

6

Leadership

As we've said, innovation begins with entrepreneurial thinking, and more often than not such thinking starts with an individual and not a committee or task force. For universities to become the engines of innovation we envision, a unique brand of leadership is required, and it starts at the top. Judith Rodin, who served as the president of the University of Pennsylvania for many years, put it best: "We need to role model . . . those attributes we want faculty to emulate and create a climate that allows entrepreneurship and innovation to flourish."¹

In interviewing academic leaders who embrace an entrepreneurial leadership style, we discovered some key commonalities. First, an effective and entrepreneurial leader articulates the mission and values of the institution—a way of thinking about virtually every activity that takes place within the university community. Although typically broad and subject to interpretation, a well-crafted mission statement and a related set of values provide daily guidance to people all up and down the organizational chart. A stated mission is also inspiring. Going to work every day with the goal of addressing one of the world's big problems is the kind of motivation that can lead to extraordinary performance by individuals and teams. Most important, a leader dedicated to innovation understands that merely administering a set of rules within a rigid and hierarchical structure will not foster innovation or an entrepreneurial approach to problems and opportunities. She under-

stands that a broad mission is empowering, providing creative people throughout the institution the encouragement and space they need to innovate. When this empowerment is coupled with the concepts of accountability and impact, it creates a high-performance culture that embraces change as a form of opportunity.

Of course, the specifics of mission and values will vary from campus to campus, and there is no one right way. The history of most research universities provides a starting point for articulating the core beliefs of the institution. Developing the "right" mission is less important than committing to having one that the university community understands and embraces. For this to happen, the leader must be comfortable with conversations about aspirations and enduring values. In interviews, public appearances, small conferences, and even one-on-one meetings, the leader can articulate the most fundamental principles of the institution and use them to shape decisions about immediate problems. Similar behavior will be adopted throughout the university, and a sense of mission and deeply held values will permeate the culture. A leader understands this and views such a result as a top priority.

Second, the leaders we interviewed clearly understood that their job is more about creating a culture than tinkering with a structure. They know there is no shortage in academia of people adept at making, interpreting, and enforcing rules. In any large institution there is an important role for the rule makers, and effective leaders understand and respect the function these people play in allowing the institution to function efficiently, consistently, and transparently. But an entrepreneurial culture thrives in a climate that celebrates creativity, innovation, and excellence. An effective leader builds such a culture at every opportunity, more often than not with small but symbolic actions.

At a regular biweekly meeting chaired by a newly appointed dean of the College of Arts and Sciences and attended by all of her senior lieutenants, one senior associate dean gave a long explanation about a set of rules that prohibited a particular course of action. The dean asked, "Well, who made these rules anyway?" After a long silence someone said, "Well, I guess we did." "Precisely," the dean replied, "and we can also change them." The story of this encounter has been retold countless times, most recently by the new dean of the same college in describing her approach to the job. She said she used to think the dean's job was to help people understand the rules and, where necessary, work around them. She now thinks the job is to evaluate the rules and, where appropriate, change them.

Strong leaders understand the viral effects of a story like this. Such stories help people understand that rules can be changed if necessary to achieve institutional priorities. Effective leaders see opportunities to impact university culture in virtually every action they take, from how they organize their office to how they conduct meetings—and especially in how they spend their time. If they stay at the job long enough, the culture will come to reflect their own personalities and views of the world. A leader with an informal style who has a habit of asking questions and enough humility to welcome advice will create a very different culture from that of a leader with a formal personality. Good leaders are clear both about their role in creating a culture and about the culture they seek to create.

Third, our interviewees spoke about the importance of strategy in providing a road map for the day-to-day activities of a large institution. While mission, values, and even culture must transcend the events of the day, strategy identifies a set of activities that combine to make an institution different from its peers. The goal is to create a sustainable comparative advantage. Even skillful execution without a well-crafted strategy will lead to confusion and ultimately a continuation of the status quo. But effective leaders develop a strategy first and then employ it throughout the institution to make important decisions. Judith Rodin told us that “being highly strategic is one of the most important qualities of a university president.”² Although the process of developing a strategy typically involves many members of the community, initiating the process and ultimately articulating the result is the job of a great leader.

