

IMPLEMENTING RENEWAL AND CHANGE

Robert H. Bruininks

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In Chapter 13, Michael Adams has addressed the major capital changes at the University of Georgia, where the construction of some new buildings meant the destruction of parking lots. That reminded me of how Clark Kerr, the late president of the University of California System, once described a university as a loose association of individual scholars ‘held together by a common grievance over parking’ (Kerr [1963] 2001, p. 15).

As President Adams has addressed the challenges faced in revitalizing a campus’s capital infrastructure, I’d like to use this chapter to address change in the academic aspirations, directions and culture of the University of Minnesota.

I believe the British author John Galsworthy got it right when he said, ‘If you do not think about the future, you cannot have one’ ([1928] 2004, Pt. II, Ch. 6). In my judgment, these times require thinking in a self-conscious way about the future of higher education and the future of our institutions—and our responsibility to shape that future. I’d like to start with an interesting quote I recently came across from Daniel Seymour about higher education. He wrote: ‘Sailing a ship across the Pacific is no different from organizing a college or university for performance improvement. In both instances, it is immensely helpful if we can come to some agreement on which way to aim the pointy end’ (Seymour 1995, p. xix). So I’m going to address the special challenges today in ‘aiming the pointy end’ of our institutions. And I’m going to start by giving you the University of Minnesota’s context—a context that may be familiar to anyone in public higher education today—that was the setting for the University of Minnesota’s strategic plan and the very ambitious positioning effort that we’re pursuing at the present time.

14.1 The context for change at Minnesota

I was asked to assume the presidency of the University of Minnesota on an interim basis in the summer of 2002 when Mark Yudof left the post to become Chancellor of the University of Texas System. At that time, Minnesota's projected revenue shortfall was about \$2.5 billion dollars over the next two fiscal years. By November, when I was officially asked to take the presidency on a more permanent basis, that amount had nearly doubled. I was haunted by a comment that H. Ross Perot allegedly made when running for president: 'A vision without resources just could be an hallucination.' (I also said to myself, on numerous occasions, that I might have picked a better time to assume the presidency!)

On a per capita basis, Minnesota's problem was on the scale of the contemporaneous state shortfall that faced California. It was enormous. To compound matters, we had our governor's unprecedented pledge not to raise taxes, a pledge that no previous governor had ever taken under similar circumstances. Whenever we had had a crisis like this in the past, the solution had been both to increase state taxes and reduce expenditures.

The University of Minnesota sustained a 15 per cent cut to its two-year budget in 2003—the largest at that time to my knowledge given to any public college or university campus in the United States, even in a period of cuts and retrenchments in state budgets around the country.

So what happened? To give you a thumbnail sketch, we decided to use the challenges we faced to help establish the case for change and undertake a very ambitious strategic planning and positioning process. We began formally in the summer of 2004, at a retreat of the University's Board of Regents, and by the next spring we put a plan on the

table for the Board of Regents to review and ratify, followed quickly by a set of 40 recommendations to position the University for a strong future.

I should remind you that the University of Minnesota is similar to the University of Georgia. It's the state's major land grant and research university. With 53 000 students, our Twin Cities Campus is the second largest in the United States this academic year, but we also have three other campuses, plus research stations and extension offices throughout the state of Minnesota. And we have one of the broadest ranges of academic fields that you will find in any university across the world. So it's a fairly large and complex place, making 'aiming the pointy end' all the more challenging.

14.2 Making the case for change

Although Minnesota is really only at the beginning of this exciting adventure, I think there are points worth noting about how we've navigated this process of change thus far. You'll find remarkable similarities between our process and what Kenneth Shaw and Michael Adams have provided in their chapters. I think they'd agree with me that in most of our universities, in most of our experiences, we spend too little time making the case for change and preparing people for change.

The typical route in changing and positioning institutions of higher education is to appoint a committee. Then the committee goes out and creates a strategic plan; you argue about the strategic plan; and it ends up being mostly an academic exercise, largely because the community that you're dealing with is not sufficiently engaged to actually reflect on the process of change and act upon it.

At the University of Minnesota we understood that to have any chance of succeeding, we would need our entire community to understand the context—to help

create a sense of urgency, to use the terminology of John P. Kotter.¹ It's absolutely critical to engage all of the relevant communities in the conversation at the very front end of the process and to spend time preparing the people who comprise your organization.

