "advance" in NACUBO parlance) in January 1999, at which several questions were raised about the membership and dues structures of the five associations. Following up on the retreat, NACUBO's president and CEO assembled a small group of volunteers at NACUBO headquarters for the purpose of brainstorming how the five associations might work together in addressing the membership and dues issues. At the conclusion of a very productive and often exciting day of brainstorming, this informal advisory group concluded that the membership and dues issues could not be "effectively addressed as isolated issues" and that the "ever-more-turbulent environment and evolving member needs called for significant, systematic innovation."

The initial brainstorming group also "recognized that addressing the strategic issues facing the ACUBO family must be part of a wider and more searching process characterized by open inquiry, rigorous planning methodology, extensive participation from all five ACUBO associations, and strong, high-level direction from the ACUBO 'Strategic Leadership Team.'" The name "ACUBO 20/20" grew out of the preliminary brainstorming. It not only symbolized the ownership of all five members of the ACUBO "family," but also the future orientation of this evolving innovation initiative.

DEVELOPMENT OF THE ACUBO 20/20 DESIGN

Armed with the recommendations of this brainstorming group, the NACUBO CEO requested that the presidents of the four ACUBO boards and the NACUBO board chair designate representatives to serve on an ACUBO 20/20 Task Force, whose challenging task would be to fashion a detailed ACUBO 20/20 design, while also doing preliminary work on the substantive issues that the 20/20 effort should address. Over the course of two, very intensive, daylong work sessions held in the summer and early fall of 1999, the 20/20 Task Force fleshed out the design of ACUBO 20/20 and secured the backing of all five boards for launching this complex and ambitious innovation program.

At the heart of the design, according to the March 2000 ACUBO 20/20 "Activity Brief" issued by the 20/20 program staff, is that ACUBO 20/20 is "basically a large-scale research and development program that is jointly owned by the five ACUBO association boards. The establishment of this dedicated structure and process, which is kept out of mainstream, day-to-day operations, ensures that the work can move forward without distraction or disruption." The 20/20 Task Force also developed the following specific design elements:

A basic 20/20 mission: "To fashion and implement innovation projects in the form of strategic change initiatives. The initiatives are intended to: better serve ACUBO members; meet emerging member needs; grow the ACUBO associations in terms of membership, financial resources, and management capacity; and promote collaboration and cooperation among the five ACUBO associations."

The identification of five issue areas within which strategic change initiatives would be developed: membership diversification and growth, program/service/product development and delivery, financial

resources, image/public relations, and alliances, volunteer, and staff roles/subregional structures;

A planning, management, and coordination structure that include

- The 20/20 Steering Committee, consisting of the presidents of the five association boards, responsible for policy oversight of 20/20, for ensuring adequate resources to carry out 20/20, and for serving as liaison with the five association boards;
- The 20/20 Task Force, responsible for providing hands-on coordination and direction to 20/20;
- Five development teams consisting of volunteers representing all five associations, responsible for fashioning the detailed strategic change initiatives in the five issue-areas being addressed by ACUBO 20/20;
- The 20/20 officer-in-charge, NACUBO's senior vice president for organizational advancement and member resources, to oversee NACUBO staff support for 20/20, to serve as principal liaison with the NACUBO CEO and executive team (senior managers) on 20/20 matters, to be NACUBO's principal liaison with the 20/20 task force, and to oversee the work of NACUBO's director of strategic initiatives; and
- The NACUBO director of strategic initiatives, a new senior-level position funded by NACUBO, responsible for providing in-depth managerial and technical support for the 20/20 Task Force and Steering Committee and for serving as the hands-on "project manager" for the tremendously complex development team process.

OWNERSHIP AND GUIDANCE AT THE TOP

By early fall 1999, when the ACUBO 20/20 design was well on the way to completion, the members of the ACUBO 20/20 Steering Committee and Task Force recognized that the five boards needed to reach a more formal consensus on the design and also provide strategic guidance to the five development teams whose detailed planning work would be phased in during the spring and summer of 2000. The January 1999 NACUBO board "advance," which had involved regional association officers, had planted the seeds that ultimately blossomed into ACUBO 20/20, and the Steering Committee and Task Force had worked diligently during that summer

and early fall to brief all five boards on the emerging 20/20 design and were successful in securing an informal consensus to proceed.

However, more formal buy-in and guidance were clearly essential before the 20/20 innovation process reached the point of fashioning strategic innovation initiatives. Therefore, the ACUBO 20/20 Steering Committee reached agreement with the NACUBO board's Executive Planning Committee that the NACUBO board's January 2000 advance would basically become the vehicle for formalizing consensus and providing strategic direction to the soon-to-be-formed development teams. In effect, the 2000 advance became a 20/20 strategic work session.

The January 20/20 strategic work session achieved fully its ambitious substantive goals. In the words of the February 7, 2000, report on the session, the participants

- Confirmed the key elements of the 20/20 Initiative design;
- Solidified the commitment of its five associations to move forward with the formulation of strategic change initiatives in phases II and III;
- Reviewed and updated preliminary conditions and trends analyses in the five issue areas comprising the 20/20 Initiative;
- Fashioned general strategic guidance for the 20/20 developments teams that will spearhead the development of strategic change initiatives, in the form of a strategic framework consisting of guiding principles and vision statements and critical issues that strategic change initiatives should address; and
- Examined the potential barriers that might impede the development and implementation of strategic change initiatives and discussed practical ways to ensure that the ACUBO family of associations realizes a powerful return on its investment of time, energy, and money in the 20/20 Initiative.

20/20 GUIDING PRINCIPLES AND GLOBAL VISION

The follow-up report on the January 20/20 strategic work session, which was issued by the 20/20 Task Force, drew out of the January deliberations an overarching set of values (called "20/20 guiding principles") cutting across all five issue areas. Intended to guide and constrain the work of the development teams, these principles completed the sentence, "The ACUBO strategic leadership team believes in ..." for example:

"The generation of high value to ACUBO members as a return on their investment of time and money in ACUBO activities";

"Responsiveness to current and future member needs and demands in the design of programs, products, and services";

"The preservation and enhancement of active volunteer involvement in all five ACUBO associations"; and

"Aggressive, creative cooperation and collaboration among the five ACUBO associations as key to quality, efficiency, and the long-term health of the five associations."

The ACUBO 20/20 "global vision" that emerged from the January 2000 advance was stated in terms of envisioned, fundamental, long-term impacts of the innovation process, for example

"The consistent avoidance of dysfunctional competition among the ACUBO associations";

"Programs, products, and services that are tailored to the needs and demands of ACUBO members";

"Financial stability in the ACUBO family of associations";

"A larger, more diverse, growing ACUBO membership"; and

"Deep penetration of ACUBO membership in all types of higher education institutions."

POST-ADVANCE IMPLEMENTATION

With the review and acceptance of the report on the 20/20 advance by the Task Force and Steering Committee and the concurrence of the five association boards, the 20/20 development teams could commence with the detailed development of strategic change initiatives in the five issue areas, armed with ample legitimacy and clear strategic guidance. The Steering Committee/Task Force policy structure was left in place to handle review of strategic change initiatives, to secure the concurrence of the five association boards on particular initiatives, and to oversee implementation efforts. Meanwhile, the new strategic initiatives director position was filled, and the NACUBO executive team was fully involved in providing planning assistance to the development teams. ACUBO 20/20 was now firmly established and on the road to success.

A WORD ON THE APPLICABILITY OF THE 20/20 DESIGN

The ACUBO 20/20 case is useful in highlighting the importance of thinking through the detailed design of any significant innovation effort and showing how not just a board, but multiple boards, might be creatively involved in guiding the process. However, there are two questions we need to address. First, is this much structure bureaucratic overkill? In other words, does it not create a whole new layer of bureaucracy? Our answer is an emphatic "no." Keep in mind the complexity and fragility of serious innovation efforts in any organization, no matter its size or functions. The structure that we described was easily justified by the bedrock requirements of the innovation process. There were no spinning wheels, no new work that was unnecessary. Without the structure, innovation would have been dead in the water.

Second, if you are affiliated with a smaller organization with limited staff and a tight budget, you might be tempted to ask whether structure is much less important to your organization's innovation efforts. This is clearly not the case. The basic structural requirements have nothing to do with scale; you must have board and presidential involvement (if you are implementing an institution-wide process, including smaller-scale projects such as Cornell's effort), a mechanism for developing strategic innovation initiatives, staff support, and the management and coordination of innovation efforts. Otherwise, you will fail at innovation. Granted, your situation might require a less elaborate structure for managing change than the ACUBO associations, but however you adapt the strategic change portfolio management approach to your organization's unique capacities and circumstances, you must still employ enough structure to protect the innovation process from day-to-day operations and manage the process as you move from vision to strategic innovation initiatives.

IN CLOSING

In this chapter we have made the case that you, your organization, and your institution have no choice in today's challenging world but to develop the capacity to lead your own change—rationally, systematically, and continuously. Leading strategic change is a daunting process, for the various reasons that we discussed, and you cannot, alas, rely on traditional, long-range, "strategic" planning as a change vehicle, in light of its history of deforesting America while producing minimal innovation. You can, however, take ad-

vantage of a powerful new approach that is quickly supplanting traditional strategic planning: strategic change portfolio management. We describe the key elements of the portfolio approach in detail and close by examining two significant examples of application: Cornell University's overhauling of its process for communicating with and registering new students and the ACUBO 20/20 Initiative.

In the next chapter we examine the governance "business," which you must master to survive and thrive as a leader.

CHAPTER 4

LEADING GOVERNING BOARD DEVELOPMENT

THE HIGH-STAKES BOARD "BUSINESS"

Boards are a high-stakes "business." High-impact governance—the pre-eminent work of a governing board—is critical to the long-term success of any nonprofit or public service organization, whether it is a higher education institution, school district, hospital, transit system, or national association. Learning to play a leading role in developing strong governing board leadership and building and maintaining a strong relationship with your board is also a professional survive-and-thrive tool for you. The higher you go in the executive ranks, the larger will loom your institution's board in your professional life. When you sit in the chief executive's seat, you are well advised to put your governing board at the top of your priorities list. Indeed, experience has taught us that the quality and length of chief executive tenure depend more than any other factor on maintaining a close, positive, productive working partnership with the board. Never forget a brutal fact of our existence as nonprofit and public service executives: frustrated, dissatisfied boards have never been known to punish themselves for their unhappiness; the victims are inevitably CEOs and top-ranking executives.

Although you may not yet be a CEO, your professional well-being and career development depend heavily on your learning to work effectively with your board, its members, and such committees as finance, audit, and investments. So the board "business" had better be your "business," and you had better know governance inside out if you intend to thrive at the top. Also, by this time in your career, you have probably already served on—or will soon—

a number of boards outside your institution, another reason for becoming an expert in governance. Developing your expertise in governance is easier said than done, however. As we will discuss later, the field of governance is strangely underdeveloped, meaning that as a student, you most likely did not have the good fortune to take a strong course on boards. You will even today be hard pressed to find many good articles and books on the subject.

Furthermore, you must be an extremely cautious consumer, since the literature, such as it is, is filled with conventional wisdom and fallacious little golden rules (such as the infamous "Small boards are always better than big ones" and "All that boards do is hire and fire the CEO") that you follow at your professional peril. You, like us, have probably relied on real-life experience as your primary teacher in the board business, but the trouble with the school of hard knocks is that blows from boards can be lethal. How much better it is to acquire the knowledge and skills that avert figurative (and occasionally literal) fisticuffs in the first place!

Fortunately, in recent years the field of nonprofit and public governance has advanced dramatically, both conceptually and procedurally. Our aim in this chapter is to provide you with practical, up-to-date guidance drawn from the rapidly developing field of governance so that you can

- Play a leading role in helping the governing boards with which you work to develop their leadership capacity, through the development of the content of their governing work and of the structure and process required to do that work.
- Build a positive, productive, and enduring working relationship with any board with which you work.
- Learn how to ensure that when you yourself serve on governing boards, your experience is richly satisfying, meeting your expectations in terms both of governing impact and personal enjoyment.

In short this chapter should help you diagnose board problems, offer solutions to the CEO, and design solutions for committees for which you serve as liaison.

FROM A CEO'S PERSPECTIVE

As you have probably learned by this point in your career, boards are the near-exclusive preserve of institutional CEOs, and many jealously guard access to—and interaction with—their boards. If you are not now a CEO, anything you do involving and/or interacting with your board will be with

the blessing of your CEO, who will typically expect to be kept well briefed on your contacts with board members. We well understand these realities of life in the institutional world, and we know that below the CEO level, activity vis a vis a board is necessarily circumscribed.

However, we have consciously and explicitly chosen to write this chapter from the perspective of a CEO reporting directly to an institutional board of trustees for two very sensible reasons: The board "story" cannot possibly be fully told in useful detail from any perspective other than the CEO's, and if you are to be a true helpmate to your CEO, you must understand the full story in all its richness, not merely from the narrower view of someone reporting to a CEO.

