CHAPTER

Initiatives for Improving Shared Governance

Werner Z. Hirsch

INTRODUCTION

"If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on the government would be necessary. In framing a government. . the great difficulty lies in this: you must first enable [it] …to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions.

This policy of supplying, by opposite and rival interest, the defect of better motives, might be traced through the whole system of human affairs, private as well as public. We see it particularly displayed in all the subordinate distributions of power, where the constant aim is to divide and arrange the several offices in such a manner as that each may be a check on the other".

James Madison, *The Federalist*

These ideas are relevant today, to some extent, even in the governance of universities, which in America is carried out in rather complex ways by three major stakeholders – governing boards, administration and faculty (the latter usually organized into a Senate). The three are partners in the university's system of shared governance. Ideally, their rights and duties should reflect their specific responsibilities, competence and experience as well as commitment and devotion to the university. Mainly implicit, rather than explicit, contracts within a system of shared governance determine the relations among its stakeholders.

This paper explores some current and future developments that can impact on the governance of universities, especially shared governance of research universities. The uniqueness of universities is explored, together with the question why and how shared governance is responsive to these unique characteristics. Next, weak elements in today's system of shared governance are identified, followed by an exploration of possible remedies.

DEVELOPMENTS CONFRONTING SHARED GOVERNANCE OF THE RESEARCH UNIVERSITY

While we are living in a world that, according to William Carlos Williams, is typified by "the rare occurrence of the expected", we can point to some present and near term circumstances, which bear on the governance of universities.

Society demands that universities educate ever larger numbers of students; provide lifetime learning opportunities as life expectancy lengthens; continue to be leaders in research, especially fundamental research; and provide public service. Even as college age students are increasing in numbers, Americans continue to be committed to providing all those with the potential to benefit from education with access to it, regardless of their financial circumstances. While the demands made on universities have been on the rise, financial support for public institutions is inadequate to their task, for at least two main reasons – society's reluctance to fund a public good whose cost is immediate while its benefits are speculative and delayed, and society's unease about academics because of perceived arrogance and irrelevance of some of their work, as well as universities' managerial backwardness and inefficiency.

Superimposed on these developments are the explosion of knowledge creation, especially at the boundaries of disciplines, and the information-communication cyberspace revolution, both of which promise to accelerate in the future.

New knowledge is created at an amazing pace and often in altogether new academic fields, usually aided by powerful new concepts; much of it requires extremely costly instrumentation. More and more inventions are made and their half-lives are becoming shorter and shorter. Under these circumstances, research universities particularly are facing the challenge of attracting and keeping the very best faculty, raising large amounts of capital for their support, and facilitating their teaming up with members in other disciplines and other universities as well as industry. Departments, schools, and the entire university must become increasingly flexible and adaptive, so that they can excel in the education of their students and in the research quality of their faculty. However, though the creation of new knowledge has many salubrious effects,

it can create governance problems. For example, as new scientific knowledge increases life expectancy, including that of tenured faculty, staffing flexibility will decline.

Thus, research universities in particular are shedding their cloistered existence and are dismantling walls, both those that in the past have existed within their confines and those to the outside world. Inside the university, many disciplines are losing some of their distinctive boundaries, which before were seldom transgressed. As a consequence, the old building blocks of universities, i.e., departments with uni-disciplinary courses, are increasingly supplemented, and sometimes even replaced, by new academic units, which allow the easy crossing of disciplinary boundaries. Thus, the structure of the research university is undergoing significant change, while becoming increasingly complex.

At the same time, boundaries of research universities have been forced open to the outside world—many of the best scientists and engineers actively cooperate with high-tech industry. Commitment of time and energy as well as devotion and loyalty to the university have been declining, while dual loyalty is on the increase, and with it come serious conflicts and governance challenges. Universities, thus, must find new ways to assure their academic integrity.

The rapid creation of new knowledge in a society of increasing life expectancy also confronts universities with the challenge of opening their gates to students of all ages and offering them opportunities for lifelong learning.

