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Leadership Threats to Shared Governance in Higher Education

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Abstract

Two dynamics in contemporary higher education disrupt the relations among boards of trustees, presidents, and campus faculty, and threaten the traditions of shared governance. The first is the way boards of trustees are composed. The second is the evolution of the college and university president's role from chief mission (or purpose) officer to chief executive officer. Both trends exacerbate the increasingly corporate style of higher education institutions and threaten shared governance.

Board members must be educated for their role; a president must be encouraged and rewarded for service as chief mission officer as well as chief executive officer; and faculty involvement in governance must follow a commitment to the institutional mission above all interests. The dynamics of the corporate university can be changed with appropriate incentives established by accrediting bodies and national associations and by employing the instruments available to train trustees, presidents, and faculty leaders.

The COVID-19 pandemic, the rapid turn to remote teaching and learning this past spring, uncertainty about on-campus and remote teaching and learning this year, dire enrollment forecasts due to lower than expected recruitment and reduced retention, and the curtailment of international student enrollment all contribute to the tense relations and loss of trust among trustees, faculty, and administrators.

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are composed. The second is the evolution of the college and university president's role from chief mission (or purpose) officer to chief executive officer. Both trends exacerbate the increasingly corporate style of higher education institutions and threaten shared governance.

Boards of Trustees

Under 10 percent of American college and university trustees have any professional experience in higher education. Yes, most graduated from college, most donate to a college, and many have children in college. But 90 percent have no professional experience in a college or university. It is hard to imagine a Wall Street firm or a Silicon Valley company declaring that 90 percent of its directors have no experience in the core activities of the enterprise. Why is higher education different in this way (Scott 2018)?

At public institutions, most trustees are appointed through a political process involving the state's governor and often members of the legislature. In rare cases, trustees are elected by the public at-large. Knowledge of higher education missions, governance, programming, academic freedom, finances, and related topics is not a consideration in the appointment or election. Nor are these topics considerations in the organization of a board and its leadership or in the composition of an affiliated fundraising foundation.

At independent colleges and universities, most trustees are selected for their philanthropic capacity and affinity to the institution. They are generally not selected for their governance acumen or knowledge of higher education's attributes and challenges. While some boards of trustees intentionally include academics from other institutions, these remain in the minority of cases.

Boards should support strong presidential leadership, but strong leadership does not mean ignoring the faculty's role in campus governance. To follow that path often leads to a vote of "no confidence" in the president or the board, something that is happening more frequently now than ten years ago. This disrupts the campus and takes the focus away from student success, the purpose of the institution (Carter 2018).

Institutional Presidents

The role of campus presidents has evolved largely due to issues of funding. In public institutions, and even in many private institutions, presidents must spend increasing amounts of time seeking government support. This is due in part to the seemingly relentless cuts in state funding for higher education. Between 2008 and 2018, state funding for two- and four-year colleges was reduced by \$6.6 billion. This includes reductions in base institutional support, student financial aid funding, funding for facilities, and support for research. As one consequence, some state governing boards require that presidential and chancellor searches be open to candidates from outside academe (Seltzer 2019).

Private institutions also increasingly ask their presidents to focus on funding and fundraising. In many cases, this means that the president loses touch with the core functions of the institution and with faculty, students, and staff. In addition, the selection of trustees from business and finance, “because that is where the money is,” results in board expectations of the president that emphasize the business side of the enterprise. With attention on money and markets more than on mission, the president takes even more seriously the title of CEO. He or she has a title more akin to a captain of industry than to an educator, and titles, like all words, matter.

Problems in university governance and leadership often result from how campus presidents view their role in contrast to the role expected of them by university governing boards and faculty. Campus presidents have variously been described as cheerleaders, budget masters, lobbyists, sales reps, high-stakes panhandlers, promoters, and entrepreneurs. Too seldom are they thought of, or expected to serve as, educators, the keepers of the institution’s mission and legacy for transformational teaching and learning.