This book is intended to help you advance your professional standing and career, including possibly becoming a CEO yourself some day, and so writing the chapter from this perspective will make it a much more powerful career development tool for you.

ABOUT GOVERNING BOARDS AND GOVERNING

By the way, we have used the term "governing board" several times already, because this book is not about governance generally, but about the preeminent governing body: an organization's board of trustees, directors, or regents. The governance family includes many other standing and ad hoc bodies who provide policy and technical advice, fashion strategies, assist in raising money, and the like. They do important work, and much of this chapter will be pertinent to that work, but they are not our primary concern, which is the work of governing the whole institution.

We begin by looking at why many, if not most, governing boards do not provide their institutions with truly high-impact governance, after which we go back to basics to define "board" and "governing." We go on to examine, in some detail, six key elements of the governing board puzzle: designing the work of the board; developing the board as a human resource; developing effective board structure; building board performance management capacity; maintaining a positive, productive board-chief executive partnership; and employing retreats as a powerful board input device.

WHY SO MANY LOW-IMPACT BOARDS?

Many boards we have observed over the years have made important contributions to their institutions, such as raising money or providing expert

advice, while at the same time failing to govern at a high level. There are a number of reasons why this has been the case. For one, until very recently, boards have been a top-tier concern in the field of management (including higher education management) in theory, but definitely not in practice. You might hear numerous times that "your board of trustees is the pre-eminent policy body in your institution," but the evidence to back up that statement has traditionally been hard to find. Academic tenure has not historically been awarded for in-depth research on governance, and even today, if you walk into a major bookstore, you will be lucky to find three or four books focusing on boards, two of which will very likely turn out to be badly outdated.

Why have boards been treated as a second-tier concern? We can only surmise that it is because boards are, by definition, a volunteer business, unlike the full-time, paid professionals who lead and manage institutions. Higher education board members are always part-time, unpaid volunteers (except occasionally for expenses) who are not expected, for the most part, to be experts in education. As an amateur activity, governing lacks the glamour of chief executive leadership: witness the shelves groaning with works on the leadership theories of CEOs such as Jack Welch in business and John Silber in higher education. Could you even name a single board member of GE or Boston University if you did not work for either organization or had not recently read an article about their boards? The point here is not that board members should be as visible and well known as their CEOs or that they should be paid professionals; rather, we merely want to explain why the subject has not received the attention it deserves.

Sad to say, many executives in higher education and other nonprofit and public fields have done their share to impede the development of high-impact governance by bringing a negative "damage control" philosophy and the "mushroom" strategy to their work with boards, taking their mission as protecting the integrity of educational and managerial decision making and operations from the grasping tentacles of intrusive or unknowledgeable board members. This defensive and adversarial view of boards can easily crowd out more creative thinking about how to help your board realize its full leadership potential. Ironically, a vicious circle can turn into a self-fulfilling prophecy that perpetuates the negative mindset and ensures a board's governing underperformance, along with the concomitant dissatisfaction, frustration, and often downright anger. It goes like this:

Board members tend to be ambitious, successful, high-achieving people who expect to produce impact—to make a difference—as they do

in their professional lives outside the board. They are often "Type As" who do not sit back patiently to wait for a role to emerge bit by bit; rather, they are ardent fillers of vacuums. Strong CEO and executive support is essential for a board to fashion and carry out a high-impact governing role, and if the CEO and senior executives bring a defensive attitude to their work with the board, that role will develop imperfectly, if at all. Confronted with an unclear, unsatisfying role (often consisting of thumbing through massive documents, rather than really leading), board members will look for more serious work to do, which can lead to the very meddling that is the stuff of CEO nightmares. The CEO reacts to these incursions onto "administrative" terrain defensively, circling the wagons to keep the trustees at bay, creating even more of a vacuum, leading to further meddling, and so on, until the board-CEO bond is completely severed.

You should also keep in mind that board governing roles, structures, and processes tend to be inherited, rather than explicitly designed, and to continue basically unchanged for years, unless some kind of crisis intervenes. This is partly because boards have not been thought of as important organizational entities that merit conscious, systematic development. Inheritance of past practices also thrives because the proverbial governance train is always running, and new trustee "passengers" tend to dribble on the board in twos and threes. It is almost an article of religious faith that new board members should be quiet, deferential, and willing to "learn the ropes" before offering advice and counsel on board structure. Of course, being normal, if highly successful human beings, by the time some board members—those with the highest pain thresholds—have mastered the ropes, they have also learned how to succeed through the inherited structures and processes and thus have a vested interest in things staying the same. In our experience, this ego investment can be a tremendous barrier to strengthening board leadership.

Regardless of the reasons why many, if not most boards do not perform at a high level in terms of governing, you, as a leader in your institution and perhaps a future CEO, cannot sit back and let the boards you work with merely inherit past roles, structure, and practices, which prevents them from producing high-impact governance. You cannot play a passive role, very simply, because your institution needs strong governance to succeed over the long haul, and furthermore, your career needs the security that a fully productive, satisfied governing board provides. So we turn to the subject of designing high-impact governing boards, beginning with a fresh look at the business of governing.

TAKING A FRESH LOOK AT THE BUSINESS OF GOVERNING

What is a board? You might be tempted to say, "That's obvious. A board's a board's a board," but the answer is not really that simple. Boards are highly complex entities that require considerable design, planning, time, and attention if they are to perform at a high level. A governing board is a many-splendored thing; you can see a board as the people who make it up, a precious asset, an organization within the wider institution, and a vehicle for volunteering. You should never forget that when you work with a governing board, you are managing a human relationship that is especially complex because of the ambitious, successful, high-achieving people who tend to make up institutional governing boards and because of the complex and challenging nature of the governing work they do. Experience has taught us that the commitment of board members to their governing work depends on two key factors:

- The importance of the governing work they do in terms of its impact on the institution they are charged to govern. Board members expect to exert serious influence on their institutions, just as they expect to produce significant impact in their endeavors outside the board. Nothing will kill their enthusiasm faster than feeling they are going through the motions to no obviously important end.
- The feeling of ownership that comes from playing a creative role in developing their own design for governing. This includes input on the work they do and the structure and process they use in doing it—and in generating governing "products," rather than merely thumbing through products that are sent to them in finished form (for example, the proposed annual budget).

The "damage control" approach to working with a governing board ignores the fact that board members are a precious institutional asset that can produce positive, powerful institutional benefits if properly exploited. They bring to the boardroom years of successful experience in diverse businesses and professions, as well as knowledge, expertise, reputation, clout, networks, and sometimes even fat checkbooks. Your challenge as a leader is to play a part in mining this precious asset, helping your board to realize its tremendous potential in practice. Your governing board is also an organization within the wider institution: a group of people working together through formal structure and process to carry out a common mission: to govern. As a concrete organizational entity, your board can be de-

veloped just like any other organization, such as the office of the president or the finance department. Its work can be clarified and refined, its structure can be better defined, and its processes can be improved: all in the interest of stronger governance. Your challenge as an institutional leader is to help your board develop itself as an organization, in the interest of higher-impact governance.

Boards also serve as a vehicle for volunteering, in the great quasi-religious American tradition of giving back to the society that has made one's professional, material, and social success possible. Volunteers join governing boards for a preeminent purpose, namely to govern. Now, we are ready to share our definition of governing. Stripped down to its essence, governing means

To play the leading role in making the most important decisions that determine *where* your institution is going over the long run (its vision and growth targets), *what* your institution is now (its mission, operating plan, budget, programs, organizational structure), and *how well* it is doing (measured programmatically and financially).

Note that we say "leading role": no board can carry out its governing work effectively alone. The chief executive and executive team members must be critical partners and supporters in the process. Also note that our definition involves particular decisions about concrete products, rather than begging the question by trotting out the meaningless statement that the board is a "policy body." For example, vision and mission are products; they can be produced, shaped, and written. In determining the elements that make up an institutional vision and mission statements and adopting the statements, boards are, in effect, making decisions about these products. One of your most important jobs as a leader is to help your board determine its detailed role in generating and making decisions about these critical institutional products—in other words, developing its governing work. Interestingly, policy making is an important but not large part of governing, since there are not that many critical policies meriting board attention and once they have been made and adopted, they are only periodically updated.

HIGH-IMPACT GOVERNANCE

High-impact governing boards make a critical difference in the institutions they govern; they add significant value, and their disappearance from

the scene would leave a dangerous vacuum. High-impact boards are characterized by

- Their focus on governing above all else; while they may engage in nongoverning activities such as speaking on behalf of your institution in public forums, testifying before legislative committees, and raising (and giving) money, these functions are incidental to the primary focus, governing;
- Their steadfast support for fundamental institutional policies, especially in the face of adverse social and constituent pressures;
- Their explicit, systematic development of themselves as a human resource: getting the right people on the board and developing their governing skills;
- Their employment of a committee structure that is explicitly designed to support their governing work, rather than merely reflecting your institution's administrative organization;
- Their self-management in the interest of board accountability; and
- The attention they pay to building and maintaining a close, positive, productive, and mutually satisfying working partnership with their chief executive officer.

DESIGNING THE WORK OF GOVERNING

As we noted earlier, many, if not most, governing boards of nonprofit and public institutions inherit the boards of the past—in terms of their governing functions and the structure and process they employ—rather than playing an active role in designing their own boards. This is certainly true of the governing work that boards do, which is seldom examined in depth to make sure that the board is truly providing strong institutional leadership, rather than merely reacting to staff-generated documentation and serving as an audience for staff briefings. One reason why the governing board of the past tends to become today's and tomorrow's board is that board members are busy; they may be playing a more reactive than proactive role, but keeping up with the inexorable flow of paper and schedule of meetings typically fills up the available time. Another contributing factor is the tradition that the proper behavior for incoming board members is to quietly acquiesce to current practices while "learning the ropes." As we noted earlier, this is particularly true for boards with many members who passion-

ately own what is, whatever its flaws, as a consequence of having devoted precious hours to mastering current governing routines.

Breaking with this passive approach is essential if institutional governing boards are to realize their tremendous leadership potential in practice. One of your most important responsibilities as an institutional executive—whether you are a CEO, a CEO-aspirant, or a senior executive supporting the CEO—is to help your board to understand and commit to playing an active role in designing its own governing work and keeping that design updated. If more than three or four years have passed since a board has taken an in-depth look at the work it does, then a day or two in a retreat setting will almost certainly be required for your board to update what we call its “governing design”: its functions, process, and structure. Later in this chapter, we discuss how you can design a governance retreat that produces powerful results, but keep in mind that taking a fresh look at its governing work does not require that your board start from ground zero. In recent years we have learned a lot about the key features of high-impact governance that can be shared with your board. However, if your trustees do not have an opportunity, away from the press of normal governing business, to make use of contemporary governance knowledge in fleshing out their own design and tailoring it to their institution’s unique circumstances, they will be highly unlikely to understand or own the design. One thing we know for sure: trying to teach or train a board to become a more effective governing body is doomed to fail.

FASHIONING A BOARD GOVERNING MISSION

The first step in getting a handle on the work of your board is to move beyond platitudes such as “The board’s job is to make policy.” That kind of statement begs all of the important questions and is, in fact, terribly misleading since strictly speaking, making policies could not possibly keep a governing board busy. Once the broad rules we call policies have been fashioned, updating them periodically tends to be a fairly routine matter with rare and sometimes dramatic exceptions, such as an institution’s considering whether to become coeducational or significantly change admissions standards. Our definition of governing, you will recall, requires that we think about the *decisions* that our board makes about *products* that exert a powerful influence on institutional directions, institutional identity, and institutional performance. Many boards around the country have, as a first step in this process of designing the governing work they do, fashioned a board

“governing mission,” under whose umbrella they can then flesh out their detailed governing functions.

A board-governing mission might sound strange to you, because we tend not to think of boards as organizations. However, in reality, they are just that: an organization within your wider institution, just like any other of the organizational units into which your institution is divided for purposes of education and administration. Typically, self-developed mission statements within the overall institutional mission guide colleges, departments, divisions, offices, and other organizations making up an institution, so why would your board be an exception? The governing mission is basically intended to serve as a high-level position description that specifies the board's primary governing responsibilities. The governing mission tells one and all that “This is what we are all about as a board; this is how we aspire to exercise leadership.” It is typically developed during a board retreat, refined by a board committee, and formally adopted by resolution. It can serve as a key part of the process of orienting new board members, and it can also help to attract candidates to fill board vacancies.