A second major development with defining implications for shared governance in universities is the information-communication cyberspace revolution. Governance structure and process are profoundly affected by this revolution, which in some respects resembles Gutenberg's invention of the printing press in the 15th century; it widened access to information and, in doing so, loosened central control. The cyberspace revolution goes a lot further in terms of speed, reach and universality in disseminating information; networks are emerging all over the world, replacing hierarchical organizations (many of which in the past benefited from withholding information) by significantly flatter ones. One result is what is at times referred to as Instant Infinite Partnering. At the same time, the half-life of many new inventions, especially in the cyberspace area, is becoming shorter and shorter.

For universities the implications are major. As time and distance are receding in importance, exchanges of information and ideas can be virtually instantaneous to any location in the world, while not requiring the physical presence of any participants at a particular location. In an age of Instant Infinite Partnering, globalization of the knowledge industry will march forward, not only producing and imparting knowledge, but also applying and exploiting it all over the world. With Instant Infinitive Partnering, hierarchical governance and management structures of the university are making room for increasingly horizontal ones. Rather than being withheld, information will

become universally available, affecting in a major way research and teaching, as well as the structure of the university. Governing and managing the university will have to adjust itself. In relation to the former, new powerful computational techniques are becoming available. In relation to the latter, universities can become more sophisticated in distance teaching, particularly of undergraduates and professionals, as well as in support of lifelong learning; they can also improve their administrative and housekeeping functions. With relevant information available in a timely manner not only to the three stakeholders, but also to government, students and the public, governance becomes more transparent. While posing increasingly complex challenges to the system of shared governance, opportunities are enhanced for universities to provide quality education and to engage in research of high quality.

UNIQUENESS IN THE GOVERNANCE
OF THE MODERN UNIVERSITY

Governance of universities differs from that of other institutions. It is very different, for example, from that of the military, which within its hierarchical structure has lower levels in the establishment taking orders from higher ones; moreover, a carefully crafted governing process exists to enforce orders. Universities with their democratic, egalitarian culture have a more horizontal organizational structure, so essential to fostering individual initiative, creativity and excellence and with it great teaching and research. In line with these objectives, universities have long realized that their greatness depends on the distinction of their faculty, which in turn attracts high quality students, worldwide recognition and funding. Thus, the attraction and retention of world-class faculty are an overarching goal, whose attainment is threatened by faculty "voting with their feet." (Tiebout, C. M., October 1956) Faculty goes elsewhere, and thereby deprives the university of their services and the value of their reputation, when decisions taken by the university are sufficiently detrimental to their interest. Specifically, this comes about when the gain of being associated with another institution promises to be greater than the costs of making the move. Presidents, who in this paper also mean chancellors, rectors, vice chancellors and even deans, make similar trade-off decisions.

The university's three major stakeholders can be looked upon as seeking rents, some of which are tangible while others are intangible. These rents have two major sources—power, which by law and precedent is given in decreasing order to governing boards, administration and faculty; and information, which at present is asymmetrically available to the three stakeholders. Governance systems in general specify, in mainly incomplete contracts, who has the right to make what decisions, by what procedures and under what circumstances.

It is not surprising that in the post-World War II era, a particular form of university governance, i.e., shared governance, has become common. It was given a boost by a 1966 statement of the American Association of University Professors, laying out the roles that trustees, administrations and faculty should play in their shared responsibility and cooperative action (American Association of University Professors, 1966). Ideally, shared governance in universities assigns specific rights and responsibilities to its three stakeholders i.e., provides for a separation of powers, and establishes a structure and process for stakeholders to interact in specific undertakings. To carry out their duties responsibly, implicit contracts provide administration and faculty with monetary as well as intangible incentives. Board members, however, are awarded only intangible ones, mainly in the form of prestige and recognition.