Fourth, the leaders we talked to understand and actually enjoy execution—the day-to-day process of translating ideas into reality. Erskine Bowles, former chief of staff to President Clinton and current president of the University of North Carolina System, described his approach to preparing himself for the job: “I did a ton of homework. I read everything I possibly could about the University. . . . I studied the history. I studied the long-range plan. I studied the budget of the system . . . and of each individual campus.”³ He went on to describe a process of assuming office that involved the creation of clear goals within the context of the university’s mission and a method that he described as “execute, execute, execute” within established timelines and with clear accountability for all concerned. In fact, in all of our interviews with university leaders, we saw in them a willingness to roll up their sleeves and master the intricacies of matters they deemed important.

Of course, there is a big difference between effective management and micromanagement. Good leaders are team builders and delegators. They don't attempt to do their colleagues' jobs. When it comes to their own responsibilities, however, they attack them passionately, and they master the intricacies of specific tasks both as a means of getting things done and as a way to model behavior. At the University of Pennsylvania, President Rodin took on the enormous challenge of redeveloping West Philadelphia as a way of showing students, faculty, and alumni that a university could not talk of impacting the world's biggest problems while ignoring difficulties in its own backyard. It is much easier to demand of others a mastery of the facts and thorough preparation if you exhibit a willingness to do the same.

In a large institution, execution is impossible without the help of a skilled team. Erskine Bowles put it this way: "If there are a hundred reasons why an organization is successful, you can make numbers 1-98 a strong, proven, effective management team."⁴ Effective leaders have been team builders all their lives, and this fact reveals itself early in the conversation. They give credit to others and minimize their own contributions. They spend an extraordinary amount of time interviewing new deans and personally checking references because, as one president told us, "I can find out things no one else can." They value a diversity of opinion and shun an approach that relies heavily on a small group of hand-picked, like-minded advisors. Another university leader we interviewed brought with him to his new job a tight-knit group of extraordinarily bright but inexperienced lieutenants, none of whom had a previous connection to the institution he had been called upon to lead. The result was a tumultuous relationship with the faculty and state government and ultimately a retreat to the status quo he had hoped to change. Effective leaders typically have a history of building outstanding teams whose members have deep and diverse experience, a track record of solving complex and nuanced problems, and a willingness to challenge the new leaders' assumptions.

Fifth, the leaders we spoke to actually like raising money, which is important because it is their job to lead the university's development efforts. They like raising money in part because they are typically competitive, and raising money is a means of "keeping score." More important, one president spoke of engaging with donors over critical university issues because donors often have a perspective and a point of view different from those of his academic colleagues. For him, engagement was not an artifice designed to make a donor feel important; rather, it stemmed from a genuine desire to learn something

new. The process results in a virtuous circle. The leader broadens his circle of advisors and confidants to include important donors because he genuinely values their advice and counsel. The donors feel more connected to the institution because its leader has seriously engaged them in matters of importance to the institution. As donors become more connected, their level of commitment to the university goes up, and so does their giving.

Not surprisingly, the leaders we are describing here and the donors we talk about in a later chapter have a great deal in common. They both take an entrepreneurial approach to problem solving. They are results oriented. They like to beta test initiatives before they make a long-term commitment. They believe in measuring impact as well as institutional and individual accountability. Ultimately, donors invest not merely in an institution but also in an individual. The leaders we interviewed are adept at putting a human face on the development effort.

Personal style, as we've already said, is critical. Effective university leaders are as comfortable in the student cafeteria as in the state legislature or the boardroom. They are as likely to have lunch with the parents of new students as with a foundation president, and they know the names and family histories of groundskeepers as well as university trustees. If anything, they overcommunicate, never missing an opportunity to deliver their core message. The best are described by their colleagues as "being everywhere." To paraphrase Woody Allen, they understand that a huge part of their job is showing up, and they build enormous good will by doing so.

They are also good listeners. Erskine Bowles described his first visit to each of the sixteen campuses he manages as one where he "listened, really listened . . . [for] about twelve hours at each campus."⁵ Another president describes his dinner with a high-profile philanthropist as one where he simply listened, and by the end of the evening he had won the philanthropist over.