In my experience, a university benefits most from a president who thinks of his or her role as the chief *education* or chief *mission* officer, one who has the trust and respect of faculty, staff, and students. Such a president can remind the campus community of the purpose and heritage of the institution. However, the temptations are great to act as if budget making and fundraising are divorced from student learning and faculty teaching.

Just as one cannot imagine a hospital without medical doctors, we should not contemplate colleges and universities without faculty. They are the heart of the institution, giving life to the programs that fulfill the campus purpose and nurture students in gaining a love of learning. Students add to the spirit of an institution and become its legacy. The administration and staff are the essential organs giving nourishment to the institution’s parts. Their collective goal is to prepare students to learn on their own and in groups. We cannot promise to teach them everything, but we can promise to help them advance in their ability to learn anything. Together, trustees, presidents, and faculty members practice shared governance, a distinctive feature of leadership in higher education.

Faculty

Faculty members, as a group and as individuals, are responsible for the following activities, among others, in fulfillment of an institution’s mission:

- The effectiveness and assessment of teaching and advising
- The advancement of student skills and abilities in critical analysis and communication

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- The curriculum, degree requirements, and experiential learning opportunities such as research projects, internships, fieldwork, and study in other cultures
 - The extracurricular development of students through clubs and organizations
 - The recruitment and nurturing of younger faculty

The benefits of higher education are as needed as ever. They are embodied by faculty as teachers and students as learners engaged in transformational experiences by discussing and debating historic and new ideas. It is the faculty's role to inspire and critique student writing and involve students in research projects. Yes, students need to know how to use technologies to work at a distance, but a "sage on the stage" presented *through* technology is not a good substitute for a faculty member in the classroom who serves as a "guide on the side." Even the most ardent advocates for disruptive technologies agree with this and the abrupt transition to remote teaching and learning during the spring semester demonstrated the need for a faculty presence.

Unfortunately, few campuses devote resources to preparing faculty members for their roles and responsibilities for governance or for leadership in faculty committees and senates. As a consequence, faculty are sometimes criticized for not fulfilling their governing roles adequately. But the fault lies with trustees and presidents who pay too little attention to this important dimension of university governance and leadership.

On some campuses, the college bargaining unit inserts itself into the governance process by claiming that it represents the faculty in shared governance. I do not agree. A collective bargaining agreement is agreed upon by the governing board and the faculty union to delineate working conditions, compensation, and the procedures for settling disputes. It does not relate to the faculty's governing role in academic programs and quality, admissions standards, service on institutional committees, and related responsibilities. When the two roles become merged, tensions usually result. But tension is not necessarily bad, especially during a pandemic when trustees and administrators may disregard the norms of shared governance and the faculty union can give the faculty a stronger voice. The board's desire for enrollment and tuition revenue must be balanced by concerns about safety and academic integrity.

Balancing Presidential Ambition, Institutional Mission, and Shared Governance

In and of itself, there is nothing wrong with a president wanting to advance the scholarly productivity of faculty and the research reputation of the institution. The immediate questions in response to such a goal are these: How does the goal relate to the campus mission and strategic plan? What is the role of the board of trustees in setting the mission of the institution? What is the role of the faculty in setting academic priorities? What is the role of "trust" in campus governance?

To change from a teaching-focused to a research-focused university is a change in mission, even when the mission statement refers to teaching, research, and service as its core activities. Such a statement is a general expression of the priority for scholarly activity, not a specific mandate for grant-funded research. It does not specify the kinds of research and scholarship in which faculty must participate.

After all, to become a research-intensive university with significant grant funding probably will require new faculty with a focus on research and new staff for grants administration. How will this new emphasis affect the priority for undergraduate success? Why not focus on being the best undergraduate teaching university in the region instead of a “pretend” research university in the shadow of others?

The board is responsible for adopting the mission of a college or university and then must seek state government approval to set or change the institution’s charter. It also must seek approval from the regional accrediting body. A mission cannot be changed by fiat, as a corporate board might in changing from manufacturing to consulting. In evaluating a university’s proposed change in mission, the state agency and the accrediting team will ask about the governance processes used in resetting the mission.