Even the more circumspect separation of powers under shared university governance can have a salubrious effect, which depends particularly on:

- rationale and practice of the assignment of specific rights and responsibilities to each of the three stakeholders, including the right to set the agenda,
- effectiveness of the organizational structure of each stakeholder,
- effectiveness of the governance structure and process that link the three stakeholders and facilitates matters to be brought to timely and mutually satisfactory closure,
- extent to which cogent information is shared with all stakeholders and their capability to make effective use of it,
- flexibility of adapting to changing conditions, and
- degree to which creative, confident and mutually respectful interaction exists between the different stakeholders

To the extent that these preconditions are met, separation of powers under shared governance, even in a diluted form, can lead to heightened faculty loyalty and commitment to the university as well as to accountability. Efficiency is fostered if the subsidiarity principle is respected, i.e., decisions are made at the lowest possible level that has the required competence.

WEAK ELEMENTS OF UNIVERSITY GOVERNANCE

Although American research universities are the envy of many countries, their governance, both structure and process, is often found wanting. And as the new millennium unfolds, rapidly changing conditions will confront universities and exacerbate their problems. Thus, a critical review of shared governance, in the light of future changes in the environment likely to face universities, is urgent and timely.

Let us begin by reminding ourselves of the role, competence and present status of the three stakeholders who are partners in shared university governance.

Clearly, policy formulation, oversight and top level appointments are the domains of governing boards, which, except for their fiduciary responsibility, can be said to lack formal accountability. Moreover, instead of concentrating on policymaking and oversight, they often tend to micro-manage, and have little contact with faculty who, however, are ultimately responsible for implementing the university's mission.

The president and the administration, who occupy a place in the governance system between board and faculty, provide the board with information needed for oversight and development of policies; translating policies into programmatic initiatives, a function which must be carried out in close cooperation with faculty; and ensuring that agreed upon initiatives are effectively brought to timely fruition. In a sense, the ultimate role of presidents is to facilitate productive work by faculty and to make sure that students are given a quality education.

The effectiveness of presidents is often severely constrained by the fact that so many faculty members have tenure and thus only limited incentives to cooperate with the administration. In public institutions, with state funding having drastically declined, presidents as well as deans have been spending much of their time (in some cases up to half of their time) on raising funds from private sources (Hirsch, W. Z., 1999). It is often said that different skills are needed to stimulate gift giving than to lead an academic institution. Moreover, gifts today become available on a selective basis —mostly for medicine, engineering and the physical and biological sciences, and little for the humanities and the arts. The result can be fearful intellectual imbalance. Raising of private funds and their investing as well as the emergence of a host of university-high-tech industry alliances pose great challenges to presidents and the academic integrity of their institutions.

Finally, all too many presidents have developed an "add-on-culture". While business has pursued a downsizing and slimming-down policy, universities appear to continually add on functions, many only marginally related to their teaching and research mission. (By the way, this add-on culture is not unique to American higher education. When in a discussion with the president of Tokyo University, I asked whether he had recently added new departments and programs, he proudly answered in the affirmative. But when I went on to ask whether any had been phased out, after a long hesitation he said such steps, to the best of his knowledge, had never been taken.) Many universities own a host of large business enterprises, including fleets of busses and cars, huge amounts of real estate, insurance companies, stores, hotels and restaurants. (As a consequence, for example, some of the University of California

campuses spend about half of their operating budgets on activities other than teaching and research). Not only is the time of presidents taken away from guiding the academic enterprise, but the large-scale influx of high-level business managers into the administration, holding vice president, vice chancellor or director titles, and the infusion of their business ethos can conflict with the ethos of academia.

Faculty by training and expertise holds a unique position. It is the sole body with teaching and research competence, which are needed for decisions about academic matters. These include hiring and promoting of faculty, as well as determining entrance and graduation requirements of students and their curriculum. Faculty are the ones who carry out the mission of the university— teaching, research and public knowledge. And yet in governance matters, faculty, organized into an academic senate (or similar institutions) with a host of committee and/or councils, are often the stakeholder who fights for maintaining the *status quo*. A consequence is often a conservative senate of great complexity whose structure and process usually are incorporated into a series of formal rules and by-laws.