Managing crisis and uncertainty is always a huge challenge for any leader, but the leaders we talked to were likely to see opportunities where others see problems. The current financial problems facing all major universities provide an example. John Hennessy, president of Stanford, told us the decisions he had to make when running a high-technology business prepared him well to think about the steps required to respond to cutbacks in available operating funds and a reduction in endowment at Stanford. It is not that such decisions are welcome, but good leaders view this kind of challenge as an opportu-

nity to make their universities run more efficiently. Such leaders also adopt a level of disarming transparency in the face of difficult challenges. On our own campus, we provided regular video reports on the progress of a survey by management consultants Bain and Company to reduce administrative costs and improve operating efficiencies. Although this work engendered a good deal of concern everywhere on campus, periodic updates throughout the process reduced the anxieties that come with uncertainty.

The chairman of one search committee thought personal attributes were so important that after a list of the desired qualities in a candidate had been compiled, he had it printed up on a wallet-sized card and laminated so each committee member could carry it with him or her until the process was complete. While the duties of a university president are to some extent negotiable, and their relative importance may differ from institution to institution, the specific personal qualities required are fundamental.

Our list of personal qualities begins with people skills because at least two-thirds of the job for a university president involves recruiting, assessing, motivating, and inspiring people. Strong leaders quickly determine what it takes to succeed in a particular job and whether or not a particular individual is a good fit. They have high standards and are confident enough in their own ability to surround themselves with team members who have complementary skills and are willing to disagree. Their sensitivity to the needs and motivations of others makes them great recruiters and inspires extraordinary loyalty. One associate in a technology transfer office at a large research university remarked that her entire outlook changed when a new president was named because she knew she could call him if she ever needed to and he would understand her problem. She thought she probably wouldn't need to talk to him more than once a year, if that often, but if she did, she knew she could.

An effective leader has an exceptional ability to connect with people, and to give all a sense that they have important personal and professional relationships with the person in the corner office. Effective leaders understand it is these individual connections, often made during brief encounters on a one-by-one basis, that provide the foundation for virtually everything they seek to accomplish. As Drew Gilpin Faust, president of Harvard, puts it: "An enormous amount of my job is listening to people, trying to understand where they are, how they see the world so that I can understand how to mobilize their understanding of themselves in service of the institutional priorities."⁶

This isn't to say that such a leader is not willing to make tough personnel decisions. To the contrary, being tuned in to personal dynamics provides the insight and confidence to act decisively, especially when an individual is impeding the effectiveness of a team or group. Strong leaders understand and embrace the fact that their job is primarily about people, and the skills required have been on display for their entire careers. These are not skills we all possess, but they are mandatory for leaders who seek to provide bold leadership at a research university that is striving to be an engine of innovation.

The leaders we spoke to are also hands on. They are willing to dive into the details of matters that are important to them even when the result is likely to be unpleasant. They let the team do the fun stuff, while they take on the chores no one else wants to do but that are truly important to achieving the shared goals.

Increasingly, the most important issues facing research universities are complex and nuanced and cannot be resolved at 50,000 feet. Instead, resolution requires fact-based analysis and consideration of the implications across multiple dimensions. Mastering the details results in a better decision and one that can be persuasively articulated. Innovative leaders understand the issues at hand because they do their homework and more often than not are among the best informed in the room. Like their comfort with people issues, attention to detail is typically not an acquired trait but rather a habit of the mind, an essential way of thinking, among leaders of innovative universities. Their discussion of important issues builds on specific examples, and they are comfortable with the numbers, frequently using statistical analysis to make a point. Rather than assume that others can worry about the details and that their job is to think big thoughts, they believe that the best ideas are developed from the bottom up and are built upon a deep understanding of the problem to be solved as well as the implications of all possible solutions.

Being hands-on should not be confused with taking on the jobs of others. In our interviews with effective university presidents we often heard the phrase, "that is why you have a provost." Effective leaders rely on their chief operating officer (referred to in academia as the provost), their chief development officer, and their key deans for effective execution of the operations of the university, and they empower these people to make decisions without the fear of being second-guessed. Both publicly and privately they are as likely to defer a question to one of their colleagues as to give a detailed answer. Ultimately, these leaders engage in a delicate balancing act—delving deeply into the

relatively small number of issues for which they have responsibility and deferring the remainder to others.

At the end of virtually every meeting, and once a decision has been made, an effective leader asks the same question: How do we communicate this? Telling the story in an accessible and transparent manner is a huge part of their job, and our leaders employ many methods to get the job done. Many write handwritten notes which appear on the desks and sometimes even the walls of their key constituents. An increasing number of these leaders have their own blogs and employ video messages as often as memorandums to communicate with the broad university community. They cultivate media relationships and never miss an opportunity to involve the mass media as a means of advancing their agenda. Although these leaders are not always great public speakers, they are uniformly great communicators because they understand and utilize all of the tools at their disposal. In their view, the handwritten note sent to the right person at the right time can have a more significant impact than a university day address that took weeks to perfect.