The governance system to be evaluated includes the commitment to what is called “shared governance.” This is described in a covenant adopted in 1966 by the American Council of Education, the Association of Governing Boards of Colleges and Universities, and the American Association of University Professors. This statement of principles was built on a long history of efforts to define the roles of trustees in overall fiduciary responsibility for a campus or system; the president’s role as the executive responsible for fulfilling the mission in a legally, ethically, and financially sound manner; and the faculty’s role in setting academic standards and admission requirements, establishing the curricula, hiring and nurturing faculty, maintaining institutional and programmatic accreditation, and participating in strategic planning, setting priorities, and searches for senior administrators (AAUP, ACE, and AGB 1966).

By shared governance, we do not mean coequal authority, as the authorities of the president and the faculty are delegated by the trustees but guided by tradition and legal precedent. Some argue that shared governance is no longer relevant at a time of serious challenges and stresses in higher education. They assert that “waiting for the faculty” slows down the process of decision-making when institutions should be nimble and flexible in responding to the demands of the marketplace. At the same time, boards are criticized by faculty for appointing presidents, increasing health insurance fees, reducing pension contributions, substituting part-time for full-time faculty, cutting programs, or approving capital projects without campus input in general and faculty input in particular.

In response to these criticisms, we should recall that colleges and universities are organizations with long time horizons. Too often, businesses focus on short-term results that seem to undercut their long-term

viability. The late David Riesman said that the job of the trustee board is to save the institution of the future from the actions of the present.

Governance and leadership require trust. Trust is built by regular and honest communication between the parties responsible for fulfilling the university's mission: the board as fiduciary responsible for the alignment of mission, goals, strategies, and results; the president as chief *purpose* officer charged with keeping the focus on the mission; and the faculty, who are usually closest to the students, as guardians of the academic mission. These three must work together in mutually respectful ways if the institution is to thrive.

Mission

The mission statement defines the purpose of an institution. For all but very specialized universities, the primary purpose is for undergraduate student learning and graduation. The overall undergraduate graduation rates in the United States implicate not only the preparation of the students admitted but also the systems in place to support student success. Unfortunately, the average graduation rate among four-year colleges and universities indicates that trustees, administrators, and faculty are not fulfilling their responsibilities very well.

The mission, or purpose, of higher education institutions is to liberate students from their parochial origins and help them chart a life of meaning as well as one in which they can start a career. For higher education to fulfill its purposes, we need a better alignment of institutional mission, goals, strategies, resource allocation, rewards, and results. This is the responsibility of governance.

The standard mission for nonprofit colleges and universities encompasses teaching, scholarship, and service, although the degree of emphasis on each element varies by type of institution. While all colleges have undergraduate education as a core function, many large research universities tend to leave such teaching to faculty members who lecture and graduate students who lead recitation sections and grade student work. At smaller colleges and teaching universities, faculty members act more like tutors than lecturers and graduate students are not relied upon for the teaching function as much. However, both types of institutions rely upon part-time adjunct or so-called contingent faculty to teach a significant percentage of course sections.

The mission for teaching encompasses both general education and the disciplined study of a major field of study. The traditional elements of undergraduate education include the advancement of knowledge, both general and expert, skills such as writing and speaking, abilities such critical analysis, and values such as teamwork and respect for others.

The terms *research* and *scholarship* are often used interchangeably, although scholarship includes keeping up to date in one's field through reading, attending conferences, and participating in seminars. While it is not

necessary to be an active researcher to be a great teacher, it is essential for faculty to teach students how to conduct research. (Many believe that active scholarship is related to effective teaching.)

Also, the mission for scholarship or research is often misunderstood. When most people think of these functions they consider “bench” research in a laboratory or original research in primary sources found in specialized libraries. The late Ernest Boyer, former US secretary of education and president of the Carnegie Foundation for the Advancement of Teaching, helped us contemplate the types of research and scholarship conducted by faculty members—and their students. He suggested four categories of scholarship: (1) discovery; (2) integration; (3) application; and (4) pedagogy (Boyer 1990).