Many boards have fashioned detailed governing missions that focus on the long-term impacts that the board aspires to produce and key desired features of the board's internal culture, rather than beg all the important questions by merely adopting a two- or three-sentence, pithy paragraph. To be of any use in guiding a board's governing work, its mission should be detailed. A board one of us has worked with developed a mission that included the following elements: “Our board—

Serves as the steward and guardian of the institution's values, vision, and mission;

Plays a leading, proactive role in the institution's strategic and operational planning, setting strong, clear strategic directions and priorities for the institution;

Serves as the preeminent driver of the institution's growth and development;

Provides strong support to the CEO in sustaining institutional policies that reflect fundamental institutional values;

Monitors institutional performance against clearly defined performance targets;

Makes sure that the institution possesses the financial and other resources necessary to realize its vision and carry out its mission fully;

Works to ensure that the board's composition is diverse and that its members possess the attributes and qualifications required for strong governance;

Ensures that board members are fully engaged in the governance process and that the resources they bring to the board are fully utilized in governing;

Takes accountability for its own performance as a governing body;

Places a high priority on building and maintaining a close, positive working partnership with the president and members of the president's cabinet."

If you take a close look at the foregoing example, you can easily see that it provides a framework for fleshing out a board's functions and operational procedures, provided that it is taken seriously and referred to frequently, instead of ending up on the shelf. For example, stating that the board will play a "leading, proactive role" in the institution's strategic planning requires that a role be designed for the board in strategic planning that is truly "leading" and "proactive." This means that the decisions that the board will make and the products that will receive its attention as part of strategic planning will be specified and that the process that the board will play will be thought out. To take another example, to state that the board will consist of members who "possess the attributes and qualifications required for strong governance" obviously requires that the board map out a process for securing these members.

GETTING ON TOP OF THE GOVERNING WORK

We have, over the years, seen numerous boards that were very well informed and knowledgeable about their institutions' affairs but were not strong institutional governors, primarily because they were up to their eyeballs in paper flows that trapped them in a classic passive-reactive mode. The only way out of this morass is to rise above the board's "business-as-usual" routines and work from the top down in building a more creative, proactive, and influential role that capitalizes on your board as a precious asset. As we have said, you can help your board—or help your president help your board—by convincing board members to spend some concentrated time together thinking about their work in the context of recent ad-

vances in the field of nonprofit and public governance. The starting point is to recognize that the decisions that make up strong governance flow along three broad streams, each of which cuts across all institutional educational and administrative functions and organizations:

- *Planning and institutional development*, which answers the basic question: What do we want our institution to be—next year and over the longer run—in terms of its values, vision, growth targets, as well as its programs, students, facilities, and so on?
- *Performance oversight*, which answers the basic questions: How well is our institution doing—educationally, administratively, and financially—and what performance shortfalls are important enough to merit our attention?
- *External relations*, which answers the basic questions: What institutional image do we want to promote among key stakeholders and constituencies, what external relationships merit our close attention, and what strategies should be employed to build and maintain these relationships?

Assuming that you agree that these broad decision streams do, indeed, encompass all of the major functions involved in board governance, where might you and your board go next in fleshing out the board's governing work? The highest-impact boards that we have observed and read about engage in a creative, candid, and detailed dialogue with their CEO and senior executives about the division of labor relative to generating—and making decisions about—the products that deserve board attention in these broad streams. This dialogue, which is a kind of high-level negotiation of roles and responsibilities, might take place in a board-CEO-senior executive retreat and then, at a more detailed level, in a standing board committee session (see the discussion of board structure later in this chapter). At this point, some readers are probably thinking, "This is hopelessly impractical! Our board is fully engaged in doing what it's doing now, and you're telling me that we're just going to bring the train to a screeching halt, letting all kinds of critical things drop, while we reform the board. No way!"

Our answer is that we do not recommend stopping the train while you engage in wholesale governance reform. On the contrary, you might spend a day or two in a retreat, thinking through the board's role and coming up with some enhancements in board structure and process, after which you proceed to make changes at a pace that will not disrupt the board's cur-

rent business. The golden rule in strengthening your board's governance role is not to let anything important drop in the process. After all, even though you know strengthening governance will benefit your institution over the long run, you also know that your institution has survived and may even be doing quite well at the present time, and so taking two years to implement a strengthened board role, rather than putting unreasonable pressure on everyone involved, will make good sense. Now, we want to work through a practical example of this high-level negotiation process based on our real-life experience.

At a retreat, our hypothetical board and its president have reached agreement on the need for an upgrade in the board's role in strategic planning. Traditionally, the board has been involved only at the tail end of the process, when it serves as an appreciative audience for the most recent iteration of the institution's five-year plan. The board and president have agreed not only that the five-year planning process needs to be significantly reformed, but also that a new board standing committee—planning and institutional development—should take the lead in working with the executive vice president and senior vice president for educational planning in fashioning a stronger board role. The retreatants have also agreed that the board's focus should be on keeping the institution's values, vision, and institutional growth targets updated.

Once the new board planning and institutional development committee has been established, a very focused dialogue extending over several work sessions (most of which are teleconferences) begins. Everyone agrees early on that the focus will be on the board's role in strategic direction setting and that the board's current role in operational planning and budget development will continue unchanged. At the first work session, committee and staff members concentrate on working out the key elements of an innovation-focused strategic planning process along the lines of the portfolio process we discussed in Chapter Three. At the second session, staff present a planning cycle and calendar laying out the key steps, starting with an annual board-president-cabinet strategic work session at which critical issues are identified and extending through the selection of issues and the development of "strategic change initiatives" for the newly created "strategic change portfolio." At this second session, board members and staff identify where in-depth, full board involvement makes sense, for example, in revisiting the values and vision and identifying strategic issues at the annual strategic work session; where only the planning and institutional development committee needs to be involved, for example, in analyzing and prioritizing the strategic issues identified at the work session;

and where the board should not be involved at all, for example, in actually fashioning strategic change initiatives. We have witnessed this approach result in far more focused, productive, and higher-impact board involvement in planning while also strengthening board members' sense of ownership.

To take another real-life example, at its first meeting a newly established board performance oversight committee, working with a list of objectives developed at a strategic work session held six months ago, engages in a detailed dialogue with the institution's administrative and financial services vice president and three of her top lieutenants. The discussion focuses on the critical educational and financial performance indicators that the committee should regularly pay attention to and how such information might be reported, including the formatting of reports. At a second work session, the committee and staff examine all of the performance reports currently being sent to the board and identify necessary enhancements. At a third session the administrative and financial services vice president presents a game plan for accomplishing these reporting enhancements, including a budget for the acquisition of needed hardware and software to satisfy the committee's requirements. Everyone clearly understands that the proposed expenditures must be sent on to the planning and institutional development committee, whose governance portfolio includes budget preparation.

The process we have just described is based on two key assumptions. The first one is that there is no such thing as a hard and fast line separating the so-called "policy level" work of a board from "administrative" work of executives and staff, when truly high-level institutional decision making is being considered. The second assumption is that the kind of capable, committed, and well-meaning people making up boards and populating the executive ranks of institutions can work together as a cohesive team, rising above defensiveness and adversarialness in creatively dividing the labor to make critical decisions. Experience has taught us that these assumptions are valid.

THE BOARD AS A HUMAN RESOURCE

Above all else, boards are people, and the performance of a board as a governing body depends heavily on the people serving on it. No matter how well defined a board's role or how well designed its structure and process, failing to assemble the right people and to develop their governing skills will keep that board from realizing its full potential as a governing body. For-

tunately, many independent college and university boards are self-appointing, which gives them considerable latitude in recruiting candidates to fill board vacancies and also helps to ensure that board members have the best interests of the institution at heart. At the other end of the governance spectrum are public higher education institutions, whose trustees are typically appointed by third parties and sometimes even elected. However, even boards whose members are appointed by third parties or elected, as is often true of community colleges, can take steps to strengthen the board as a human resource.

The first step is for a board to take explicit, formal responsibility for managing itself as a human resource. This responsibility is likely to be handled well only if it is assigned to a particular committee (later in this chapter, we recommend that this be what we call the "governance" committee). Many boards still rely exclusively on an ad hoc nominating committee, but seldom does such a committee, in our experience, treat board human resource development in a comprehensive fashion. We recommend that the board's governance committee take responsibility for both recruiting new board members and developing board member governing skills. The indispensable starting point for filling board vacancies is the development of a detailed profile that describes the board in terms of (1) desired composition and (2) desired member attributes and qualifications.

Many boards develop a first-cut profile at a retreat, which is then fleshed out by the committee responsible for board human resource development. Board composition has to do with the diversity issue: deciding the mix of broad types of trustees who should be represented on your board, in light of your institution's vision, mission, growth targets, traditions, culture, and environmental trends. Composition has an obvious symbolic and ethical dimension concerning, for example, gender, racial, religious, and socio-economic balance on a board. There are also very practical institutional development needs that composition must address, such as, ties to the business community or to such key constituencies as alumni, faculty, and students. The individual attributes and qualifications that boards look for in prospective new members might include, for example: having significant, successful experience serving on other boards; and being willing and able to commit the time required for serious involvement in governing; being committed to the institution's mission; being visionary; being a team player; having significant influence in certain circles, such as the foundation world; being able to write large checks. Of course, no one person is likely to match every element of the profile, but candidates who meet several of the criteria will be the most desirable recruiting targets.

Over the years we have seen boards make two common mistakes in recruiting board members. One is known as the "extended family" or "birds of a feather" approach to filling board vacancies. In the interest of preserving what is viewed as a unique institutional culture or, less nobly, to avoid the discomfort of having to hobnob with people who are too "different," board members have been known to clone themselves in filling vacancies. Aside from any philosophical issues this narrow approach might raise, it can seriously constrain an institution's strategic decision-making process in an environment that demands open-mindedness, diversity of experience and perspective, and flexibility. The other common mistake is to fill vacancies with luminaries who are intended to be board members "in name only." Though declining in recent years, so-called "letterhead" members can still be found on boards, often as a way to honor heavy financial contributors or to make the board appear more prestigious. Obviously, this approach creates two castes on a board: those too important to dirty their 'hands' doing the work of governing and the worker bees. Many institutions have realized that there are better ways to honor illustrious contributors without diluting governance, such as appointing them to nongoverning, blue-ribbon bodies.

The standing board committee responsible for board human resource development can also strengthen governance by systematically developing the governing skills of board members. Many such committees these days fashion a formal trustee development program and budget, including such items as new trustee orientation; a circulating library of governance books and periodicals; a detailed trustee handbook explaining board role, structure, and process; opportunities for formal education and training in governance (such as attendance at conferences addressing governance); and even the assignment of senior board members to serve as mentors to incoming trustees. It is now widely recognized that a sound orientation program for new board members should address not only the institution's mission, strategies, plans, programs, and traditions, but also—and in equal depth—the board's mission, role, structure, and process.

BOARD STRUCTURE

Board structure has to do with the organizational architecture of the board, which is typically defined in the board's by-laws and operating guidelines. Structure deals with such questions as the size of the board, the terms of board members, the board's officers, and the board's standing committees.

Before focusing on the committee structure, we want you to keep in mind that one of the most wrong-headed, damaging bits of conventional wisdom you will ever hear is that old saw: Small boards are better than large ones. In the first place it is based on a negative assumption that boards are a pain in the posterior, and so the less pain the better. It is also based on the assumption that administrative efficiency is more important than the quality of governance. If you think about it for more than a minute or two, you will see that bigger can be much better in terms of the diversity of experience and expertise on the board; the networks of associations that board members bring; and the symbolic representation of key constituencies. Can a board be too large to govern effectively? Of course it can, but we have seen many boards in the 20- to 30-member range govern quite capably, and we have seen several small boards fail to provide proactive, creative strategic leadership.

Your adrenaline probably does not surge when thinking about committee structure, and we agree that it is not the most intellectually titillating or conceptually interesting facet of governance. Nonetheless, a well-designed committee structure can make a powerful contribution to governance:

- Enabling a board to divide its governing work into components that can receive adequate attention;
- Providing board members the opportunity to acquire in-depth understanding, experience, and expertise in governance functions such as planning and operational oversight;
- Serving as a "change champion" for critical institutional initiatives;
- Building feelings of ownership among board members and providing them with the satisfaction that comes from high-impact performance;
- Providing a very effective, less public forum for board-staff interaction than full board meetings and facilitating the process of working through the board-staff division of labor;
- Developing leadership skills through service as committee chairs; and
- Strengthening board performance accountability.

One of us experienced firsthand the role of a standing committee as change champion for critical initiatives when his institution was facing a serious fiscal deficit, which the CEO and other board members were reluctant to address. The chair of the board committee responsible for financial oversight accepted responsibility for making the case for aggressively dealing with the looming deficit, despite potentially strong opposition at the campus

level. He took the lead in enlisting the support of the CEO and his board colleagues for a three-year deficit elimination plan, which survived campus criticism and was ultimately implemented.