The best leaders of innovative universities are decisive. They preside over structured meetings with predetermined agendas and timeframes, and at the end a decision is reached and responsibility for implementation is assigned. They don't revisit a decision once it is made, and they don't put off making a decision once the facts have been assembled. This decisiveness is often viewed as a breath of fresh air in an environment known for endless study, committees on top of committees, and a desire to put off until tomorrow even decisions that call out for resolution. Such leaders do not confuse decisiveness with impulsiveness. They collect the facts before making a decision. They understand that decisiveness can have a dramatic impact on the academic culture and can help unlock the entrepreneurial mindset we advocate.

The personal attributes we have described so far could arguably apply to a leader in almost any environment. The leaders we have in mind are uniquely qualified to lead a research university because of their deep commitment to the ideals embodied by an academic community. In most cases, their professional training took place in academia, and their mentors are mostly academics. Many expect to return to academia when they relinquish their leadership position. In their view, the university is home, and this reverence for the institution is also part of their being. Their impatience, constantly pushing for improvement and looking for opportunities to innovate, is a sign

of respect for an institution they care passionately about and therefore want to improve.

A Profile of Effective Leadership

Listing a set of duties and personality traits is a start, but to truly understand what is required to be a true leader of a university, it helps to meet one. John Hennessy, the president of Stanford University, made his academic mark in the area of computer architecture and design, where he has published extensively and coauthored two well-known textbooks. His career at Stanford included service as chair of the Department of Computer Science, dean of the School of Engineering, and provost before he assumed the role of president in 2000. He was the first Stanford president trained as an engineer.

While deeply committed to academia, Hennessy was simultaneously engaged as an entrepreneur. In 1981, he assembled a team to focus on a form of computer architecture known as RISC (Reduced Instruction Set Computer), and the success of these initial efforts led him to use his sabbatical year in 1984 to found MIPS Computer Systems, a venture-backed company based in Silicon Valley now known as MIPS Technologies, a leader in the design of high-performance microprocessors. He has been a formal and informal advisor to Stanford students who founded such companies as Yahoo and Google. Hennessy has served on the boards of Google and Cisco Systems, among other companies.

To understand John Hennessy and what makes him tick we need only to spend an hour with him and then listen to a few of his talks. We met John in the lobby of the Fairmont Hotel in Washington, D.C., where he was attending a meeting of the American Association of Universities. We began talking about the economic meltdown, and he immediately launched into a discussion about the mistakes he made at MIPS. At the same time he mused that despite the difficult times faced by Stanford and other research universities, they were no more challenging than those faced by a start-up company, and he was sure he would be having a much more difficult time in the current environment if he hadn't been through that experience. In the first five minutes of our encounter, Hennessy had talked about making mistakes, the challenges currently facing academia, and the lessons of a high-tech start-up.

When we asked him about the impact of being an entrepreneur on his current role as president of Stanford, he remarked: "When I

started MIPS I didn't know anything about business. I didn't have a clue. In general, engineers don't know anything about business. Build it and they will come."⁷ But John soon came around to his strengths: "Being able to make decisions, especially financial decisions, in the face of uncertainty is clearly a skill I learned from my involvement with a start-up. In a start-up you can't wait or it will be too late. This is the case now with universities. Those that wait too long to respond to our current economic environment will be at a significant disadvantage." He also suggested that experience as an entrepreneur was helpful in raising money for Stanford: "Business experience is helpful when talking to the modern donor. Such donors are looking for a social return for future generations. They are interested in outcomes and long-term impact. It is critical to be able to speak their language and relate to them in [such] a way that they feel their philanthropy will make a difference."⁸ In a lecture at the Stanford School of Engineering he summed up his views with the following: "Starting a company and talking to customers taught me to be a better teacher and a better author. If I could explain something to a customer I could explain it to a student or a reader."⁹