By the *scholarship of discovery*, Boyer meant the traditional definition of scholarship as the empirical discovery of new knowledge and new models as exemplified in natural science bench research and historical analysis using original sources. By the *scholarship of integration*, Boyer referred to the bringing together of findings from different sources in order to identify trends and see knowledge in new ways. By the *scholarship of application*, Boyer referred to the application of knowledge to solve societal problems. By the *scholarship of pedagogy*, Boyer (1990) emphasized that faculty, as scholars, are also learners as they search for new and better ways to develop student skills and disseminate knowledge.

Each form of research and scholarship can have value, but they are not equally eligible for support by government agencies and private foundations. A faculty member can have a robust agenda for research leading to new knowledge or new models yet not bring grants to the campus. Nevertheless, each form of scholarship should be supported by the reward system of an institution as important for faculty and students.

The mission for service encompasses institutional programs as well as student and faculty projects to support the local community in addition to ventures in other regions. Together, these three elements of an institution’s mission result in a complex and unique organization.

Unprepared Trustees

Unfortunately, boards of trustees are generally not prepared to govern such an enterprise. While every state requires hairstylists to receive certification before they can serve the public, trustees are poorly prepared and not required to demonstrate proficiency. There are certification programs for hospital trustees and education programs for corporate directors. Yet few states require training for college and university trustees who are fiduciaries for the more than \$1.2 trillion in operating funds and endowments held by institutions nationwide.

The nominating process for boards does not adequately consider a candidate’s “industry” knowledge like a corporate board would. On corporate boards, experience and knowledge of purpose, key technologies, competition, and finance issues are essential. This is not true in higher education.

Michigan State University, Penn State University, the University of Maryland, and the University of Virginia, among others, offer disastrous examples of boards exercising inadequate oversight. This seems to be the case especially when the board's leadership focuses on preserving and enhancing the institutional "brand," or ranking, or athletic prowess, instead of fostering academic excellence and student success.

The most effective board members bring questions to their meetings, or ask them beforehand, because they have read and thought about the materials sent in advance. They prepare by reading journals such as *Trusteeship*, online media such as *Inside Higher Ed*, the *Chronicle of Higher Education*, and books about college and university governance and leadership (Mitchell and King 2018; Scott 2018).

Many scholars and pundits have expressed concern about the selection and orientation of board members and the preparation of board leadership. Good governance requires complete and honest communication between senior leadership and the board, even when the university is large and the news is not good.

Private colleges and universities are not immune from trustee misbehavior and the misalignment of expertise with institutional requirements. Trustee intrusions into admission decisions, investment allocations, business contracts, and personnel matters occur more frequently than we would wish. Likewise, trustee ignorance of good governance and effective strategies can lead to accreditation probation and even worse.

It is true that the large scale and complex missions of some public and private research universities can challenge a board's oversight. It is also true that equally difficult issues confront colleges and universities of every type and size. In all cases, board members should ask questions and expect answers. It is the role of the board chair to ensure that robust discussions of proposals, alternatives, and implications take place before calling for a vote.

The board's role is to monitor and assure the alignment of mission, goals, priorities, strategies, resource acquisition and allocation, rewards, and results. Board members must do so in partnership with the president in a civil manner and in a culture of shared governance involving the faculty.

When considering prospective board members, previous professional experience in higher education is often undervalued. Some of the most effective boards include senior academics or experienced leaders from other, noncompeting institutions, even if they cannot give more than token financial donations. They often are better positioned to ask strategic questions and to offer responses to ill-advised proposals for board action.

Board members should be aware of the key indicators of institutional vulnerability and vitality. These include important academic decisions related to faculty personnel matters as well as financial ratios, accounts receivable, and cash flows from operations. They also include admissions "funnel" data from year to date and

over time, comparative progress in graduation rates over time against both peer and aspirational institutions, employer assessments of alumni, licensure exam results of seniors and recent graduates, tuition discount and net revenue trends, diversity measures, and accreditation reviewer comments.

