THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION
ITEM FOR INFORMATION

Subject: Governance in Academe

What kind of governance is best suited for an institution that wishes to be a global leader in knowledge creation and education during the information age of the 21st century? How can an institution that contains a large number of people who have received the highest levels of education and are global leaders in their fields create the kind of synergy that allows it to be even more than the sum of its parts?

As we look for models, we can take a leaf from recent history, in particular the sweep of free market capitalism across the globe, from the former members of the USSR to a China that is communist in name only. History teaches us that the command economy does not work, that the best intentions of central planners cannot match the creative ferment of the free market, and that a large system based on a one-way flow of orders from the top down will only stifle innovation, creativity, flexibility and productivity. So too, the university must be aware of turning into a command organization. The university is best understood as a marketplace of ideas, with each faculty member being an intellectual and pedagogical entrepreneur. It is a marketplace that operates best when entrepreneurs are allowed initiative and self-determination. In a university, the tenure-track faculty have a long-term symbiotic relationship with the institution. The relationship can last for an entire career, and faculty members at a top-ranked university are acutely aware that part of their personal global stock is tied to the reputation of the university (which in turn is tied to the reputation of the faculty). The self-motivation of faculty to ensure that the institution remains ahead of its competitors is enormous. Enabling and channeling the ideas that emerge from the creative ferment associated with faculty who are among the best in the world is the challenge for the administration, and it requires multi-directional communication. This multi-directional communication may not be comfortable, and it may not be quick, but it is at the heart of what we call "faculty governance" at the university level in the UM model. ("Faculty governance" at the unit level is expected to be much stronger as appropriate for local communities of intellectual entrepreneurs.)

The principle of faculty governance is one that has lasted for centuries, and has served American universities well. It is a *cliché* that the current paces of societal and technological changes are so fast that new paradigms of governance are required for major research universities. The command model is very seductive. The benevolent and wise leader talks into the microphone while the people listen to the encapsulated wisdom of his fireside chats. The listeners cannot know the answers, but they believe they can safely put themselves in his hands, and all will work out for the best. Indeed, there are good aspects to this style. Short term results may often be positive. Decisions can be made quickly.

The problem with this *modus operendi* is that it can lack sufficient dynamism and resources for complex times and issues. Furthermore, it relies on the vision of a single person. Even if the leader has formed a leadership team, the team tends to be monolithic and to reinforce a single response. Team members are chosen for their supporting roles based on their personal loyalty, or their affinity, or their degree of “fitting in." Institutions that follow this model can rise and fall on the strength of the individuals who lead them. Yet, no matter how gifted any current leader may be, eventually every institution will make a poor choice for leader with potentially catastrophic results. The advantage of collegial governance is that it is not dependent on one individual. Western universities as an organization, with their tradition of faculty governance, have lasted for a long time, an order of magnitude beyond that of business corporations. Individual universities in Europe have adapted to such momentous changes as the development of the nation state, the invention of the printing press, the reformation, and the scientific and industrial revolutions. Conversely, very few businesses have managed to survive for even as long as our relatively young institution.

Large institutions are too large for a single person to administer; therefore, hierarchical structures are put in place to permit different levels and units to interact with each other. Unfortunately these structures are generally created as patronage appointments from above. Therefore, the leaders in the hierarchy have a vested interest to control the flow of information to the top in a fashion that keeps the *status quo* and enhances their own reputation in the eyes of the leader. Furthermore, the administrative bureaucracies that need to exist in any

complex institution gain power by their proximity to central administration. They have an immense self-interest in maintaining the *status quo*, enhancing the power of the center, and controlling the flow of ideas and information to the leaders around which they coalesce. The history of empires shows that successful leaders recognized this danger, and developed channels to get information that by-passed the provincial governors and courtiers. A university president is fortunate in comparison! She doesn't need to rely on executive officers, deans, and the professional bureaucracies to filter ideas from the faculty. Over the years, institutional mechanisms have been established by the past wisdom of the Regents for the president to receive counsel from elected representative faculty who owe no allegiance to any individual in the institution.

We recognize that some decisions the university must make are basically business matters, and that the optimal way for the university to make such decisions resembles the optimal way a large corporation would make them. But for decisions that significantly impact the core of the educational function, the corporate model would be counterproductive for a university. And, even for business matters, it would be wise to take into account that some of the most noteworthy modern corporations have achieved stunning success by borrowing significant components of a faculty model of operation.

In summary, we would ask you to consider these two requests:

1. Recognize the benefit of informed discussion by the stakeholders. The faculty of this University offers a tremendous resource both in their individual areas of expertise and in their great variety of perspectives. One of the elements of the genius of Abraham Lincoln was manifest in his choices for members of his cabinet. They were all strong men who voiced their disagreement with vigor. Lincoln was not afraid or diminished by their gainsaying; he believed that to meet the challenge of the times he needed intelligent voices to contradict and force the formulation of the best decisions possible. The faculty of the University has formed representative bodies that can provide the different perspectives needed for the long term sustainability of the University. These voices are vital: an essential element of the University's dynamism and durability is the vibrant discussion by the faculty of the responses needed for those changing and complex changes. Universities last because of their integration of faculty voices early in the decision-making process.
2. Do not confuse management with administration. The core element of any university is the interaction of the faculty and the students. Administrators are needed to support the faculty and students, and to accomplish the business that enables research and education to happen. They take their name from this service role: ministers or administrators. Ideally, administrators come from the faculty because they understand the issues of scholarship and teaching. The best administrators take care to listen to their faculty colleagues regularly and respectfully. Two decades ago, the president of this University met with SACUA every week he was in town. Like Lincoln, he heard very different perspectives, but he valued them even if he voiced disagreement. He did not choose the members of SACUA; he discussed the issues with those that were chosen by others. And those discussions made his decisions better. The chair of SACUA met with the senior officers of the University on a regular basis. The president's role might differ, but he considered himself one of the faculty. This served to allow for effective communication, resource sharing, and mutual respect. Furthermore, the faculty had a significant role in interviewing and recommending his successor. "Management" has an honorable history as well, but the perspective is different from "administration." Management emphasizes supervision, control and manipulation of persons or things. Management is necessary for the business operations of a University, but administration is the better model for the academic core. Faculty have no interest in choosing the cleaning company or other such business decisions, but for the long term viability of our University, we need collegial administrators working with faculty and enabling the faculty to research and teach and managers to handle business decisions.

(Submitted December, 2007)

Regents' Bylaw 4.04. The Senate Assembly shall serve as the legislative arm of the senate…The assembly shall have power to consider and advise regarding all matters within the jurisdiction of the University Senate which affect the functioning of the University as an institution of higher learning, which concern its obligations to the state and to the community at large, and which relate to its internal organization insofar as such matters of internal organization involve general questions of educational policy.