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**By Elizabeth Neumann**

[Michael Useem](#) is the William and Jacalyn Egan Professor of Management and Director of the Center for Leadership and Change Management at the Wharton School, University of Pennsylvania. He is author of a number of books on leadership and change including *The Go Point: When It's Time to Decide* (Crown Business/Random House, October 2006). In this interview with Elizabeth Neumann, principal of Brill Neumann Associates, Useem offers his thoughts on key leadership attributes of those in charge of change management, drawing on his extensive research within the corporate sector to make comparisons to higher education.



Michael Useem

***What does your research suggest to you about how most of us generally view the importance of leadership?***

One of our conclusions is that leadership is more consequential when an organization is operating in an uncertain and evolving environment. Leadership is arguably as important in times of calm as in turbulent circumstances. Yet, research evidence indicates that a leader's impact is greatest when an organization is facing an unpredictable and fast-changing world. This is very evident at the moment as the country faces an extraordinary period of political ferment and financial stress, and we have become particularly concerned about whether the nation will have the right leadership to carry us through both.

By way of a well-known company example, prior to its breakup in 1984, AT&T faced a relatively calm and predictable market since it had virtually no competitors and demand for plain-old copper-wire telephone service had been growing steadily. Today, by contrast, the company faces unprecedented challenges from both domestic and international carriers, and from rapid turnover in telephone technologies. Arguably, the AT&T chief executive of 2008 is having far greater impact on the company's future than did his counterpart a quarter-century earlier, since the bets are so much bigger and the judgment calls so much more difficult.

Many colleges and universities are facing more fast-changing environments as well. Many institutions are seeking to globalize their offerings and diversify their student bodies at the very same time that the country's financial crisis is threatening public budgets and private donations. As a result, college and university presidents and the decisions they make are likely to have substantially more impact on their institutions than were the actions of their predecessors in less turbulent times past.

***What are the implications for the kinds of skills that are needed to lead change?***

When we think of leadership in higher education, we tend to think of the president, but I believe it is also critical to focus on the leadership of the entire top team. This team would of course include the provost, deans, and other top administrators who either report directly to the president or are a step removed. We would want to know not only if they are individually talented but also if they share the president's vision and strategy for change, if they are pulling together or against one another, and if they are effective at leading change in their own arenas. We would want to know if they all have a steely determination to succeed but also a warm heart that can appreciate the private toll and even pain that change can bring.

Ultimately, the CEO of any institution is also the CCO—the chief change officer. While change often bubbles up from below, significant institutional change, whether revamping a curriculum or globalizing the classroom, will ultimately be driven by the president and the top team.

***What are the attributes needed in a president to bring out the best in his or her team?***

In my view, leadership usually boils down to five key skills. This is not a complete list, but it is helpful to think of it as the absolutely essential list for taking any institution to a better place. And it is useful to treat the five skills as a kind of "leadership template," a set of guidelines for leading whatever the circumstance, whether walking into a trustees meeting; addressing the faculty senate; or negotiating with students, alumni, politicians, or donors.

**1. Articulate a clear vision and strategy for achieving that vision.** People want to know your vision for the future and how you're going to get there, and they cannot hear it too often.

**2. Honor the room.** It is essential to express your appreciation for what your people have done for the college or university, and to frequently and openly acknowledge the great value that they bring to the institution.

**3. Communicate your character.** It is also vital to let people come to know who you are as a person, what you stand for, what principles you abide by, and how you operate. You can't expressly tell people that you are a person of integrity and transparency, but you can effectively communicate those qualities by the way you carry yourself, the stories you tell about yourself, and how you follow through on

what you've said you will do.

**4. Make good and timely decisions.** Tough decisions are a defining part of any leadership position. All the easy decisions have been resolved at levels below you; only the thorny ones reach you. And those around you expect and deserve timely resolution of those tough calls by you. Making good and timely decisions is thus a critical capacity of anybody's leadership. Put differently, anybody in a leadership position who can't make timely judgment calls has chosen the wrong vocation.

**5. Shape the culture.** For those who lead a small college where everyone knows one another, your direct personal leadership of the academic community can serve you well. But most colleges and universities are far too large for a hands-on style to succeed, and then the campus culture becomes the vital medium. The institution's heritage, values, and mission are all encoded in the culture in ways that those you rarely see or even never meet will understand the direction in which you want all to go.

***On the topic of leading change, how does a corporate model of change management translate to higher education?***

Academic communities are often suspicious of the corporate world, and the corporate world frequently returns the attitude. I think this is a big mistake by both sides, since each can learn much from the other's successes and failures.

Consider a leadership challenge in the corporate world that can provide helpful insight into what is important for leadership in the academic world. Louis Gerstner had joined IBM as its chief executive in 1993 with a mandate from the board of directors to transform the company from a dying enterprise back into one of the icons of American business that it had once been. After taking careful stock of how the company operated, he concluded that its shortcoming was not an absence of technical talent or valuable technology. The problem instead, Gerstner found, was one of culture, an inward focus on social form among its thousands of managers rather of an outward focus on the fast-evolving needs of thousands of customers. "I came to see, in my decade at IBM, that culture isn't just one aspect of the game," he said. "It is the game."

Once the source of IBM's tailspin had been fully appreciated, Gerstner set out to remake the culture, and over the next several years he successfully did so. In doing so, he has also written a useful road map for one of the most daunting challenges for anyone with leadership responsibilities: how to change an organization's culture. In his 2002 book *Who Says Elephants Can't Dance?* Gerstner offers a set of pragmatic methods for cultural change that anyone in higher education with an interest in change would find useful.

***How can an institution's HR function contribute to a president's change agenda?***

Historically, the human resource function had often been narrowly conceived as a

largely technical personnel office for effective hiring, promotion, compensation, and benefits. All these are of course essential for any institution, but at many companies in recent years, HR has become far more. It now also plays a role as strategic partner of top management, working directly with the chief executive and top team on everything from succession planning to leadership development.

One illustration that comes from my current research concerned a CEO succession process at a major pharmaceutical company. Under the guidance of the retiring CEO, the senior vice president for human resources helped orchestrate a two-year evaluation of three strong internal candidates. By the end, the HR officer knew as much about the quality of the candidates as nearly anyone in the company, and he served as a trusted advisor to the CEO and company directors throughout the process as they reached their final succession decision.

Just as at this pharmaceutical company, senior HR officers at colleges and universities can seek to take direct responsibility for helping to evaluate, develop, recruit, and place the institution's senior administrators. That of course requires that they have acquired a deep understanding of what the senior positions require of their occupants. And for this to happen, the HR directors will have to build a strategic partnership with the president and top leadership team.

Another area ripe for expansion is leadership development within the institution. Two decades ago, few companies other than General Electric had built any kind of explicit leadership development program. Today most major firms have such programs in place. Colleges and universities have done little in this area yet, but I believe much will be done in the years ahead. This would include the building of learning programs and experiences for new department chairs, program directors, and school deans.

***Within higher education, might this agenda be driven in part by board members from the corporate sector who begin to vocalize the need for a stronger presence by HR within the institution?***

*Yes. A sixth important capacity for your leadership template is to listen to your board. Board members often bring a vast range of experience in how to run organizations, including people management and leadership development. Greater engagement of board members in the HR issues of the day can be an invaluable way of bringing seasoned thinking into a strengthening of the strategic role that HR can and should be taking place at any college or university.*

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Photo of Michael Useem by John Carlano.



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