In the recent past, Senates in many research universities have been suffering from a declining faculty interest in governance matters, a cumbersome internal governance structure and process and, all too often, an unrealistic view of their rights and obligations. Should the waning interest become a trend, the influence of senates in a system of shared governance would tend to erode.

INITIATIVES

Shared governance has served America's Higher Education well in the post-war era. Clearly there have been ups and downs, and today's complaints deserve to be carefully evaluated and remedial steps explored by taking into account changes that can be expected to occur in universities. Increasingly, as was argued earlier, they will have to respond to the information-communication cyberspace revolution, explosion of knowledge, their own internal and external permeability, and society's insistence on greater accountability, transparency and efficiency. When searching for governance initiatives that deserve exploration, our strategy can resemble that of engineers charged with strengthening a bridge across a major river. They must look at the condition of the bridge itself, as well as at the towers on the two sides of the river that support the bridge. The same holds true with regard to shared governance. Therefore, there is need for initiatives that strengthen each of the three stakeholders' capability to play an effective role in shared governance as well as strengthen the interface among stakeholders.

Exploration of remedial initiatives must be sensitive to the university's existing circumstances, including its system of governance; to its prevailing culture, tradition, and ethos; and to the likelihood that if it were alone to introduce a major drastic change in shared governance (for example, abolition of tenure), a wholesale exodus of top faculty might occur. Therefore, change has to be evolutionary rather than revolutionary and the result of close cooperation between the stakeholders.

Governing Boards

Boards have been accused of lacking formalized accountability except in their fiduciary responsibilities; of aloofness that, in the eyes of many faculty members and students, borders on that of the Supreme Court; and in engaging too often in micro-management rather than in policy making (Fishman, B., March 2, 2000).

Initiatives for increased accountability, however, must neither deter able, knowledgeable and committed citizens to join boards nor become a straitjacket that prevents them from acting decisively. While it would be inappropriate to review individual board members, it might be helpful to constitute visiting committees that periodically, for example every 5-8 years, spend one or two days with the board to discuss the making of major recent policy decisions, etc. Such committees could be assembled by the National Academy of Science and be assisted by the Association of Governing Boards. They could include former board members, presidents and one or two faculty members of the same institution. Findings would not necessarily be made public.

In order for boards' time not to be monopolized by mainly ministerial concerns, but rather be devoted to policy issues, boards might set aside annually two meetings which are devoted exclusively to policy matters. While the power to appoint board members is important, and especially for public universities, the board's composition is also significant. Governance is more effective if the president serves a full-fledged board member, thereby contributing to the informed cooperation between board and president. Consequently, the president can feel free to consult informally ahead of board meetings with other board members on path-breaking and controversial matters. Moreover, since the board appoints the president as its chosen and publicly designated agent in whom it has vested confidence, and to whom it has delegated authority to administer the university, the president should be able to expect that carefully developed recommendations will be supported, or if not, then for reasons grounded in the merits of the proposal rather than in its politics or other extraneous considerations.

Likewise, governance is more effective when the senate chair, and perhaps also vice chair, are voting board members. Both of these appointments can facilitate information flow to the senate and also increase the legitimacy and

acceptability of board decisions. Turning to interaction between boards and the other stake holders, the AGB Statement on Institution Governance can form the basic guidelines. Accordingly, boards should seek to reach consensus, and toward this end should recognize that institutional consensus is more likely when all parties have agreed on process and criteria (Association of Governing Boards of Universities and Colleges, November 8, 1998). Therefore, it would be helpful for boards to schedule periodic meeting with senate leaders. Presidents should be present in such meetings. However, at no time should individual faculty members or students given access to board members. It could be looked upon as going over the head of the president and can be counterproductive.