The key to effective standing committees is to base them on the board's major governing streams, rather than employing narrow "tip of the administrative iceberg" (e.g., personnel, finance) or "program silo" (e.g., curriculum, student life, facilities, athletics) committees. These narrow committees suffer from a serious design flaw: the assumption that the board's structure should mirror the institution's administrative and programmatic structure. A committee model that is sweeping the country in the nonprofit and public sphere consists of four major committees: an overall board operations committee and three functional governing committees (Figure 4.1):

- The governance committee, headed by the board chair and consisting of standing committee chairs and the CEO, responsible for board operations and for the maintenance of the board-CEO working relationship;
- The planning and development committee, responsible for the board's participation in institutional strategic and operational planning;

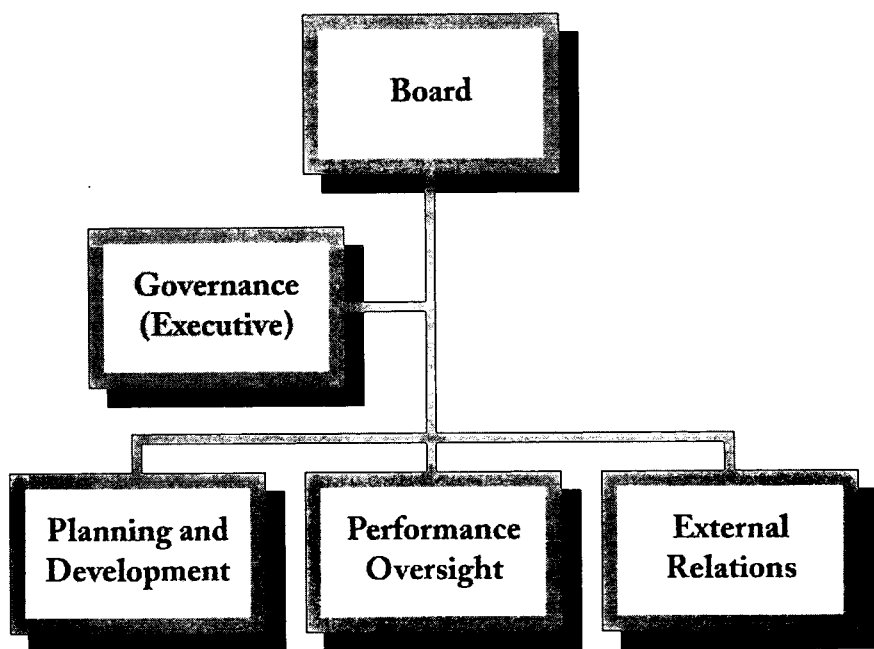


FIGURE 4.1. Model Committee Structure.

- The performance oversight committee, responsible for the board's participation in monitoring institutional educational and financial performance; and
- The external relations committee, responsible for the board's participation in building the institution's image and maintaining its relationships with key constituencies and the public at large.

Note that every one of these standing committees cuts broadly across the entire institution, providing the "horizontal discipline" on which effective governance depends. The planning and development committee is involved in the total planning process for the total institution, from the annual planning retreat through adoption of the annual operational plan and budget. Educational planning is not, in this model, artificially separated from administrative planning, and, by the way, budget preparation, which is by definition a planning function, is not artificially assigned to a "finance" committee. The oversight committee represents the full board in monitoring all institutional performance: administrative, financial, and educational. The external relations committee is responsible for all external relations, including the image building, public relations, marketing, and legislative relations functions.

The governance committee deserves a bit more attention here. Boards have traditionally employed an "executive" committee to make important decisions between full board meetings and unfortunately, all too often, to serve as a more manageable elite, petite board that predecides major agenda items before they go to the full board. By contrast, the governance committee is intended to ensure that the board functions effectively as a governing body, in this capacity:

- Overseeing the functioning of the full board, which involves coordinating the work of the three functional committees, keeping the governing mission updated, setting board member performance standards, and monitoring board member performance;
- Developing and updating the profile of preferred board member attributes and qualifications and fashioning and executing strategies to ensure that qualified candidates are appointed to fill board vacancies (or, when the board is not self-appointing, to influence appointments and elections);
- Developing and overseeing execution of a formal capacity building program for board members, including such elements as orientation

of new members, continuing education and training, and a mentoring program pairing rookie with senior board members;

- Ensuring that the CEO's position description is updated as necessary to reflect changing institutional needs, priorities, and circumstances; and
- Annually negotiating CEO performance targets and evaluating progress in achieving these targets.

Although the governance committee should play an active role in guiding and coordinating the affairs of the board, making sure that the standing committees work together effectively, it should not be allowed to become a petite board, prescreening reports and recommendations for the full board. The three functional committees should report directly to the full board, without their work being filtered through the governance committee.

In addition to making sure that the board's committees correspond to broad governing channels that cut across the whole institution, board members can take certain steps that are likely to strengthen the standing committee structure. One is to make sure that every member of the board, with the exception of the chair, is assigned to one—and only one—standing committee (with the exception of the three committee chairs, who will also serve as members of the governance committee). This will ensure that the board is not divided into an elite nonworking caste and a less privileged group of trustees, that the standing committees have critical mass, and that board members are not overextended. Membership on more than one functional standing committee at any given time is a sure recipe for shallow participation and diluted governance. Other steps to ensure effectively functioning committees might include

- Making sure that committee chairs bring relevant interests, experience, and skills to the task. They must also be willing and able to commit the required time.
- Requiring that committee chairs serve a minimum of two years in the post. Thus the group will capitalize on their experience.
- Providing standing committees with strong staff support, including the preparation of agendas and reports to the full board. A member of the president's cabinet should serve as "chief staff" to each committee and be assisted by a support team of senior managers.
- Requiring that all matters coming to the full board go through the appropriate standing committee and be introduced by committee members. No action items should be introduced directly to the full board

without having come through the appropriate committee, and committee members should make all reports to the board.

- Avoiding the creation of ad hoc subcommittees of board members under the standing committees. This will inevitably dilute board members' effectiveness.

BOARD PERFORMANCE MANAGEMENT

Boards obviously cannot develop themselves or handle their governing affairs without strong CEO and senior management support, but their taking accountability for their performance as a governing body is key to their effectiveness over the long run. We have already discussed two important aspects of board self-management: establishing a standing governance committee that is explicitly responsible for board operations and playing a strong role in board human resource development. Another important avenue to board accountability is the board's conscious, systematic management of its own governing performance. This can be achieved by setting performance standards for the board as a whole and for individual trustees and by regularly monitoring governing performance. Do not conjure up a draconian process involving punitive measures to deal with erring trustees. On the contrary, in our experience, boards that set standards for themselves tend to rise to the occasion, consisting, as they do, of generally very capable, committed, and high-achieving trustees. Governing standards therefore become self-fulfilling prophecies. By their self-management, such boards, by the way, also signal to the wider world that they are no ordinary, run-of-the-mill governing bodies but, rather, are at the head of the pack (and thus truly worth joining).

Since board members are both volunteers and peers, they are, in our experience, typically quite reluctant to engage in evaluating each other's performance. If the matter is left to the board as a whole, nothing is likely to happen on the performance management front. One good way to ensure that a formal performance management process is implemented is to assign responsibility for designing and implementing one to a standing committee; the governance committee is the obvious choice, in light of its accountability for board operations. The responsible committee's first job is to see that the standards are developed and adopted by the full board. A common way of doing this is to develop a first-cut version of the standards at a board-CEO-senior executive retreat, after which the responsible committee can refine the list and recommend its adoption to the full board.

Collective performance standards for the board as a whole typically relate to the accomplishment of the board's governing work and to the guidelines board members have established for working together. For example, collective standards might be to accomplish updating the values and vision statements, to hold a successful retreat, to adopt the annual budget on time, to implement the new standing committee structure fully, to conduct a thorough CEO performance evaluation, to support the standing committees' right to do the detailed governing work of the board without second guessing, to accept the decision of the majority on particular questions without reopening matters that have been decided, and to maintain decorum in full board meetings. Many standing committees that are responsible for board performance management meet annually before the annual board retreat to assess performance, reporting results at the retreat.

Individual performance standards that boards have set for their members include attending full board and committee meetings; being prepared for board and committee meetings; attending certain important functions, such as the annual retreat and the faculty convocation; speaking on behalf of the institution in public forums; and making a minimum financial contribution to the institution. Seldom, in our experience, do corrective actions in response to performance shortfalls need to be very formal or punitive. An informal call from the committee chair, reminding an individual that she or he has tended lately to rehash issues that have already been discussed, usually suffices. Termination of a board member for poor performance would be a last resort and tends to be the dramatic exception proving the rule.

BOARD-CEO RELATIONS

Because you are very likely working closely with your institution's CEO, and may have set as a career goal becoming a CEO yourself some day, or are currently a CEO, we want to comment briefly here on the very critical and often quite fragile relationship between an institution's board and its CEO. There are two keys to a strong, positive, productive, and enduring board-CEO partnership: the CEO's becoming "board savvy," and a formal, well-designed process for regular board evaluation of CEO performance. We have already discussed two major facets of becoming board savvy:

- *Bring the right viewpoint to your work with your board.* If you do not approach your board with a constructive viewpoint and a positive attitude, you are most likely doomed to fail at the onset in building a productive, close partnership with your board and in helping your board

to produce high-impact governance. You must also recognize that your board is not an abstract entity; rather, it is essentially a group of living, breathing people, and knowing how to manage the interpersonal relationship with these demanding, often difficult human beings is critical to your success.

- *Build in-depth expertise in the work of boards: governance.* Governing is a highly complex undertaking, especially if a board aspires to produce significant impact. If you aim to help your board strengthen its governing capacity, then you must become an expert in the governance "business."

BOARD EVALUATION OF THE CEO

Board-CEO working relationships, in general, are notoriously fragile and tend to unravel quickly if they are not constantly nurtured and meticulously managed: higher education is no exception to the rule. Since dysfunctional board-CEO relationships almost always exact a high price in terms of institutional underperformance, tarnished image, and internal disruption, keeping the partnership healthy should be a high priority in every institution. In this regard, a well-designed process of annual board evaluation of CEO performance is critical; it can serve as a powerful tool for

- Clarifying CEO performance targets and renegotiating them as circumstances evolve,
- Identifying and dealing with CEO performance problems before they damage the board-CEO relationship, and
- Making sure that the nonperformance factors that influence the board-CEO relationship—such as full and accurate communication—are systematically addressed.

CHANGING TIMES, CHANGING PERFORMANCE EXPECTATIONS

Higher education CEOs who are not thoroughly evaluated by their boards at least annually in today's rapidly changing, always challenging world are truly at risk, primarily because of changing board expectations that are not explicitly articulated to the CEO. Who is not able to come up with at least one example of a CEO blamed by the board for failing to meet expectations

that he or she was not even aware of? A case in point is a community college CEO whom one of us worked with several years ago. A whiz-bang internal administrator, he had been hired by the board to get a badly listing ship in shape—to bring capable senior managers on board, to put the finances on a sound footing, and to implement modern management systems and practices.

Within four years the job was done—superbly—but by that time circumstances had dramatically changed and the board was feeling the need for a more externally focused CEO capable of wooing the tax-paying public, building alliances, and negotiating regional partnerships. However, the CEO never got the message clearly from the board, and by his fifth year in the top job, the board-CEO relationship had frayed so badly that his job was seriously in jeopardy. Fortunately, a two-day board-CEO retreat enabled the two partners to discuss the college's changing needs and to renegotiate CEO leadership targets, as well as to put a systematic ongoing evaluation process in place. Since the CEO was, in this instance, willing and able to make the transition from internal nuts and bolts manager to "Mr. Outside," the working relationship was once again on a sound footing. But even if the CEO had not been willing to assume the dramatically different leadership role, at least the partners could have agreed to an orderly parting of the ways which would have avoided unnecessary organizational trauma.

ELEMENTS OF A SOUND EVALUATION PROCESS

The CEO evaluation processes that we have seen work well in institutions share three important characteristics: an accountable committee, an outcomes focus, and formal agreement on follow-up. Since the average board member leads an extremely busy life and, anyway, few people truly get their jollies judging others' performance, CEO evaluation is unlikely to get done in a full and timely fashion unless a particular board committee is assigned the responsibility. In our experience the executive—or what we prefer to call the "governance" committee—is ideal for this purpose, since it is headed by the board chair and typically includes the chairs of the board's standing governance committees, such as planning and operational oversight. And you will want, by all means, to avoid the notoriously ineffective approach of having the board chair or any other individual on the board handle CEO evaluation alone; no individual can adequately represent the board in doing such a critical job.