What is the board's role in faculty appointments? Some argue that there is none because the board is not competent to judge the academic credentials of candidates for appointment, reappointment, tenure, promotion, sabbaticals, and so on. While I agree with this argument, it is not sufficient. A faculty appointment can be the equivalent of a \$4 million capital investment when one counts salary and benefits for thirty or more years.

An investment of this size in a facilities renovation would require a great deal of scrutiny. And so should the faculty appointment. But instead of evaluating individual credentials, the board should be assured that approved personnel policies and procedures were followed assiduously. The board should be shown how this appointment helps fulfill the mission for student success, program improvement, and institutional reputation; how the appointment helps achieve goals for diversity; how it fits into the budget; and how the use of the budgeted faculty line in this way does not add to an imbalance of full-time and part-time positions with other departments, among other considerations.

In other words, there are strategic questions that lie within the province of the board's role even when particular questions of scholarly accomplishment and teaching effectiveness do not. And that is the board's role: to ask questions, not prescribe answers. This is why it helps to have board members with professional experience in higher education, in addition to ones who can help in fundraising. After all, no corporation would want board members who were uninformed about the purpose, competencies, and competitive landscape of its business.

Universities, whether public or private, operate with a publicly granted charter. The university governing board holds the charter in trust, hence the term *trustee*. In governing, the board is obligated by the duties of care, loyalty, and obedience.

The *duty of care* relates to the level of competence expected of the board in carrying out governance responsibilities by using the degree of diligence and skill one would expect of a prudent person. It is the duty to participate actively in governance, to protect the institution through appropriate oversight, and to identify and manage risks, including risks to academic integrity and institutional reputation.

The *duty of loyalty* requires that board members act in good faith and in the best interests of the institution as a whole, not a particular subset of it. This duty specifies that a trustee should not have mixed loyalties. This is the basis for avoiding conflicts of interest such as cross-trustee business dealings that can affect the

institution and entering into contracts with the university for insurance policies, real estate transactions, and financial arrangements such as investments and banking without proper disclosures.

The *duty of obedience* requires that board member actions be true to the campus charter and act to fulfill it in a manner that complies with the law and furthers the institution's stated mission. This duty is based on the premise that constituents and the public at-large can trust that what they are told by the board is true (Scott 2018).

Universities hold a public trust because they are publicly chartered, exempt from taxation on their educational activities, have the authority to issue tax-exempt bonds, and can receive gifts that grant tax benefits to donors. By public charter, institutions can receive donations for scholarships, professorships, buildings and other spaces, science and engineering equipment, endowments for specific or general uses, and art and other objects, among other possibilities.

There are professional programs and literature available for trustees, and regional accrediting associations provide criteria on good governance, but some think a further step is desirable. States can provide a form of certification for board members of public and private universities. After all, state charters are the institutions' fundamental governing documents. And while it may be easier for a state to mandate such training for public college and university trustees than for private boards, the model can be adopted universally. For example, each state has an association of independent colleges for joint lobbying and purchasing. They also could sponsor joint training and certification programs for the trustees of member institutions.

In addition, private foundations that support higher education and express concerns about the lack of success in achieving key university goals, such a graduation rates, could sponsor seminars on these topics. Audit firms and bond rating agencies could do the same for their clients and provide a certificate of completion for members.

We invest billions of dollars in students and institutions each year. Shouldn't we expect college and university trustees to be prepared for their duties (Mitchell and King 2018; Scott 2018)?

Consequences

When boards and presidents operate in a corporate manner, certain consequences seem inevitable. The focus is on short-term thinking rather than the long-term, and on transactional relationships rather than on the transformational mission of higher education.

Furthermore, board members, and presidents, tend to think of faculty members as employees with a job, not as partners in governance. In order to save money, the board fills full-time faculty lines with part-time teachers who often lack the time and private office space necessary for advising, including students in

research, sponsoring clubs and organizations, and nurturing younger faculty. Another consequence is for boards to think of students as customers and focus on external relations, “branding,” reputation management, and marketing even more than on the alignment of mission, goals, and results.