Administration

The administration's foremost competence relates to providing the board with information necessary for carrying out its responsibilities, implementing board directives, facilitating productive work by faculty and assuring that students gain a first-rate education. The effectiveness of presidents often is constrained by faculty's tenure, particularly as the proportion of tenured faculty continues to increase with lengthening life expectancy. Moreover, in many universities, especially large public research universities, presidents' academic responsibilities are severely impacted by ever increasing workloads, complexity of problems, and all too often archaic governance processes and management practices.

In response to these circumstances, the first challenge is to find ways to lighten the burden of presidents and other high level administrators. Note that today presidents are forced to spend more and more time and effort on private fund-raising and on managing ever more and ever larger business enterprises. While universities have no alternative but to seek private gifts, they could significantly reduce the scope and functions of in-house business-type enterprises. Year by year, presidents who often lack much training and expertise, have assumed increasing responsibilities (admittedly voluntarily), for a large variety of business-type functions. Reducing the number and scope of business-type services and out-sourcing others has great merit, though the latter step might have to be undertaken in the face of union opposition.

University administrations also can benefit from the introduction of more powerful information systems which can provide enhanced transparency of their decisions and activities. One such system, in use already in a few universities, is Responsibility Center Management that is output-oriented and facilitates the making of informed transparent trade-offs. Admittedly the installation of a sophisticated computerized information system can be a double-edged sword. It can provide the three stakeholders and, to some extent, staff, students, alumni and the population at large with timely and easily accessible cogent information. As a consequence, the power that, as Machiavelli has

pointed out, goes with being in possession of information becomes more equally distributed throughout the university. As decisions become more transparent, however, presiding over a university with shared governance can become more difficult.

The unique competence of faculty is its teaching and research and thus mainly relates to micro- rather than macro-academic matters. While faculty cherishes freedom, and rightly so, it is not always willing to be accountable to its university and to students. Commitment by faculty to their university has been on the decline, particularly as the walls between research universities and industry are coming down. Academic senates appear to be held in lower esteem by faculty and are less effective today than they were only a few years ago. One manifestation is that fewer and fewer faculty members are ready to devote time to serve on senate committees, so essential for making shared governance work. Slots on senate committees all too often go begging and so do chairmanships. (For example, one great research university, which contacted all senate members with a request to serve on one of its committee, found only 4 percent interested.)

In order to stimulate a broader interest and esteem, the senate could take a number of steps, which could strengthen its standing as a partner in the shared governance system. For example, the senate could provide more significant, readily available information to faculty. To this end the development and installation by the senate of a sophisticated computerized information system can be helpful. This system should supplement the university's information and provide senate members with information germane to their concerns.

Moreover, the senate could benefit by having attached to it a research capability, even initially merely a rather limited one until its usefulness has proven itself.

In addition, the senate could sponsor more frequent town hall meetings on issues of major concern to faculty. President and members of relevant board committees could be invited. The purpose would be to inform the faculty and engage them in first hand deliberations toward advancing solutions to major issues confronting the university.

Finally, attention should be given to reducing the commonly large number of senate committees with which the senate feels the administration is obliged to interact. [1] Also procedures should be explored that can bring matters to a more timely closure.

---

1 For example, in the University of California with its nine campuses, where many proposed initiatives are sent by the president to the statewide senate chair. The chair in turn asks each campus to review the proposal, which is done not infrequently by as many as 2-4 committees on each campus. Thus, 15-30 senate committees are often asked to review long documents. Because of the large number of reviewers, each one has very little effect on the outcome and proposals go through a very long gestation period.

In order to make interaction between faculty and administration more effective and bring deliberations about academic matters to a judicious and timely conclusion, the following specific initiatives deserve consideration.

One initiative could more carefully define criteria for determining the issues about which faculty have the right to be "informed and advised", or "consulted" or "given delegated decision making authority" (though formally still subject to board approval). As a result, fewer senate committees and meetings would be needed and university decisions could be made more expeditiously.