Those abominable checklists that measure functional excellence (how good is he or she at financial planning, personnel management, or capital budgeting?) miss the point completely in CEO evaluation, since they measure the HOW instead of the WHAT—the process rather than the product. Higher education boards that are top-notch at evaluating their CEOs negotiate two basic kinds of outcomes-focused performance targets with their CEOs:

- General institutional performance targets that are annually generated by the operational planning/budget preparation process: for example, boosting enrollment in particular colleges, departments, and programs; securing reaccreditation of a program; launching an educational joint venture with a major business; raising the average SATs of entering freshmen by a certain percentage
- CEO-specific performance targets that relate to the CEO's leadership priorities, above and beyond the general institutional targets: for example, putting in place—and supporting—a successful sales tax campaign structure; rebuilding the institution's working relationship with key external supporters; personally spearheading the capital campaign; recruiting a new dean for the school of social work

You should expect the annual CEO target-setting negotiation with the governance committee to take a full half day at the beginning of the fiscal year and the evaluation session at the end of the year to take at least that long. To deal with such an important function more perfunctorily would trivialize it.

All CEOs are normal—if highly accomplished and high-achieving—human beings who cannot be expected to hit 100 percent of their targets 100 percent of the time, and the formal evaluation process is an excellent tool for reaching agreement on actions that will be taken to deal with perceived performance shortfalls. This is obviously a more effective approach than having the board grow increasingly frustrated until angry enough to do in the poor CEO who has been oblivious of the problems.

Of course, it is not easy—or even very comfortable—for a board and CEO to build an effective CEO evaluation process if they have not been doing it systematically or well, but giving it the “old college try” will immediately strengthen the board-CEO partnership. And over time, practice will refine the process and make it a more productive relationship builder. By not trying, a board and CEO will put the most precious partnership in your institution at risk.

RUNNING AN EFFECTIVE BOARD-EXECUTIVE RETREAT

Many nonprofit organizations—including higher education institutions—have found that involving their boards, CEOs, and senior executives in a retreat (or “advance” as they are increasingly being called) can produce powerful results. The term “retreat” is typically used to describe a special work session lasting at least a full day, and often one and a half to two days (anything less than a day is a meeting, not a retreat), which is held away from the boardroom and focuses on accomplishing work that cannot feasibly be done in regular board meetings. Because the normal “rules of the game” are suspended at retreats, you are able to do such extraordinary jobs as updating values and vision statements, identifying critical issues, brainstorming possible change targets to address the identified issues, thinking through improvements in board structure and process to strengthen governing performance, and coming up with ways to enhance the board-CEO working partnership.

However, if retreats are potentially powerful vehicles for producing critical results for your institution, they are also high-risk endeavors, primarily because of the involvement of your board in a far less structured session than your typical board meeting. Everyone can come up with at least one “retreat from hell” story that proves the point: from everyone being bored to tears to far more damaging outcomes, such as visceral debate that ends up fracturing, rather than cementing, consensus and produces oodles of bad feeling to boot. Experience has taught us that if you do not take steps to minimize the risk, your institution would be better off skipping the retreat. Fortunately, there are four practical steps that you can take to ensure that your retreat produces powerful results—with minimum risk for everyone involved: (1) involve your board in designing the retreat; (2) set precise objectives; (3) build in active participation of both board members and senior staff; and (4) program in systematic follow-through.

INVOLVING YOUR BOARD IN DESIGN

There are two very important reasons for involving your board members in designing the retreat: having the benefit of their experience and wisdom and building board ownership of the upcoming retreat. A very simple approach that we have seen work well countless times is to create an “ad hoc retreat design committee” involving board leadership, the CEO, and executive staff to assemble a detailed design for the retreat: its objectives, struc-

ture, and the blow-by-blow agenda. If you employ a professional facilitator, this is the group she or he would work directly with in preparing for the retreat. Both of us have been involved in several retreat design efforts that were successful in large measure because key board members actively participated in the design process. For example, the National Association of College and University Business Officers has intensively involved its Board of Directors' Executive Planning Committee and regional association leadership in planning its annual "advance."

Of course, there's no way you can come up with a workable structure and process for your retreat if you do not specify what you want the event to achieve. This is one of the key responsibilities of your ad hoc retreat design committee. For example, NACUBO's Executive Planning Committee established the following objectives of its 2001 advance:

"To celebrate the achievements of our inter-association strategic innovation initiative, ACUBO 20/20

To assess the progress of the ACUBO 20/20 Development Teams and to verify future inter-association strategic issues

To review and provide feedback on the ACUBO 20/20 Task Force's recommended ACUBO/NACUBO planning approach that is intended to continue the inter-association innovation process in the future

To brainstorm key elements of the five ACUBO associations' strategic framework, considering growth rules, opportunities and challenges, core competencies, and stakeholder relations

To explore the five ACUBO association boards' leadership in terms of human resources, governing work, board performance accountability, and the national-regional board partnership"

Commitment to following through on the results of a retreat depends heavily on the ownership that participants—especially your board members—feel for the results. Feeling like an owner comes from participating actively in producing the results. One of the best ways to achieve participation is to use breakout groups led by board members to generate information and ideas in your retreat. For example, NACUBO's 2001 advance employed 16 breakout groups in four rounds of four groups each. The titles of these groups included "association growth and development," "association opportunities and challenges," "association core competencies," "developing the board as a human resource," and "developing board performance accountability." Of course, breakout groups can bomb badly if they are not meticulously designed to produce specific results through well-defined methodology and if the board members who lead them and the executive staff assisting them are not well prepared to play the facilitator role.

Spending only a day or two together dealing with complex, high-stakes matters is not enough time to come up with final answers about anything. If you try, the whole thing is likely to come unraveled by the next Monday, when you return to the proverbial salt mine. Many committees responsible for designing retreats therefore reach agreement as part of the retreat design process on how follow-through will be handled. NACUBO, for example, required that the professional facilitator it retained for its 2001 advance prepare a detailed set of action recommendations and identified two key policy bodies that would be accountable for reviewing the recommendations and taking them to the full board for decision making. Without building in such follow-through, your institution would be unlikely to realize a full return on its investment of time, energy, and money in a retreat.

IN CLOSING

This chapter has examined the governance dimension of leadership, focusing on practical ways to build high-impact governing boards that work well with their CEOs and other executive managers. We began by discussing the stakes involved in building institutional boards that produce high-impact governance, examined why many boards fail to govern at a high level, and then started afresh in defining boards and their governing work. We went on to discuss several critical facets of the governance "business": designing governing functions; developing the board as a human resource; employing well-designed standing committees; building the board's performance management capacity; maintaining a strong, enduring board-CEO partnership; and employing retreats as a powerful development tool. The next chapter provides practical, detailed guidance that you can use in enriching and expanding your career.

ENRICHING AND GROWING YOUR CAREER

HOMING IN ON YOUR CAREER DEVELOPMENT

You can develop your career in higher education in two basic ways. One is what we call “career development in place”: enriching and expanding your current position by diversifying your functions and responsibilities, enhancing your influence, and strengthening your impact on institutional affairs. The other, or the “onward and upward” approach, involves your moving up the career ladder to positions with greater responsibility and authority—within and outside your institution—perhaps with the chief executive’s seat as your ultimate goal. There is no reason why you cannot travel both of these paths concurrently; indeed, successfully moving up the ladder, in our experience, depends heavily on how fully you realize, in practice, the potential of the position you now hold. Our view is that either career development path is equally respectable. If your vision has you staying where you are, fine; the “onward and upward” approach is clearly not for everyone. But be sure that you choose your career path consciously and explicitly—by design—rather than passively letting it develop. Otherwise, you risk living one of those lives of “quiet desperation.”

Your success in developing your career depends on a number of factors: your technical, managerial, interpersonal, and leadership skills; your energy and commitment; the quality of your career planning and execution; the support of others around you, particularly your mentors; and, of course, unplanned (and often unanticipated) opportunities and challenges beyond your direct control. This whole book is about your career development. The

preceding four chapters deal with your career development generally, by providing you with detailed, practical guidance in making the transition from senior manager to institutional leader. In this chapter we want to take a closer, more explicit look at your career development, focusing on an incredibly powerful tool that you can employ in enriching and growing your career: your personal application of the strategic change portfolio approach, described in detail in Chapter Three. By employing what we will call your "individual growth account," you can better plan and develop your career (and life). This process involves your fashioning your own professional (and life) vision; identifying your own issues (change challenges in the form of opportunities and barriers); fashioning your own "change chunks" (initiatives) for inclusion in your own individual growth account; and managing implementation of the initiatives making up your growth account at any given time.

This chapter takes a more personal approach than the four preceding it, addressing your growth and development in both professional/career and personal terms. We have no choice, since these two strands making up the tapestry of your life are inextricably linked and influence each other tremendously. Attempting to develop your career in a vacuum, without considering personal needs, desires, and circumstances, would lead to failure over the long run.

YOUR INDIVIDUAL GROWTH ACCOUNT IN A NUTSHELL

Your individual growth account (hereafter "IGA") is a powerful tool for creatively and systematically managing significant change in your life (including your career). You should keep in mind that the odds are always heavily against significant, planned, directed change in anyone's life. There is a truism in the change "business": important, planned change is the exception to the rule; dreams tend not to come true. So you will be wise to bring a keen sense of urgency to the change "game." Not only are the stakes extraordinarily high—your ultimate fulfillment and happiness—but also life is all too short and will be over before you know it. Taking advantage of a tool that will help you assess opportunities and act on them expeditiously—often without having all the available data—can make an incredible difference in the quality of your life.

Never underestimate the power of day-to-day living to consume every last minute of your time and every last ounce of your energy—hour after hour, day after day, year after year, until nothing is left. People who tend to be successful at managing their own change understand going into the change "game" that the window of opportunity is rarely open more than a

slight crack, and much of the time it appears to be tightly shut. We do not want to depress you, but we do want you to be realistic about the process of leading and managing change in your life. Fortunately, the IGA is a relatively simple, practical concept that is the polar opposite of wishful thinking, shopping list planning with its endless goals, or Soviet-like long-range planning with its pounds of paper and elaborate strategies. It is not another one of those flavor-of-the-month gimmicks that are always being hyped; nor is it some kind of fluffy self-help panacea. You can put the IGA to work right now in your life, without having to invest in any expensive, fancy technology or go through an elaborate training program. You can count on its working for you in the near-term, if you are willing to make it a truly high priority in your professional and personal life.

Think of your IGA as a holding pen of sorts for your personal and professional change initiatives—your “change chunks”—that you have developed to deal with the issues that you have decided must be addressed *NOW* because of the stakes involved. By keeping your change chunks in your IGA, you can more easily focus on them, giving them the time and attention that they deserve as well as protecting them from the inexorable press of day-to-day life. Without such protection, your planned change will all too easily ooze away like a crustacean without a shell.

You can also think of your IGA as an IRA or any other financial investment instrument, which you always keep separate from your checkbook and your day-to-day affairs. You try to set money aside to invest—either for retirement or to produce current income—and you manage those investments separately from your checkbook. This is how you deal with your IGA as well. The change chunks that make up your IGA at any given time are action projects aimed at producing concrete change in your life. If you are serious about changing, each of your change chunks will be well thought out, consisting of a specific change target (earn an MBA; become an effective public speaker; learn a particular software program; take the risk of changing jobs on the path to a senior vice presidency), an action plan or strategy to achieve the target, and an implementation budget (time and money).

Each of the change chunks in your IGA will have different timelines (this one taking six months to accomplish, that one two years, and another one five weeks). Of course, as time passes, chunks are accomplished and disappear from your IGA, and you will be replenishing your account with new chunks. Leading change in your life is a never-ending journey in quest of a vision that is evolving as you and the circumstances in your life evolve. Although issues (change challenges in the form of opportunities and problems) can pop up anytime during the year and you must be flexible enough

to take advantage of opportunities and challenges as they occur, experience has taught that it makes sense to set aside a day or two early in the new year specifically to update your vision, to take stock of progress made on the chunks currently in your IGA, to identify emerging issues in your life, and to plan new chunks to address the issues that demand attention now.

Now, at any given time, your IGA cannot have many change chunks in it—not if you are serious about changing, because the resources that you can commit to significant change targets at any time—above and beyond managing current activities—are likely to be very scarce. Remember, in the “change game,” wishful thinking is a cardinal sin. The point of the IGA approach has nothing to do with “dreaming the impossible dream” or new year’s resolutions. What matters is not merely aiming high, but also making sure that you hit the targets you set. After all, resources are finite and scarce. If we do not invest the flexible time, money, and other resources available to us very methodically, in well-designed chunks that we carefully manage, we cannot expect to realize our visions, no matter how inspiring they are.

To put the IGA to work in your career and wider life; all you need are:

- A strong desire for, and firm commitment to, significant change in your life;
- Enough discipline to stay the course in the face of inevitable distractions;
- The energy and tenacity to endure difficult circumstances; and
- The courage to live with some fear and anxiety while you are engineering your own change.

The IGA is not a tool exclusively for people who are shooting for the stars. We are not talking just about dramatic leaps, such as leaving a humdrum job to write the “Great American Novel” or making your first million. The changes that you will need and want to make in your life over the years can come in many shapes and sizes, and the IGA works just as well when you are taking modest steps forward as when you are attempting giant strides.