One area I believe we did a very thorough job was in engaging our external communities. For example, I sought an audience with the Minnesota Business Partnership, which is made up of the CEOs of the 100 largest corporations in Minnesota. I made the case that the University of Minnesota was their most important asset when it came to competing in the global economy. That led to them inviting me to join their organization, and later their executive committee. It also led to my involvement with something called the Itasca Group, an informal group of civic and business leaders, which was formed to call attention to issues related to the future of our state, the region, and the regional economy. The Itasca Group named the University of Minnesota as one of its chief priorities and asked the CEO of 3M to lead a study of the future of the University of Minnesota and its connections to Minnesota's private sector. There were also two other studies that looked at the University and higher education in Minnesota, one commissioned by the Legislature and one commissioned by Governor Tim Pawlenty through a local civic group called the Citizens League.

Each of these situations involved in-depth conversation about the future of the University of Minnesota, and in each instance we helped create a broader awareness of the University's role in the state and the context and challenges it faced. It wasn't all about asking for increased state and private support or lamenting state budget cuts. The point was that we made a public commitment to improve the University's direction and performance, and its connections to the needs and interests of Minnesota. We really

wanted the University to be positioned not only as the cornerstone of the state's economy and its future, but also to be perceived as a force for change and innovation. In short, we wanted the University community and our external community to feel a sense of urgency to reform the University of Minnesota.

We did engage opinion leaders and the public, but public relations alone was not going to be enough for us to regain a somewhat eroded public trust. Most people in our state do not believe that universities—or any large organizations, for that matter—are capable of reforming themselves and, truthfully, our university had a reputation as particularly set in its ways. So we undertook some very visible reform initiatives.

One of these initiatives had to do with reforming the service culture of our business operations at the University of Minnesota. I kept making the point publicly that I wanted the University to be known as much by the quality of its service and management as it is for the quality of its academic programs. That notion resonated very deeply with the business and civic leaders in our state.

We started what we call an Office of Service and Continuous Improvement. It reports directly to my office and is designed to inject a lot of innovation into our administrative practices. For instance, we spend approximately \$110 million on utility costs just to stay warm in Minnesota during the winter. I believed we had to figure out a way to drive down those costs, and we were able to do that through new conservation practices, the purchasing of energy futures and many other small improvements. In fact we drove down energy costs per gross square foot even while putting newer, more energy intensive facilities online.

We reorganized the University of Minnesota Extension Service, bringing the Extension Service out of 92 county-based offices into 18 regional centers and creating a stronger connection between local communities and research at the University of Minnesota. We improved the student experience, connected with key constituencies, streamlined University operations and strengthened our connections to Minnesota communities. At the same time, as if all that was not enough, I decided that we ought to bring the football program out of the Metrodome, a downtown professional sports complex, and back to the University of Minnesota. Talk about a hallucination!

All of these initiatives were our way, in this early stage period, of making the case for change in a very deliberate and self-conscious way. We knew we were going to launch a strategic plan and positioning exercise, but we didn't just spring it on people; we tried to create the case for change, prepared for it and tried to prepare others as well.

14.3 Engaging leadership in the change process

We gave special attention to engaging our system of governance and oversight. As a student of these processes at the University of Minnesota and of organizational change and development more generally, I had noticed that many previous attempts at transformative change had failed at the University of Minnesota because people lobbied the Board of Regents to change its mind on one aspect or another of an overall plan, which would often end up unraveling the entire plan. So, engaging the board was an essential priority.

After a year of discussion regarding the budget challenge and important trends in higher education, we formally brought the need for strategic positioning to the board's summer retreat in 2004. They embraced it so thoroughly that they decided to make it the

centerpiece of their annual work plan and I heard the board chair say the other day, regarding strategic planning and positioning, ‘We demanded that the president do this. We asked the president to do this.’ And, as much as I’d like to take some credit for moving this process forward, I was glad to hear the board’s feeling of ownership. They really made the plan their own, chartering it in the early fall of 2004. At that time, I appointed a working group of University faculty and administrators under the leadership of Tom Sullivan, senior academic vice president and provost, to develop an initial strategic positioning document that would evolve given the input of the public and the University community, and the oversight of the board.

Our Board of Regents is highly engaged and takes issues of oversight very seriously, meeting nearly every month of the year for a day and a half. So, over a two-year period, we put together special work sessions where my administrative team and I met with all 12 board members and examined the broad trends affecting higher education generally and the University of Minnesota—the demographic challenges, economic challenges, etc. At the same time, my administration and I engaged on a regular basis in some very deep and probing conversations about the intellectual future of the University with our Faculty Consultative Committee.