Hennessy also commented on Stanford's mission. He told us that Stanford decided to make its goal to attack the world's biggest problems because the university "perceived a huge vacuum. Bell Labs and PARC were closing and the private sector alone was not going to be adequate to go after these problems. The problems were increasingly complex and demanded an interdisciplinary approach. The university had many of the resources required. It seemed like a big opportunity that was worth going after."¹⁰ In his lecture at the Stanford Engineering School he went even further: "If universities don't work on the world's biggest problems, who will?" He hastened to add that academic silos will not yield the kind of results he expects, saying, "You can't go after these problems if you are fixed in concrete. University structure must be flexible and the focus must be on the problems themselves, not the existing departments."¹¹

Hennessy also eloquently makes the case for the importance of entrepreneurial thinking in encouraging innovation within universities: "Entrepreneurial leadership challenges [face all of our important institutions, including] startups, the Ciscos and Intels of the world, and universities. The question is how do you nurture and grow innovation." His answer: "Entrepreneurial thinking that understands innovation is the key." And at Stanford, he said, "the heart and soul [of the university] . . . is its entrepreneurial way of thinking." He went on to

explain, "We need to learn how to apply entrepreneurial thinking to completely different contexts. For example, we created a course called Entrepreneurial Design for Extreme Affordability and out of it have come such ideas as a solar lantern for rural India and low-cost baby incubators."¹²

Finding the Right Leader

The hardest thing about finding an entrepreneurial leader is deciding if you really want one. There are several reasons for deciding against such a course. It may result in rapid change to an institution that traditionally moves slowly. It will inject entrepreneurial thinking into the dialogue of the university community. It will encourage participation in that dialogue by many who have previously been excluded. It will result in some highly visible failures. It will expose the search committee or decision maker to criticism for not taking a more conventional route. If the decision is made nevertheless to move forward, the following suggestions should be helpful.

We begin with the ultimate decision maker, the person or committee that will make the final choice. Everyone involved should understand exactly what kind of leader is being sought, and, ideally, every step in the process will reinforce that intention. Gaining such alignment is best accomplished not by some public pronouncement or interview in the press but rather through a set of subtle actions that might include developing a list of ideal personal characteristics, informal conversations with other university leaders, assembling the names of potential candidates, and, most important, considering the size and composition of the search committee. All of these actions culminate in the instructions to the search committee. If the instructions are clear and precise there is a higher likelihood the committee will recommend one or more acceptable candidates.

Picking the right search committee is essential to hiring the right leader. It is helpful if some members of the committee come from outside the university and have an entrepreneurial frame of reference—an openness to nonhierarchical leadership, a commitment to innovation, and a willingness to take a chance on a candidate who does not neatly fit all of the traditional criteria. It is also important that the committee be as demographically diverse as possible, because this will result in better decision making. It is often said that it is virtually impossible to find one person who embodies all of the characteristics of a great academic leader, but it is possible to appoint a committee

whose combined membership does embody those qualities. Picking such a committee will dramatically increase the odds of locating and recruiting a great candidate.

The ultimate decision maker, through his charge to the search committee and the search committee itself, should drive the process. A headhunter can be a useful part of the process. However, the headhunter works for the committee, not the other way around. Headhunters can assemble a list of potential candidates, but the best candidates might not even apply without encouragement from committee members or the decision maker. Headhunters are also great at developing job descriptions. Effective search committees take their instructions seriously and actively engage with the headhunter in crafting a job description that accurately describes the candidate they are seeking. Headhunters may also seek to lower the expectations of a search committee in a legitimate attempt to inject realism into the process. The entrepreneurial members of the committee will be unpersuaded. They are accustomed to pursuing the unattainable. They are also great recruiters, and once they have a candidate in their sights, they are unlikely to let that person get away.

Another critical element of the hiring process is the final interview. Typically the committee recommends more than one candidate, and it is after they have all been interviewed by the decision maker that a final choice is made. These final interviews are typically long, personal, and comprehensive. In one instance we know of, they took place off campus in an informal setting; each lasted several hours and included a meal. The interviewer had exhaustive staff work at his disposal, and he used it to address every issue that had been identified and how it impacted the carefully crafted list of qualities the ideal candidate ought to possess. Even after this exhaustive interview, at least one candidate was called back to explore a set of follow-up questions. Assuming there are up to three final candidates, these exhaustive final interviews involve a major time commitment from the decision maker and from the staff that supports the process. We cannot think of time better spent. If the decision maker is willing to make the level of commitment we suggest, roll up his or her sleeves, and get deeply involved in the details of a final decision, the benefits of a wise choice will manifest themselves for years or even decades to come.