JOB #1: FASHIONING AND UPDATING YOUR LIFE VISION

Your life vision is a picture that you paint of the professional and personal life you want to lead over the long run, in terms of desired conditions and the values that you most cherish and intend to live by. If your life vision is very detailed (pithy little paragraphs are a waste of time!) and is the result

of putting your total intelligence ("head" and "heart"—see Chapter 1) to work, then you have an incredibly powerful tool for leading your own change. Your life now has an overall direction to guide you in building and regularly updating your IGA. Your emotional (heart) intelligence will help you to make sure that your life vision reflects who you really are deep down: your natural talents, passions, and needs. Your head intelligence will help you to keep your feet on the ground, protecting you from grandiosity or wishful thinking and making sure that your life vision is realistic, in the sense that it builds on your strengths and not your weaknesses.

Sad to say, many people—especially of the type A ilk—think of visioning as a flaky process without much substance ("that vision thing") that just delays their getting down to business. Nothing could be further from the truth! Vision is your most powerful ally in "playing the change game." The critical role that your life vision plays in building your IGA is that it creates a gap between the life you aspire to lead—professionally and personally—and the life you are living right now. The change chunks that you put in your IGA are intended to narrow this gap. Without a clear, detailed life vision to use as a guide, how can you possibly develop the right change chunks for your life? Without a life vision, the chunks that you choose are just as apt to move you in the wrong direction as the right.

People without a detailed life vision or whose life vision is the result of too much head intelligence and too little heart intelligence can easily plan themselves very efficiently into jobs that do not fit who they truly are, what they are really good at, and what they bring passion to. They can feel trapped and joyless in the box that they have built, without ever understanding why. A common example in higher education is the wonderful researcher and teacher whose ego drives her to become an administrator, which she is unfit for emotionally and does miserably. And there is the administrator who is a consummate manager of detail, but whose ambition drives him to find a CFO or CEO position whose demands are a poor match with his emotional makeup. Another sign of too little life vision is the headless chicken syndrome, which has a person futilely going for one target after another without rhyme or reason, frittering away precious and finite resources in a quest leading nowhere in particular. More often than not, in our experience, poor career choices have less to do with inadequate planning (who reading this is not already a superb planner?) than with insufficient life vision.

Your life vision can also serve you well through rough times, helping you to see over the walls of the proverbial trench when day-to-day demands seem overwhelming. Vision holds out promise, no matter how grim your circumstances are right now. Vision can give rhyme and reason to the struggle and make the pain worth enduring. A woman who one of us worked with

several years ago discovered this when, shortly after her marriage, she was "downsized" out of her position as comptroller because her multi-campus institution went through a major administrative reorganization. During the excruciatingly painful (more in terms of ego than physical circumstances) 16 months that it took her to find a comparable position in another institution, her strong life vision, in conjunction with a supportive husband, helped her find the energy and optimism to get through the day to day. Whenever the end of the tunnel seemed woefully out of reach, she found that harking back to her life vision helped to put things in perspective and replenish her stock of emotional energy.

Both of us have directly experienced the power of vision in the development of our careers. One of us—armed with a vision of being an effective leader under all circumstances—has, through a succession of professional experiences, in the military, on campus, and in numerous volunteer roles, observed positive and negative leadership characteristics and consciously adjusted style and behavior to become a more effective leader. One of us also has been guided by a clear vision of being an educator above all else, which has resulted in moving his career away from traditional consulting toward writing and speaking and has led him to be continuously on the lookout for opportunities to publish and speak.

DISCOVERY AS WELL AS PLANNING

Before discussing the content of your life vision, we want to say a word about the visioning process. You obviously would not want merely to dash off your life vision in a morning and, dusting off your hands, say, "There, that's done, let's get the thing printed up, framed, and hung on the wall." A perfunctory life vision is probably not much better than none at all, in fact, it may be worse because it can lead you in wrong directions. You are well advised to set aside ample time for visioning, say, a day or two early in the new year—if possible, in a retreat setting away from the hurly-burley. And you should keep in mind that visioning is never complete. It is a continuous learning process—about the world and about yourself—that can involve as much discovery as planning. So you will want to build into your schedule the time to revisit your life vision regularly during the year, perhaps a half day every quarter.

To take an example of the discovery process involved in visioning, one of us some 20 years ago, while serving as chief of staff in the office of the president of a large, urban community college, was offered a contract to co-

author a book on nonprofit strategic planning. Working on the book evenings, weekends, and holidays over the period of a year, he discovered that he loved working alone, doing research, and creating a product uniquely his. Indeed, his passion for "doing his own thing" and for writing was so much greater than he felt for administrative work that it forced him to spend some time seriously thinking about where his life should be headed professionally; in other words, he began to do serious visioning. The result was a new professional vision that had him working for himself and spending significant time writing. Detailed planning eventually entered the picture when he needed to identify the issues that were germane to his realizing his vision and to fashion practical, affordable change chunks to move him toward it. In his case, by the way, that meant building an independent consulting business and publishing extensively as a way both to keep current in his field and to attract the attention of potential customers.

KNOWING THYSELF

Knowing yourself—deeply, intimately, realistically—is essential to effective visioning. You must free the process from the tyranny of external pressures and expectations, ensure that your emotional needs are reflected in your vision, and keep your vision anchored in reality. We discussed one way of knowing yourself in Chapter One: developing your emotional intelligence, which takes you on an interior journey into the subconscious mind in a quest for understanding hidden emotions and repressed attributes, which can powerfully influence your behavior. The better you know yourself in the emotional sense, the less likely you are to see possibilities for your life in terms of external expectations (dancing to tunes written by others) and the less constrained your ultimate life vision is likely to be. There is another, more external way of knowing yourself: by assessing your strengths and weaknesses as comprehensively as possible along technical, managerial, and interpersonal dimensions. This is a very important means of adding realism to your visioning, keeping it from floating away into dreamland. In this regard, being willing to subject yourself to new experiences while consciously observing how you function can provide you with a frame of reference for self-assessment.

We strongly believe that critical self-assessment is an important precondition for visioning, just as it is a major source of strategic issues (especially barriers to overcome) and a key ingredient in fashioning your change chunks, as we will discuss later. However, you must beware of the real dan-

ger of letting particular, identified weaknesses of the moment unduly constrain your visioning process or of letting particular strengths cause you to envision the wrong personal or professional future for you. After all, if you are determined enough, there are always weaknesses that can be turned into strengths and there may be strengths that you have developed that do not get to the essence of who you really are. To take some practical examples based on our real-life experience:

You feel trapped in your current administrative position, which you are handling quite capably but which brings you ever diminishing pleasure and satisfaction. You are strongly drawn to work that involves high-level leadership. You can easily picture yourself sitting in the vice president's or president's seat; it feels right and good. However, your self-assessment includes a number of weaknesses that are potentially disqualifying: your intense fear of, and almost complete lack of experience in, public speaking; your shallow knowledge of boards and the work of governing; your fear of conflict; your tendency to become mired down in detail at the expense of the big picture; and your awkwardness and stiffness in more intimate gatherings. These weaknesses are likely to become issues that you must deal with as you develop your IGA, but they certainly need not rule out chief executiveship as a vision element (although we should point out that it might be ruled out later, if you decide that the pain and suffering involved in such a public role is not worth enduring).

Staying with this example, you are extraordinarily good at the administrative work your position demands: your analytical skills are well honed, your grasp of the technical details is superb, and your authority is unquestioned. You work hard, but never wake up in the middle of the night sweating over seemingly insoluble dilemmas. Life in this particular professional groove is good—that is, if the absence of passion is not a problem. You can easily convince yourself not to rock the proverbial boat and disrupt your life by having to learn new tricks of a new trade. Indeed, if you do not know yourself, in the emotional sense, well enough, you might not feel enough passion to overcome what James O'Toole calls the "tyranny of comfort." In other words, your obvious strengths can help you build too narrow a box if not counteracted by deeper self-knowledge.

Our counsel is to use your inventory of strengths and weaknesses as a questioning device in fashioning your life vision, rather than rigorously applying it in deciding whether to keep one vision element or another. It will become a much more critical tool as you begin to identify and select strategic issues.

FILLING YOUR CANVAS

When you do visioning, you want to paint a canvas of your life in as much detail as you can at any point. Keep in mind that you will be filling in de-

tail for as long as you live, as your knowledge of yourself and of the world around you changes. What you do is make statements describing what you want your life to be like in every facet, personally and professionally, including the values that you cherish and want to guide your choices. Do not be overly concerned about neatness; real life is never neat. In the first go-around you want to just spew things out, not worrying about relative priorities or consistency (anyway, contradictions are a common feature of visioning). Once you have done a first cut, then you will want to go through your list of vision elements (those desired conditions and cherished values), picking out the ones that are most important to you and spelling them out in greater detail to make them more useful guides for your change.

For example, you might develop statements in the following areas, completing the sentences: "I want/need ..." and "I believe in/care deeply about ...". The following examples are only illustrative and far from complete:

Professionally:

I want to work in a smaller institution with an informal culture and the opportunity to know everyone at the management level, if only casually.

I am a people person if there ever was one, and I need to do work that puts me in constant contact with people.

While I am great at administrative and financial management, I yearn to make truly strategic decisions that chart institutional directions.

I must be in an institutional setting characterized by respect for people and strong support for their professional growth.

I must be in an institution that places a high priority on ethical behavior.

I must be in an institution that is well led.

I do not want to be surrounded by type A people who are constantly driving themselves and everyone around them.

I want to work in an institution that understands the importance of a balanced life, giving equal weight to career and family.

Economically:

I want to earn enough money to live comfortably, to afford to travel and enjoy cultural and recreational opportunities, and to send my kids to good colleges.

I want to be able to retire at 70 in reasonably comfortable circumstances, without having to depend on my kids for financial help.

Culturally, socially, and spiritually:

I need to live in a location that is rich in the fine and performing arts, especially museums, theater, and a top-notch symphony orchestra.

I need to be actively involved in a theater group.

I want my family to be members of a church that is progressive and has a diverse congregation socially, economically, and racially.

I believe in financially supporting my church and setting aside significant income to contribute to social welfare and cultural institutions.

I need to play an active role in raising my kids, not just seeing them briefly in the evenings.

I am a sun person, and I need to live somewhere without lots of rain or winter weather.

I want to be near enough to the water to be able to boat frequently.

I want to live in a real city neighborhood, not way out in the suburbs.

BUILT-IN, HEALTHY CONFLICT

It probably occurred to you that many items on the foregoing list of vision elements are potentially in conflict with each other. This is normal and healthy; if there were no potential conflicts, that would mean that you most likely did not take the visioning process seriously enough. One of your most important responsibilities as the preeminent change agent in your own life is to resolve such conflicts when necessary, consciously deciding which vision element is higher priority than the one with which it conflicts. The classic conflict situation pits career against personal life, which, if you are married, will require a joint effort to reconcile. For example, one of us recently resolved such a conflict in a family context. He and his spouse had envisioned a home on the ocean in a tropical climate and were close to purchasing a beach home in Florida, when his spouse received a wonderful job offer in a city far from the coast. The couple consciously weighed the conflicting vision elements, ultimately deciding that the move to the beach could be deferred (the opportunity would not go away) but that such a perfect job opportunity would not likely occur again.

IDENTIFYING YOUR STRATEGIC ISSUES

You can find the strategic issues in your life at any time in the gap that exists between your life vision and your current personal and professional

life. Their fundamental purpose is to help you focus your changing so that you can achieve your life vision as fully and efficiently as possible. Think of your strategic issues as change challenges that raise serious questions about your life. Should I produce some kind of change in my life to deal with this change challenge, as a way to move closer to my life vision? Should I deal with my fear of speaking? Should I think about living somewhere with more sun? Should I address my lack of passion and growing boredom in my current position? Should I do something about my uneasy relationship with my CEO? Should I respond to the opportunity to apply for the open vice presidential or presidential position at a nearby or distant institution?

If you have fashioned the kind of detailed, comprehensive life vision discussed in this chapter, and you devote much time to thinking about what we call "change challenges"—possible changes in your life intended to help you fulfill your vision—you are sure to uncover a number of these challenges. They can relate to any facet of your personal and professional life, and they can come in diverse shapes and sizes. They can be in the form of opportunities to move toward various elements of your life vision or of barriers that block your progress toward your vision (which your assessment of strengths and weaknesses might reveal). They can be monumental crises, such as being fired from your job, or they can be relatively undramatic in nature, such as your CEO's request that you take on a new function that will require you to do some research and polish some skills. The one thing that all strategic issues have in common is that they exist in the gap between where your life is now—your current situation—and your envisioned life. What you must do, if you aspire to be the master of your own change, is to identify the change challenges that you should be dealing with now—this year, not in the long-range future—and go about the business of fashioning change chunks to deal with them. These change chunks are added to your IGA, where they are managed separately from your daily affairs, in order to get the special attention they deserve.