14.4 Continuing engagement

The engagement of our governance system was not just in the launch, but for the duration of the entire process. How did that work? I already mentioned that in the summer of 2004, the Board of Regents affirmed the need for planning and the need to position the University in a new way. In September we brought them our vision of what the strategic planning process would look like and we asked them whether our strategy

addressed the appropriate questions and issues. In October, we brought to them for review the values and planning principles for evaluating programs and setting priorities. At the board's November meeting, we brought in the state economist and the state demographer to talk about how changing demographics and financial trends were likely to affect state priorities and needs. Our provost, Tom Sullivan, addressed the major trends in the direction and organization of higher education. We talked about financing the future of the University in December, looking at its revenues, its expenses and the possibilities for being more creative in the future. And, as I indicated, these work sessions have become a regular part of the work plan of the board going forward.

At the same time, we also engaged the public in an ongoing conversation. So as the board and the University community were deeply engaged in these issues, we went out to the general public, talking to business leaders, talking to civic leaders, talking to legislators, all by way of keeping them, not just informed, but engaged in this process on an ongoing basis.

14.5 Putting everything on the table

It was important to me that this process be broad enough in scope to actually address the challenges we faced. One of my favorite expressions comes from the naturalist John Muir, who once remarked that everything in the universe is connected to everything else. Often when we think about strategic planning and higher education today, there is a tendency to think only about academic priorities, interdisciplinary programs or the education of students. All of these are important elements of strategic planning, but we thought it was important to also look at the service and management side of the University of Minnesota. Because while there are roughly 3500 tenure-track

faculty members at the University of Minnesota, there are about 15 000 other employees that support the work of those faculty members and the University across Minnesota. So if you examine the academic programs of the University of Minnesota without looking at the rest of the institution, you have misalignment rather than alignment. In his process, we set out to look at everything, academic and non-academic, to take this as a systemic challenge and responsibility.

Based on the evolving mission, values, evaluation criteria and action strategies, in January 2005 I appointed two task forces to create recommendations that would support these elements of our planning process. One task force, made up of academic leaders and headed by Provost Tom Sullivan, was charged with developing recommendations for academic improvements and priorities, and another, headed by Vice President for University Service, Kathleen O'Brien and Executive Associate Vice Provost, Al Sullivan, was asked to develop recommendations to improve the University's service culture and administrative management.

14.6 Maintaining transparency and communicating the vision

From the beginning, we adopted a clear and transparent process. People who oppose some of the recommendations and ideas might disagree, but as Shaw has pointed out in Chapter 12, when you make changes and decisions, when you set priorities, it is a very emotional process in our institutions.

Given the goal of engaging the broad University community in the process of transforming the University, it was essential to have our processes be open, transparent and information- and communication-rich, as was Shaw's at Syracuse University. The

strategic positioning work group held University-wide town hall meetings in November and took input via the strategic positioning website.

As I have alluded to, in January 2005, just a few short months after launching the strategic planning process, the strategic planning working group came forward with a strategic positioning report that, using the regents' input, outlined the University's mission, aspirations, criteria for decisions and action strategies going forward. (I think this might have been a record time for a planning process at a college or university.)

In late March, the two academic and administrative task forces came forward with more than 40 recommendations for transforming the University of Minnesota. The recommendations for the re-design of the University included the integration of three colleges into other colleges as well as major recommendations for reforming the education of our students and the competitiveness of our research, and the way we conduct our service, our business and our administrative operations.

From February through June of 2005, we held consultations with at least 17 governance and advisory groups, 6 major student groups, 8 collegiate campus units, the board and more than half a dozen community groups, including elected officials. Our administration sent regular letters and e-mails to update the entire University community on the progress of our process, and we continued to take input on the draft report and later the draft recommendations on the strategic planning website.

And the discussion about change pervaded our joint governance structure. The University Senate, which I usually preside over, conducted an animated two-hour debate in which the faculty took over. They asked me to sit down and listen (a rare event at the University of Minnesota!) and they actually conducted this debate, which was one of the

most marvelous discussions about the future of the University of Minnesota that I had ever experienced in my 37 years there. And then the senate voted 120 to 3 in support of the strategic plan and positioning process, with its extensive recommendations for reform. I thought that was an unbelievable event. The chair of the Board of Regents agreed, and told me later that he doubted the University Senate would vote to support a 25 per cent increase in its own salary by a vote of 120 to 3!

For me, this was an important time to ‘communicate the change vision,’ to use Kotter’s language, and I attended many of the consultation sessions listed above and conducted more than 20 interviews about strategic planning with newspaper editorial boards and reporters from all types of media (Kotter 1996, p. 85-100); I even went on Governor Tim Pawlenty’s weekly talk radio show to present the plan and its recommendations.