Unfortunately, the dismal graduation rates nationally indicate a disconnect between the mission for student learning and graduation rates. The six-year graduation rate for first-time, full-time undergraduate students who entered a four-year degree program in fall 2011 was 60 percent. The rate was 60 percent at public institutions, 66 percent at nonprofit colleges, and 21 percent at for-profit institutions. For institutions with selective admissions, the rate was 87 percent. For nonselective institutions, the rate was 31 percent (NCES n.d.).

Another consequence of the CEO phenomenon is the attention to size and scale, additional administrative roles to allow for the delegation of new responsibilities, the introduction of bonuses as a component of compensation, and the expanded use of consultants, even when required expertise can be found on campus in the faculty. This “business model” gives priority to revenues over results, reputation over accountability, and prestige over student success.

As I have acknowledged, many of today’s universities are large and complicated organizations. Those with large student bodies, many doctoral programs, major federally and corporate-funded research endeavors, a number of labor unions, significant support services for the campus and the community, and extensive online programming are as large as many for-profit companies. When one adds the size of some athletic programs and their multimillion-dollar budgets, one has to acknowledge the requirement for management and fiscal controls (Scott 2018).

However, mammoth size does not negate the mission for student success. If anything, it should put a further burden on the board of trustees and leadership to fulfill their duties of care, loyalty, and obedience. These duties require the monitoring of rewards and results (Scott 2018).

Presidential Selection

The search and selection of a new president is a key function of the board of trustees and a prime example of a shared governance responsibility.

Colleges and universities compose search committees so they can look far and wide to create a diverse pool of candidates for a position, whether an assistant in admissions, a full professor, or a president. While trustees typically do not serve on searches for faculty and staff, they do comprise the majority of those on a committee searching for a president, and one or two of them will chair or cochair the committee. The remainder of the presidential search committee ideally will consist of a senior dean, two faculty, and two

students (one undergraduate and one in a graduate program on campus), or some close approximation to this model. Unfortunately, this often is not the case and faculty are only minimally involved if at all.

An honest and active search will serve the institution well. Such a search can mean that the person selected, even if an internal candidate already on campus, has been compared to a diverse and competitive field. This will reduce second-guessing about why a particular person was chosen.

Presidential searches at public universities and college in states with “sunshine laws” can be challenging. These laws require that the names of candidates be made public, thereby reducing candidacies by experienced leaders who do not want to take the chance that knowledge of their candidacy would undermine their leadership on the campus they already serve.

It is important to include faculty members on the committee. First, an external search requires discipline in terms of defining the characteristics of leadership desired and the vetting of any internal candidates against external standards. Second, faculty must be included on the committee not only as an example of shared governance but also to demonstrate an expectation of the faculty’s role on campus.

An executive search firm may be hired to assist the search. Both not-for-profit and for-profit firms can be helpful. As with any other consultant, success depends upon the clarity of the assignment, the leadership of the chair or cochair, and the search committee’s commitment to adhere to the search goals and criteria. It is important to find the right person, even if it requires extending the deadline.

The board will most likely delegate the task of soliciting and interviewing potential search firms to the trustees on a presidential search committee or to a subset of the executive committee. The board chair or another designated person should ask the campus president or board administrator to compile profiles of several firms to be reviewed. The chair or a representative might also ask the trustees of other institutions for the names of firms they have engaged for a similar assignment. If one of the campus trustees is from higher education, he or she probably has knowledge of available firms.

Another task of the committee and the board is to prepare and agree on a briefing document for the search committee and the consultant. This document, which should be developed with faculty input, should include a profile of the institution; the needs and priorities of the campus; a data book of information about the institution, its peers and competitors, and its models for aspirational goals; the suggested profile of experiences, skills, abilities, and values of the successful candidate; any particular expectations for the post; and the compensation and benefits for the position.

In other words, the board must define the job to be done in a way that candidates can be screened by criteria and the successful candidate can be evaluated during and following his or her first year in office. The goal of the search committee and the search consultant is to *search* by means of advertisements, letters and

telephone calls to potential prospects, communication with national associations, and requests to the campus community and alumni to suggest potential candidates. The search must be active; *screening is not the only task*.