We should note here that many, if not most, organizations are not very interested in helping you advance in your career. If you are doing a good job now, the powers that be will want to keep you where you are. Of course, if you are underperforming, their primary interest will be to replace you, rather than strategize with you about your next appropriate career steps. This is all the more reason for you to take the issue identification process seriously.

One of the most important sources for defining issues is the detailed audit of your life vision, which you might conduct annually. This requires your getting a handle on the gap between specific elements of your life vi-

sion and your current situation. You need to ask the questions: "What progress have I made in translating each element of my vision into reality? Which elements have I focused serious attention on and which have I neglected? Why? Do any elements of my life vision no longer reflect who I am and what I want in my life, and should they therefore be allowed to fall by the wayside? Am I especially unhappy about my lack of progress in achieving certain vision elements that I believe are truly critical to living the life that I aspire to live?"

You will want to focus on those vision elements that, in your judgment, are most important to the quality of your life and to your career and for which the gaps between aspiration and reality are widest. Working through this list, you will want to ask the following for each vision element: What significant barriers stand in the way of making further progress on realizing this vision element in my life? What opportunities might I seize to move my personal life and my career closer to the vision element? For example, let's say that one of the elements of your professional vision that you feel most strongly about is to play a leading role nationally in shaping your field, higher education administrative management. Up to now, you have made little progress on this front, and so the gap between the vision element and current reality is pretty wide. Among the issues you have identified are a number of opportunities, including becoming active in the Eastern and National Associations of College and University Business Officers, publishing one or more articles in professional journals, speaking at pertinent regional and national forums, and working on a book in the field. The only significant barrier that you see is your CEO, who has been driving you so hard that you barely have any time for your husband and kids, much less for becoming a nationally influential person in your field.

The foregoing example assumes that you are spending a day or so annually away from the shop, auditing your vision elements and identifying issues, in the form of opportunities and barriers, that are pertinent to your vision. We strongly recommend that you take the time to do this at least annually, as it is a very effective means of identifying new issues that might eventually become change chunks in your IGA. You can also take advantage of brief nonbusy times—say, in the shower—to wrestle with issues. The point is to give them serious attention, even if the circumstances are not ideal. However, keep in mind that issues can pop up at anytime during the year, requiring that you take a flexible approach in responding. Taking the example of the vision element discussed above—playing a leading role in shaping your field—let's say that you have decided to focus on addressing the issue (opportunity) of speaking in professional forums this

coming year and to put off doing journal writing until next year. But last week, an editor from a prominent journal called to ask if you would be interested in writing a piece for the July issue, only four months hence. You might respond by saying, "I'm sorry, I've just updated my individual growth account and won't be doing so again until next year around this time; could you call me back then"? Or, knowing that the likelihood of a call next year is slim to none and that an editor in hand is a precious commodity in the writing business, you might flexibly change priorities. You should at least consider doing so.

A personal example for one of us was the opportunity to chair the board of a new insurance company for schools, colleges, and universities. This was a classic example of the "gap" between vision and reality. The vision was the chance to lead an entrepreneurial venture of great promise. The reality was the challenge of a new job and weekends away from family who were still at the former job location. In the end, the challenge was accepted, and it led to growth and experience not possible from just doing the "day job."

SELECTING THE ISSUES TO ADDRESS

Before you can rationally choose which issues you want to address by developing strategic change initiatives or change chunks, you need to understand the issues in some depth. First, you need to understand the possible penalties that you will face if you do not take action on the issue over the coming year. Penalties take the form of both direct costs and lost benefits. For example, if you do not deal with your CEO's driving style, you are not going to have enough time to make serious progress on your envisioned goal of influencing your field nationally; this is a direct cost. If you do not take advantage of the opportunity to do the article that the editor called you about, you are not likely to receive another such call anytime soon; this is a lost opportunity.

Remember, you have only so much time, money, and energy to devote to change in your personal and professional lives, above and beyond meeting the inexorable demands of daily living. The change window is always open only a crack, and so selectivity is a cardinal virtue in the change business. What you want to do is choose the issues that promise you the greatest progress toward your most important vision elements or that threaten you with the prospect of paying a substantial penalty if you fail to deal with them now. It is unfortunate that you cannot just apply a tried and true formula to selecting the change challenges deserving your attention now, but you

can make sensible decisions if you are willing to devote serious time to the process and endure the anxiety that contemplating change can generate.

If the process is far from scientific and tends to cause a good deal of mental anguish and heartburn, keep in mind that just paying conscious attention to selecting change challenges will inevitably make you a much more effective participant in the change game than the average person. You will be much more likely to change in ways that bring you closer to realizing your life vision than if you just rush into action (even through taking action without much agonizing forethought is always tempting because it feels so good at the time).

There will be rare times in your life when you find yourself facing one or more really dramatic change challenges, of the turning point variety, that, in effect, choose themselves. You have no choice but to pay attention to them. And, occasionally, a change challenge looms so large that it is the only one you can deal with for the time being. If your doctor calls to tell you that you have a life-threatening illness, then you will almost certainly drop everything else to take action, in light of the likely cost—your death—of inaction. Or let's say that you are caught in a dire ethical dilemma and your vision demands that you not violate certain ethical standards. If you cannot change the situation, you will be forced to leave your institution (or, perhaps, just your job), and so you will put other issues aside to grapple with this huge change challenge.

To take a real-life example, a fellow that one of us knows went through an intensive visioning exercise a few years ago, at the conclusion of which he knew with certainty that he wanted to become a senior higher education executive, perhaps even an institutional CEO some day. It was clear that being an effective speaker would be critical to his successful career development—not only to influence decisions and to sell ideas and projects within an institution, but also to become a leader nationally. However, up to that point, he had not only avoided public speaking, he was pathologically shy, even slipping out the side door of a meeting room rather than introducing himself to a group of strangers. This issue—a huge barrier to realizing one of his most cherished vision elements—would require more than a little time, emotional energy, and money (for therapy and coaching) to deal with effectively. And not dealing with it would have effectively ended his envisioned speaking career before it began. This was truly one of those rare turning point issues—a barrier so high that any significant progress toward that vision element was unlikely without addressing it. This was his change challenge of change challenges: the only one in his IGA for months, where it would remain until he had dealt with it.

Most issues are not so dramatic; indeed, you will probably seldom have to face an earth-shaking change challenge that, in effect, chooses itself. So it is more practical to concentrate on identifying a small number of issues that promise you the most progress toward your highest-priority vision elements. This might be a pretty eclectic mix, but there cannot be many—certainly not more than four or five at any given time—if you are really serious about managing significant change in life, simply because your time, money, energy, and other resources available for changing are so limited. Remember, you still have a life to lead while this is going on.

For example, a woman one of us knows has been religiously employing the IGA as a developmental tool in her life. Recently, she selected four strategic issues for close attention in the coming months:

- Her president's offer to give her responsibility for spearheading the design and ultimately head the institution's envisioned Management Improvement Program, aimed at producing wide-ranging improvements in institutional planning and management systems—with the assistance of a \$500,000 grant from a local community foundation (relating to her professional vision element: "I want to play a leading role, working closely with my president, in dramatically upgrading the institution's leadership and management capacity.").
- The opportunity to become involved in a leadership capacity in the Western Association of College and University Business Officers (relating to her professional vision element: "I want to contribute in important ways to the development of my field and of my colleagues in the field.").
- Her lack of knowledge and experience in the area of governing board leadership (a barrier standing in the way of realizing her professional vision element: "I want to serve as an institutional CEO.").
- Her continuing estrangement from two of her husband's grown children from his first marriage, which has caused considerable tension during holiday gatherings and strain for her husband (standing in the way of realizing an important personal vision element: "I want a strong, happy marriage that brings joy to both of us.").

FASHIONING CHANGE CHUNKS

Once you have selected the new strategic issues that you intend to address in the coming year or so, you have traveled an impressive distance along the

change road. Most people whom we have known over the years have been pretty good at the art of planning; there is not much magic there. But we have seen many people—perhaps the majority—jump into detailed planning and action without taking the trouble to choose the issues that truly deserve priority attention. Talk about the cart before the horse! Being hard-working, capable planners, they easily come up with technically sophisticated approaches to dealing with the wrong issues and eventually implement the wrong changes with impressive courage and discipline. However, once you have chosen the right issues, you do need to pay serious attention to the planning job, putting together the change chunks that you will add to your IGA.

A change chunk is essentially a project aimed at addressing a particular strategic issue, consisting of a change target; an implementation plan; and, when relevant, a resource budget. For many issues, one well-crafted chunk will fit the bill. For example, if you accept your president's offer to spearhead development of your institution's new Management Improvement Program, you might develop one chunk aimed at achieving the target: "Lead a process that will result in a technically and politically sound design for the institution's Management Improvement Program." Having identified your change target, you can now develop your detailed implementation plan, by identifying the steps that must be taken, the accountabilities, and the timetable, after which you need to identify the required resources and determine how they will be obtained.

For example, one of your first steps might be to familiarize yourself with the experience of similar institutions in carrying out wide-ranging management improvement programs, which will require a literature search and three or four on-site visits. This step can be accomplished by June 1 and will require an estimated five days of your time and a travel budget of \$3,500. Step two will be to get the president to appoint an MIP steering committee, which will serve as your policy body during the design process. Step three will be to develop the preliminary program design for review by the steering committee. And so on. Note that going through each of these steps can also be a powerful personal capacity-building tool for you, helping you strengthen your team-building, facilitation, sales, presentation, and financial analysis skills.

Let's take the example of inadequate knowledge and experience in governing board leadership. Possible change targets for which chunks might be fashioned include: educating yourself in the governance field by reviewing the literature and attending at least two national workshops; securing a presidential appointment to serve as a member of the executive support team for your institution's board of trustees' management oversight committee;

joining a community board to get hands-on experience; and working your way up the volunteer career ladder to a position on the Southern Association of College and University Business Officers' board. You might decide that the importance of the issue justifies your developing change chunks to achieve two of the targets concurrently, or you might tackle them serially, beginning this year with self-education, after which you will move on to the one that, at that time, appears to provide the most "bang for the buck."

Deciding which change chunks to deal with concurrently as part of your updated IGA is a critical step in the process. Actually choosing where to invest your precious time, money, credibility, and other resources is the only way that you can avoid wish listing and shopping list planning. If you use a scattergun approach, aiming at lots of targets and hoping to hit some, you are doomed to lose big in the change game. There is no formula for choosing, no rigorous methodology to employ, but there is a logic to apply. First, you just consider the various possible chunks that you have developed to address the change challenges that you have chosen; and, second, you come up with a mix that appears to promise the most benefit (in terms of moving toward your life vision) at a cost you can afford and at an acceptable level of risk. You cannot be certain that you have chosen correctly until you invest in implementing your selected change chunks, but you will still be much better off than if you had just rushed to action on the first change possibilities that came to mind.

MANAGING YOUR INDIVIDUAL GROWTH ACCOUNT

We have already shared with you the grim conclusion that experience has taught us: for the great majority of people, planned, significant change in one's life tends not to happen; it is the distinct exception that proves the rule. True, if you are at the point where you have developed your total intelligence and put it to good use in creating a detailed life vision and developing the change chunks in your IGA, you have covered a lot of ground, much more than 90 percent of the people around you. You have certainly managed to tip the odds in your favor.

However, you still have a long way to travel on your change journey, and the stretch of road separating plans from action can be pretty treacherous. Now, the journey may not be as perilous as the one you have seen newborn sea turtles make from their nest to the ocean on those TV nature shows, but you should not underestimate how fragile the planned change

chunks in your IGA really are. Major bumps and potholes that you should expect to encounter on the change road include

- *The powerful pull of daily life*

You will probably never be free of the pressures and demands of day-to-day living, which is a voracious consumer of time and energy, even when there are no major crises to cope with. It takes virtuoso planning and a huge dollop of discipline to reserve enough time and energy to shepherd your change chunks from paper to action. You must build into your schedule actions that move you forward and be willing to drop less essential activities.

- *Emotional resistance*

You are a rare human being if you do not encounter at least some emotional trauma as you move forward to put your change chunks into action. When you are aware of the resistance, you have a good chance of neutralizing it. However, when your resistance is well disguised as an emotion that does not seem obviously connected to the change you are going through—say, as irritation at the people around you—then it can really set you back without your even understanding what is going on. One of us deals with this by “listening to his gut.” Your body always tells you when something is wrong, and one approach is to keep visualizing possible actions until a particular one relieves the anxiety. An example would be needing to confront a powerful trustee but dreading the occasion.

- *Erroneous assumptions about the future*

When you put your action plans together for each of the change chunks in your IGA, you have to make assumptions about future events that are important to carrying out your plans. For example, you might assume that you will have the support of your president in seeking a seat on the board of a community institution or that all of the cabinet members that you want on the Management Improvement Program steering committee will be enthusiastic about serving. The best-laid plans go awry, and you are well advised to anticipate having to do some contingency replanning.