What was amazing to me in this process—because universities have been characterized, from time to time, as being the last places on the planet where all changes are resisted as a matter of principle—is how quickly the campus community and the citizens of Minnesota embraced this effort. And they embraced it not just with a simple majority, but very affirmatively.

Frankly, I think we underestimate the hunger of the university communities that we represent for the kind of change this book addresses. We talk about complacency, often at great length. But we often don’t celebrate the kind of resources, the kind of ingenuity that our colleagues bring to their work each and every day. And many of them are too humble to express the sense of adventure and commitment that would create a better future for our institutions. The Board of Regents reflected this excitement. After

reviewing the strategic positioning report, called *Advancing the Public Good*, in February, the Regents endorsed it unanimously at their March meeting. After extensive consultations in March and April, I presented a slightly modified version of the recommendations put forward by the two task forces in a document called *Transforming the University* to the board in May and they approved it by a vote of 11-1 in June.

14.7 Moving from planning to action

To my mind, strategic planning without action is probably an empty exercise. To help ensure we could move quickly from ideas to action, we incorporated action strategies that were within the initial strategic plan, the precursors to the sweeping recommendations that went to the board in May-June 2005. Once the board accepted the recommendations for change, we created an implementation framework that is aggressive in its time frame and its scope.

I was heartened that when we sent out a call for volunteers to work on 34 proposed task forces, nearly 600 people responded for 300 slots. That's a clear indication of a pent-up demand for change and the desire to be a part of a successful enterprise.

Some of these 34 task forces are charged with implementing specific recommendations, be they college consolidations or administrative improvements, and others are taking a closer look at how the University can best meet the future in broad areas such as internationalization, the education of our students, the support of research and the structure of our programs in science, technology and health.

Critical to our work was the creation of a task force charged with metrics and measurement, in order to help us clarify our aspirations and assess how we can tell if we are making progress toward achieving them. I believe great organizations measure what

they value. This task force is helping us monitor the implementation and impact of our strategic planning recommended actions. An important aspect of the renewal process in our institutions is the achievement of agreement on measures and processes that will be needed to guide internal reform and public accountability. At the University of Minnesota, that discussion is underway, but by no means concluded.

14.8 Lessons learned:

Keeping this process moving, and broadening it as we have, has required a great deal of time and effort on the part of staff and leadership in the central administration. But I believe this investment of effort is key to maintaining momentum and excitement around these ideas and aspirations. While we are still quite ‘in process,’ I can offer some lessons learned from our experience thus far:

- Prepare and make the case for change. Do it as thoughtfully and deliberately as the process itself, highlighting long-term trends in programs, resources and demography, with attention to both internal and external audiences.
- Charter the process. If you don’t get the buy-in and engagement of governance at the front end, you are likely to pay dearly at the tail end. For us, this meant careful work with faculty and staff leadership groups, internal and external constituencies and the University’s Board of Regents.
- Establish strong, visible leadership at all levels of the institution to drive the planning and change processes.
- Address both the academic and the administrative side of your operations. If you spend \$2.5 billion dollars a year as we do at the University of Minnesota, you have to

take a close look at your service and management practices. They support and sustain the excellence of our academic programs.

- Use transparent processes, with ample opportunity for input from the university community and the broader community.
- Communicate your vision and recommended actions broadly, both within and outside the institution. And, be prepared to defend them vigorously.
- Develop a plan of action as part of the strategic planning and positioning process. It isn't enough to put the plan on the table. You have to move quickly, without hesitation from the affirmation of a plan to an action strategy. As one of my friends from the banking industry puts it, you have to develop the plan, you have to work the plan and that's what it's all about.
- Create a measurement, assessment and public accountability system to track how well you're doing and the progress you're making. Doing so is, to my mind, essential to sustaining the renewal process over the long term.

With so much time, effort and expense at stake, the question that Kenneth Shaw raises in his paper must be faced squarely: Is this change worth the cost? I think it clearly is. I often think of Washington Irving, who once wrote that 'There is certain relief in change...As I have often found in traveling in a stagecoach, that it is often a comfort to shift one's position, and be bruised in a new place.' (Irving 1824, p. 7). Change can be rough and tumble, and it can be bruising. At the risk of mixing my transportation metaphors, change is usually well worth the cost if you can find broad agreement on your institutional direction—on where to aim the pointy end.

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Notes

1 I have found Kotter's eight stages of transformational change, the first of which is 'Establishing a Sense of Urgency,' to be a useful framing device for understanding planning and positioning (1996, p. 21). Kotter's work was used extensively in workshops and discussions during the University's process.

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