A second initiative could more carefully define the reasons for joint faculty-administration committees and the role of faculty on such committees, of which there are four major types:

- administration committee with faculty representation,
- administration committee with senate representation,
- senate committee with administration representation, and
- senate committee with administration observers.

A third initiative could, by agreement, reduce the number of major issues to be advanced jointly by the senate and the administration in any given year. Toward this end, administration and senate leaders could meet at the beginning of the academic year, each presenting a list of issues likely to loom large in the coming year. Triage could be jointly undertaken and a manageable number of weighty issues and datelines agreed to as consultative undertakings.

These initiatives can have a salubrious impact on shared governance. They can rein in what Henry Rosvosky refer to as "excess democracy (that) can lead to chaos; more frequently... slows-down or prevents change." (Rosovsky, H., 2001) Moreover, they can not only improve efficiency of the consultative process and timeliness of its results, but also help senates prove to alienated members their ability to effectively work with the administration in bringing weighty academic matters to a satisfactory and timely closure. Seeing tangible results of their service on senate committees, faculty is likely to devote time to committee work even though such a decision might take time away from research and teaching.

CONCLUSION

Governance is the defining link between a university's aspirations and their fulfillment. The present structure and process of shared governance have in the past served America well. Nevertheless, experimentation with specific new initiatives is in order since rapid changes in the world make it imperative. For example, to the extent that research universities in the past had a hierarchical structure, low cost and virtually instantaneous information dissemination will flatten this structure and lead to greater transparency. As the walls

between the university and industry come down and globalization of knowl-
edge gains speed, mobility of faculty, particularly in the sciences and profes-
sional schools, will increase and new structures will be needed to accommo-
date these tendencies. But also departments see their walls coming down.
They are losing their distinctive boundaries as major contributions to knowl-
edge are made increasingly not merely at the core but at the boundaries and
intersections of disciplines. Thus, the venerable structure of universities, with
departments as building blocks, must increasingly accommodate new, multi-
disciplinary organizations, which very often transgress the boundaries of
schools and colleges. As new university structures are evolving, new gover-
nance structures and processes are needed.

Toward this end, a number of initiatives are proposed, some to be taken by
a single stakeholder and others by collaborative efforts of two or all three of
them. President and senate, as well as thoughtful outsiders, are likely to be the
prime change agents. They can offer new ideas for tailoring governance to suit
the new environment universities can expect to face. Boards can have a defin-
ing effect by stimulating president and faculty to contribute to the timely evo-
lution of forward-looking governance structures and procedures.

I would like to close by quoting Harold Williams' admonition – "I would
urge that we begin the colloquium thinking 'out of the box' and consider what
the ideal university will look like to meet the needs and challenges of the
21st century as best as we can imagine them." [2] It is my hope that this paper
will prove to be a modest attempt in this direction. Specifically, I hope that
we will think "out of the box" when we explore how to experiment with and
ultimately implement new governance initiatives.

REFERENCES

American Association of University Professors (1966). *Statement on Government of
    Colleges and Universities*, Washington, D.C.
Association of Governing Boards of Universities and Colleges (November 8, 1998).
    AGB Statement on Institutional Governance, Washington, D.C.
Fishman, B. (March 2, 2000). "Regents Out of Touch With Campuses", *Daily Bruin*,
    pp. 21, 23.
Hirsch, W. Z. (1999). "Financing Universities Through Non-traditional Revenue
    Sources: Opportunities and Threats", pp. 75-84, in Hirsch, W. Z. & Weber L. E.,
    eds., *Challenges Facing Higher Education at the Millennium*, American Council on
    Education/The Oryx Press, Phoenix.
Rosovsky, H. (2001). "Some Thoughts About University Governance", in this book.
Tiebout, C. M. (October 1956). "A Pure Theory of Public Expenditures", *Journal of
    Political Economy*, n° 4, pp. 416-424.

---

2 Letter from Harold M. Williams as of April 9, 1999.