Concerns for Higher Education

Multiple challenges face higher education governance, including enrollment forecasts, ethical lapses due to intense competition, and tuition discounting.

Enrollment Forecasts

The forecast for college enrollments is daunting. The number of students enrolled has dropped below 18 million for the first time since 2007. There were 231,000 fewer students enrolled in 2019 than the year before. The prospects for recovery in the near term are not bright (Busta 2019). The pandemic and prospect of remote learning are also affecting the matriculation plans of high school students and recent graduates.

The US birth count fell to less than 3.8 million in 2018, the lowest number of births in thirty-two years. In comparison, the count peaked in 2007 at 4.3 million babies just before the Great Recession. As a consequence, the number of high school graduates, the prime source of college enrollments, is projected to decline, although not uniformly across the country. College-age potential students will decline by 5 percent in the Northeast and Midwest by the mid-2020s. A second drop of close to 10 percent will occur between 2016 and 2031, partly as a result of the decline in domestic births since 2007. The South and West, however, will see some increase in high school graduates, with the two regions soon accounting for 50 percent of high school graduates, up from one-third in earlier years (Bank of America and NACUBO 2019).

International student enrollment in colleges nearly doubled between 2008 and 2016, but several factors militate against continued growth. First, US government policies have started to limit the number of new entrants by reducing the numbers from certain countries and by making visa applications more difficult. Second, the countries that were the biggest sources of international students, China, India, and Saudi Arabia, have changed their policies about student mobility and have increased higher education opportunities at home. Finally, some analysts suggest that the gun culture in America, combined with shootings at schools and colleges, have given pause to international students considering study here.

While institutions have largely weathered earlier economic and demographic challenges, the enterprise now faces an unusual array of forces. A combination of factors—including birth rates, visa restrictions, the economic collapse resulting from the COVID-19 pandemic, and rising skepticism about the value of higher education—all produce significant challenges for enrollments and institutional viability in the United States.

These prospects, as well as growing inequality of opportunity due to tuition and fee increases, should be a top priority for campus governance.

Ethical Lapses

The competition for students and recognition is intense. Colleges and universities are chartered by a state to be dedicated to the pursuit of truth through evidence that is not affected by individual beliefs or superstitions. They have missions dedicated to the advancement of knowledge, the preparation of new generations of learners through transformational teaching, and service to the society that grants them special status. For the most part, the higher education enterprise has fulfilled these mandates for many years.

Therefore, it is especially troubling when any college administrators distort and falsify data in order for their institutions to appear to be what they are not. Those who succumb to such temptations for competitive reasons such as college rankings, or in response to unrealistic goals, tarnish the image of higher education at-large and mislead the public, which expects accurate information.

As recent news articles have revealed, some colleges and universities have been found to falsify admissions, academic, and financial data. *Inside Higher Ed* has reported instances of institutions fudging the numbers, often in an attempt to rise in the *U.S. News & World Report* “Best College” rankings. There are reports of institutions incorrectly reporting their graduation rates, overstating the average financial aid awarded, and underreporting enrollment so that the average funding per student appeared higher than it actually was. Other examples include inflated data on research grant funding, claims of higher rates of medical school graduates entering primary care practice, and incorrect data on the number of full-time faculty.

Institutions also have been known to reduce the number of alumni counted in the denominator of their annual giving calculation in order to show a higher percentage of donors. Still others have been known to omit the SAT scores of students in an “opportunity program” in order to increase the average reported. Another “trick” is to count gifts from bequests as current donations even when the documented commitment was made and recorded years earlier. Still another tactic is to report enrollment projections without showing the assumptions for the calculations. Unfortunately, demographic forecasts may increase the pressures of competition.

Most examples of “gaming the numbers” seem related to public relations attempts to appear stronger than competitors. The focus on form over substance, of marketing over mission, is another example of corporate instead of educational behavior. Other actions seem designed to impress the board of trustees as well as those on campus with the financial success gained from one year to the next. In these cases, the astute board member and faculty leader should note whether the source of data for each year is different. For

example, one case I examined as a consultant appeared to show financial results for the current year without acknowledging that the draw from endowment income was included in the calculation, something that was not included in showing the results for the previous year. The result: a surplus in the more recent year and a deficit in the prior year.