There are three major steps that you can take to ensure that you travel the final stretch of the change road successfully, if not always smoothly. First, you should make sure that you are really ready to embark on this last leg of the change journey: establishing change as a high priority in your life; fine-tuning your change chunks to make sure that they are realistic, antic-

ipating possible barriers and problems that you might encounter; and committing yourself to being open and flexible throughout the change process. Second, you can manage implementation of the change chunks in your IGA meticulously and keep your IGA well away from your day-to-day affairs. And third, you can monitor, understand, and deal with your emotional resistance—not letting your “head” intelligence be tricked—by keeping your “heart” intelligence on the alert at all times.

MAKING SURE THAT YOU ARE READY

You have taken a giant step forward by just getting to this point—with a detailed life vision and well-thought-out change chunks making up your IGA. But you are now setting out on such a dangerous leg of your change journey that you cannot afford to falter even a little bit. At this point, knowing that the changes you have planned in your life and career can very easily come to nothing, you must be as prepared as possible for the challenges ahead. In this regard, you must

- Firmly establish managing your IGA as a priority in your life.
- Take a second look at your change chunks, making sure they are realistic.
- Anticipate as many barriers as you can and think about how you might deal with them.
- Go into the change “game” committed to being flexible and open to new opportunities.
- Be prepared to stay the course and not give up easily, even though the light at the end of the proverbial tunnel might appear almost extinct.

Significant change is so difficult to achieve—indeed, puts you in the position of bucking the odds—that you are well advised to bring a strong sense of urgency to the tasks involved in managing your IGA. Changing in many ways is not an activity for the fainthearted or the extremely laid-back. At the onset, imagine yourself standing at the bottom of a steep hill, about to begin pushing up a large boulder. Picture that hanging on to your coattails, trying to pull you back, are various figures labeled “day-to-day demands,” “counterproductive emotions,” and “unforeseen circumstances.” If you are going to get that boulder up the hill, you will have to do some serious pushing. And the second you let up, that boulder is going to roll right back down the hill.

It is essential that, going into the implementation process, you make a firm commitment to setting aside prime time for managing your IGA on an ongoing basis. Prime time means time when you are reasonably rested and alert, not when you are worn out and distracted; this time will be critical to your eventual success in implementing your change chunks. If you assume that you will just get to your change chunks after you have taken care of everything else that day-to-day life brings your way, you are in for a sad surprise. The demands of daily life can consume 150 percent of your time and energy, if you do not watch out, and you will end up, week after week, failing to make appreciable progress on any of your change chunks. It happens all the time, because the siren song of daily life is so beguiling.

There is another dimension to the demands of daily living: they are familiar and comfortable. The process of changing could not be any more different than day-to-day life—by definition, change is unfamiliar, often quite uncomfortable, and occasionally downright threatening. Faced with such discomfort, you can actually trick yourself into never having time to get to one or more of the change chunks in your IGA. Of course, keeping your emotional intelligence well honed will help you to avoid being deceived. We do not pretend to be perfect role models ourselves. One of us a year or so ago invested a couple of hundred dollars in a meditation course as part of a change chunk aimed at achieving greater serenity in his life. You will not be surprised to learn that he has had considerable trouble finding time to meditate, even though it requires only 40 minutes a day. Those 40 minutes have been extremely difficult to find, however, reading the newspaper every morning and a thousand other familiar tasks seem to get done without fail.

Implementing the change chunks in your IGA will demand so much of you, involve such high stakes, and get you involved in such a complex management process that you will want to take a close second look at your change chunks before jumping into implementation. Ask yourself four key groups of questions:

- Is my change chunk technically complete? Have I covered all the major steps and events that have to happen? Do I really understand what I have to do and what I expect others to do?
- Have I thought through, in enough detail, what time, money, emotional stamina, and other resources will be required to implement this change chunk? Do I know where the resources are going to come from, and do I really understand how I will generate them?

- Is my implementation schedule realistic? Am I pacing myself sensibly, in light of what I know about my own skills and emotional makeup and the environment I will be working in?
- Have I anticipated barriers and problems that might occur during implementation of this change chunk, and do I have an idea of how I might deal with them if they occur?

It is especially important as you fine-tune your change chunks to be aware of the clear and present danger of unrealistic pacing, which is usually the result of overestimating your capability or underestimating the complexity of the tasks involved in implementation. Unrealistic pacing is not just the product of poor planning in the technical sense. It can result from a person's philosophical and psychological approach to change. In our experience, many smart, ambitious people take the tack of setting unrealistic goals as a way of motivating their performance. The applicable theory is, "I'll work harder, and though I may fall short, I'll shoot so high that it won't really matter." Some people overestimate their resources and the pace at which they can move because they sincerely believe that it is better to be optimistic than downbeat. And some people are motivated by the generally accurate adage, "No pain, no gain," but they push themselves so hard that they lapse into a kind of masochism (as in, "I can't be doing it right if I'm not suffering enough.").

Whatever the reasons, the cost of pushing implementation of your change chunks too fast can be quite high. Obviously, you can really botch up implementation, perhaps even jeopardizing a whole chunk in the process. For example, you take on the leadership of a complex, ambitious, highly visible campus management improvement initiative without thinking through the time, expertise, and financial support required. Or, you push yourself to write so fast that the resulting book lacks the finer touches that are required to get it published. If you refuse to take the time required to work through your problem with anger, it will keep cropping up in the future, threatening key relationships in your life. And the masochistic or overoptimistic approach to changing can also generate negative emotional impact that impedes implementation. When you are in a situation of frequently failing to meet change targets because you have pushed yourself too hard or set your sights too high, you can create a negative aura around the change process that erodes your enthusiasm and drains your energy. Continuously confirming your inadequacy is no recipe for building up the tremendous emotional stamina that significant change demands.

MANAGING IMPLEMENTATION OF YOUR IGA

An ideal world would be such a blessing! Ideally, if you have decided that your evolving life vision demands that you seek an institutional presidency and that a key change chunk is to obtain a PhD degree, you would simply take a sabbatical from your position as senior vice president for finance and administration at a major research university and enroll in a PhD program in higher education administration. Continuing this dream scenario, supported by your spouse's generous contributions and some loans, you would eventually emerge with your degree and set out to find a presidency. Meanwhile, your understanding spouse and kids have not raised a fuss at your taking the apartment in a distant university town or your one-day-a-month weekend visits. Or, even more exotic, let's say that you have come to understand your need to write poetry and you know that there is a book inside you waiting to come out. So, to honor your life vision, you resign from your boring job and set off for Tahiti, where you will write every morning under a palm tree not far from the beach, and then after a swim, lunch, and a nap, you will resume your work, until your lover arrives for cocktails and dinner on the veranda, the sound of waves providing you with beautiful background music.

Alas, you, we, and 99 percent of our fellow travelers on the change road are likely to operate under much less "ideal" circumstances. Managing your IGA is almost certainly going to be a daunting challenge. You can help to ensure success by meticulously dividing your life into two broad streams: (1) day-to-day affairs and (2) management of your IGA, which includes making weekly schedules for managing your account, monitoring progress on a weekly basis, and revising your action plans as circumstances dictate. The concept of swimming in two streams deserves some special attention here.

One of the most important things that we have learned over the years about producing innovation and managing change in for-profit and non-profit organizations is that significant innovation tends to get buried by the demands of day-to-day organizational life. Experience has taught us that the same is true of a person's individual change efforts. Daily living with all of its demands and endless distractions, not to mention the satisfaction derived from checking things off the to-do list exerts a tremendous force that is nearly impossible to resist. The fact is, virtually all of our near-term rewards and punishments—personally and professionally—revolve around doing well at the day-to-day operational things. You will not be penalized by anyone around you for not pursuing opportunities to enrich and expand your career; you will probably be the only one who even knows what you are doing

in this regard. But if you do not get the monthly financial report in everyone's hands on time, you will hear about it right away. Of course, the allure of day-to-day work and living also has to do with comfort and security. We have known countless people who willingly pay the price of boredom and unfulfilled dreams for protection from the anxieties that change brings.

If you merely lump your innovation and day-to-day operational streams together, innovation will be the inevitable victim. Always keep in mind that you cannot fight the powerful pull of the current in the day-to-day stream. All you can really do is choose another stream to swim in when you are involved in managing your IGA. Go into the change "game" knowing that you will be swimming in these two streams, that you must keep them very separate, and that at any given time you must know which stream you are in. The minute you get confused and let the two streams merge, the powerful current of day-to-day working and living will pull you away from your IGA. One sure sign that this is happening in your life is when—day after day and week after week—you find yourself at the end of every day and week with a long, unfinished list of to-do's involving your change chunks.

Keeping these two streams separate in your life will not require any fancy, high-tech equipment. Commitment, discipline, and some very simple techniques are basically what are required. For example, maintain two separate to-do lists and schedules, one for IGA and one for every day, and never mix the two together. Both of us do considerable traveling in our work, and so we divide our briefcases into two compartments: one for our IGAs and the other for our normal business matters. Another thing you can do is to avoid working on both agendas in the same hour. If at all possible, allocate significant blocks of time to managing your IGA—say, two to three hours. But even if only one hour at a time is feasible, the important fact is that you are on guard against letting your IGA get swept away by the powerful pull of the day-to-day stream. Engaging a trusted associate, friend, or perhaps your spouse in the management of your IGA, particularly at critical implementation junctures, might help to keep you motivated and on track.

KEEPING YOUR HEART INTELLIGENCE WORKING FOR YOU

We have emphasized the importance of bringing your total intelligence—head and heart—to bear on the never-ending challenge of leading change in your own life. We have pointed out that being bright in the head sense comes naturally to people who have been trained to think logically and to

take a disciplined approach to problem solving. But developing your heart intelligence is typically a far more difficult undertaking, and it is never finished. You cannot simply say, "Well, I've worked on strengthening my heart understanding, and now I can move forward with my IGA knowing that my total intelligence is at work." The emotions of your heart defy easy understanding and can easily trick your head into believing the wrong thing. They can be so subtle and well disguised that your conscious mind is not even aware of what is really going on. So, as you proceed with implementation of the change chunks in your IGA, you want to monitor your emotions closely and continuously in order to make sure that one chunk or another in your IGA is not being unintentionally and unconsciously sabotaged.

As we have pointed out, when people get involved in significant change in their professional and personal lives, strong emotions tend to surface, especially fear—fear of failing, fear of being less than perfect, and perhaps even fear of being punished for defying someone influential in your past who may no longer even be alive. The interesting thing about fear is that it can express itself so indirectly that it is not even recognized for what it really is; this is when it becomes a particularly insidious opponent of your efforts to lead change in your life.

There is no way you can hope to take the emotion out of your changing, nor would you even want to do so. After all, emotions such as joy and passion can be powerful allies in building and implementing your IGA. What you can and must do, however, is to be self-centered in the good sense of that word—not narrowly selfish, but paying close attention to that part of you who resides in your unconscious mind—your heart (and your "gut"). To make this self-centeredness work in positive ways in your life, you must

- Pay attention to the emotions through which your heart is speaking to you, in whatever voice they are speaking: joy, fear, anger, anxiety.
- Be alert for emotions that are impeding your progress toward implementing one or more of your change chunks.
- Where the powerful, negative emotions are concerned, go inside more deeply to understand what is really in your heart, always keeping in mind that the apparent emotion may not be the real heart issue (such as when violent bursts of anger serve as a substitute for the fear of being vulnerable or when you compromise your values because of an inability to face conflict with others).

When you do understand the real source of the emotion, then deal with it directly, at the heart level, rather than attempting to use your head to eradicate the emotion, thereby removing the threat to your IGA.

IN CLOSING

This chapter has brought to a close our examination of the keys to your successfully making the transition from senior manager to leader. In this concluding chapter, we have moved to a more personal level, describing how you can employ a variation on the strategic change portfolio discussed in Chapter 3, the individual growth account, to manage change in your own personal and professional life. Beginning with a detailed look at your life vision, we moved through the major steps involved in leading your own change: knowing yourself, especially your personal and professional strengths and weaknesses; identifying the strategic issues or change challenges facing you; selecting the issues you intend to tackle in the near future; fashioning change initiatives—change chunks—to deal with the issues you selected; and translating those chunks from paper to action in your life.

We ended by looking at the important role that your emotional—heart—intelligence plays in managing the implementation of the change chunks in your IGA, just as it is a critical element in preparing yourself to become a strong leader. No matter how much care you have taken in choosing your issues and crafting your change chunks, letting your emotional intelligence lapse can disrupt implementation—ultimately at the expense of the vision that holds so much promise for your life and career.

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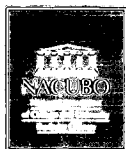
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