Often, outside agents, including publication editors, investigative reporters, and accrediting agencies review the data and question the reports. However, these and other examples illustrate why board members should be prepared, in a collegial and noncombative manner, to question assumptions and request backup material to support claims that don't appear quite right. In order for this to happen, trustees require orientation, training, and access to reading materials and conference attendance, not just at the time of election but throughout their terms.

Tuition Discounting

One consequence of the corporatization of higher education is that students are viewed as customers, and the pricing of tuition becomes a sales point. Most colleges and universities do not have sufficient endowment to offer need-based scholarship assistance to all who are eligible for it. One way to supplement government-sponsored financial aid is to create scholarships by discounting tuition. That is, the \$10,000 scholarship offered is not offset by other revenue; it is a discount that results in less net tuition revenue to pay salaries and the light bill.

The advent of college "rating" publications added to the consumer approach of colleges and families. Once the ratings began giving extra weight to the average SAT scores of entering students, and once it was realized that certain private foundations favored colleges with more selective admissions, institutions began offering "merit" scholarships to students whose scores would boost the average. Colleges and universities had been doing something similar for decades in order to recruit quarterbacks and forwards, so it was an easy step to use the same technique for academic and other qualifications.

Unfortunately, this use of merit aid had three consequences that may not have been contemplated. First, the focus on "merit" aid resulted in less money available for those whose family incomes showed demonstrated need. Second, in order to generate the budget for discounting, tuition had to be increased for all students, thus driving up the annual cost for everyone. Third, the use of discounting in response to the competition for students in general and for those with particular talents and characteristics resulted in less net tuition revenue, with some colleges discounting by as much as 60 percent, an unsustainable practice.

Tuition is set by the board of trustees. It is a matter of governance. The process should be transparent and take into account issues of affordability, priority, and fairness, not the maximization of revenue over expenses as in a business enterprise. The focus should be on purpose, not profit.

Conclusion

There are those who argue that higher education is in crisis, claiming that it is too expensive, too inefficient, and too slow to adopt new technologies that some say could replace expensive full-time faculty. Faculty are often criticized for being slow to respond to outside forces and for being more concerned with their privileges than their institution's challenges. Higher education can certainly do more to manage costs and control tuition increases, but reducing the number of full-time tenure-track faculty and hiring more part-time or contingent faculty is not the route to student success. Nevertheless, we in higher education need to address the complaints, increase transparency, and work to regain the trust of the public and policy makers.

Faculty are the heart of higher education, giving life to the programs that fulfill the campus purpose and nurturing in students a love of learning. Students add to the spirit of an institution, help give it personality or soul, and become its legacy. The administration and staff are the essential organs giving nourishment to its parts. Their collective goal as educators is to prepare students to learn on their own and in groups.

The purpose of higher education is to help students chart a life of meaning as citizens as well as one in which they can earn a living. The value of such an education is both timeless and limitless. To fulfill this purpose, we need a better alignment of institutional mission, goals, strategies, resource allocation, rewards, and results. This is the responsibility of governance.

Board members must be educated for their role, presidents must be encouraged and rewarded for serving as chief mission officer as well as chief executive officer, and faculty involvement in governance must follow a commitment to the institutional mission above all interests. The regional accrediting agency is in a perfect position to help train trustees in the importance and uses of critical metrics and measures for assessing institutional vulnerability and vitality, and for meeting the expectations of governance and administration required for continued accreditation.

The dynamics of the corporate university can be changed with the proper incentives introduced by accrediting bodies and national associations. They also can be changed by using the instruments available to train trustees, presidents, and faculty leaders in the unique traditions of governance in colleges and universities. An institution of higher education is a moral enterprise, chartered by the public to serve a public purpose, and committed to the advancement of knowledge, skills, abilities, and values. This takes money, of course, but the pursuit of money must be in the service of the mission.

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