

The Landscape for Higher Education in the New Millennium

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Mr. Chairman, ladies and gentlemen. I want to thank you, Tom, for that warm and generous introduction. I'm very glad to be back with AGB. It's been said that drive-in banks were invented so that automobiles could meet their true owners. And there's a real sense in which you—the governing board—represent the owners and are the custodians, of this national treasure that we call colleges and universities. The message I want to bring is that, to a very large extent, the well-being of those institutions in the next decade and in the new millennium is going to depend on the leadership they receive from you, the boards of trustees.

My first task is to say thank-you: To thank you for the fact that you're willing to serve as members of boards of trustees, and boards of regents, and boards of governors, and to thank you for the seriousness with which you take that responsibility by participating in a gathering such as this. The well-being of any nation depends upon the quality of its institutions of higher education. And you, the leaders, play the pivotal role. I want to salute you and to thank you for your willingness to take that seriously.

Tom had suggested that I talk about the landscape for higher education at the millennium. What does this landscape look like? "It was," wrote Dickens in another context, "the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair. We had everything before us, we had nothing before us. . ."

And we might reasonably be forgiven, I suppose, for taking that as a summary, as a reasonable approximation, of the kind of global context in which we exercise our responsibilities in higher education. Of course, we do have some time to go in the present millennium before we plunge headlong into the next, and it might be prudent to savor for a moment the good years that we've recently enjoyed in our own little landscape, our own little world, of higher education.

These have been good times for the colleges and universities we represent. College attendance is up and continues to rise. Most institutions enjoy rising applications. SAT scores are improving, helped a little by recalibration of the base, no doubt. Women continue to enroll in record numbers, and minority enrollment rose 3.2% in 1996, with minority students making up more than a quarter of total enrollment, although these figures predate legal changes in California and Texas that may limit future gains.

State funding is making something of a comeback in most cases, helped, in part, by healthy budget surpluses. Federal financial aid and research support are holding their own, even though they're less than we'd hoped for in some areas. Alumni and corporate giving is at an all-time high. Endowments have enjoyed the remarkable surge of the stock market.

Good times? I think they are. The best of times? Perhaps they are, because we can recognize the best only in retrospect.

But there's just one problem. Many thoughtful observers, both from within the academy and from without the academy, tell us that these good times are over, that they are coming to a jolting conclusion.

Peter Drucker, respected observer and dean of management leaders writes: "I consider the American university of the last forty years to be a failure. Universities won't survive. The future is outside the traditional classroom, outside the traditional campus."

And the voices from within, closer to the business of higher education, contain equally bleak predictions. Listen to Eli Noam, professor of economics and finance at Columbia University, in a recent paper in *Science* entitled "Electronics and the Dim Future of the University."

Noam argues that the new wave of electronic development will do to the universities what the development of printing did to medieval cathedrals, removing from them the monopoly they had on the dissemination of information. And he asks, "Have we reached the end of a line of a model that goes back to Nineveh, more than 2,500 years ago?"

Or listen to the late Professor Bill Readings in a book published two years ago by Harvard University Press. "We have to recognize," he writes, "that the university is a ruined institution, while thinking what it means to dwell in those ruins without romantic nostalgia."

Even those less pessimistic argue that we face the hazards of decay from within. Listen to Charles Sykes: "Almost single-handedly," he writes in *ProfScam*, "the professors—working steadily and systematically—have destroyed the university as a center of learning and have desolated higher education, which no longer is higher, or much of an education."

And if this contains a good deal of hyperbole, as no doubt it does, we have to wonder, "Why, if things seem so good now, are predictions so bad?" After all, during our own service as trustees, we have seen marvelous things happen. And if you look back over a longer time span, things have changed for the better in remarkable ways.

It's very fashionable, as we approach the end of the millennium, to offer Top Ten lists: the Top Ten People, the Top Ten Tunes, the Top Ten Movies, the Top Ten Books. Suppose I were to ask you, what are the top five changes that have influenced higher education in the last century? I wonder what they'd be.

Let me tell you what my five would be. One is the remarkable growth in numbers that has taken place since the year 1900. There were 237,000 people enrolled in colleges at the turn of the century. There are now 14.3 million. Of course, the population has grown, but only 4 percent of the college-age population attended college at the turn of the last century. Ten times that number, 43 percent, attend now.

Or look at the number of 25-year-olds who have completed four or more years of higher education: in 1900, 2.7 percent; now, 23.6 percent. So we have seen a tenfold increase in college-going and college completion within a century.

And second, a growth in inclusiveness in all our institutions. One of the marvelous things, especially of the last two or three decades, has been the growth in inclusiveness, so that women and members of under-represented minority groups and economically disadvantaged, from all kinds of backgrounds, have now begun to participate in higher education in numbers undreamt of even twenty or thirty years ago.

Third, a growth—a remarkable growth—in science and technology that, starting on the campuses, has transformed the life, not just of this nation, but of every nation. Growth in numbers. Growth

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in participation. Growth in science and technology, and then a massive growth in the professionalism on our campuses. Thirty years ago, 50 percent of the baccalaureate degrees awarded were in liberal arts and sciences. That figure today is down to 33 percent and still falling. There has been a massive growth in professionalism on the campuses.

The fifth change is an enormous increase in the impact of colleges and universities, not only on their localities and their regions and their states, but on the whole life of the nations in which they're located.

Let me give you one example. MIT faculty and graduates have created 4,000 high tech companies, with global sales that total \$232 billion a year, providing 300,000 jobs. If those companies and their profits were regarded as a national economy, they would rank 23rd in the world, between South Africa and Thailand. And all that from one institution. And 80% of those jobs are in manufacturing, in comparison with 16% nationally. This is a huge increase in the impact of our colleges and universities over the last century.

Now, you will have a different list, no doubt, but I believe those five trends—the growth in numbers, the growth in inclusiveness, the growth in science and technology, the growth in professionalism, and the growth in impact of higher education—are trends that will continue.

And if they were the only trends, then the landscape would surely look bright. Then we should have much to celebrate, as we approach the beginning of the new millennium.

But no trend lasts forever, and each of those historical trends is about to be influenced by three new trends now developing within our own period of experience. The first is not new, but it's becoming daily more important: The new national capital, the new economic currency, is knowledge.

In the past, the well-being of every nation depended on its natural resources: its mineral deposits, its topography, its climate, its population, its communications, its coastline. The new economic currency will be knowledge. Those other things will still be important, but the most important element will be knowledge.

Now, knowledge is not like other natural resources. It is undepleted by use. It is multiplied, even as it is shared and applied. It is autocatalytic; it grows in the hands of its users. Even as it's challenged and tested and questioned, it is refined and increased.

Knowledge is the new economic currency. But it is not a resource that we simply stumble upon on the ground. It's not something that we pluck out of the air. Knowledge is created. It is coaxed into existence by thoughtful, creative people.

It is not a free good. It comes only to the prepared mind. It's like a TV broadcast, or a conference call. You need a TV set to receive it. You need a telephone to receive it. And that's why the universities and colleges and schools of our land are crucial in the new economically competitive world in which we live.

Colleges and universities are at the heart of the knowledge business: the creation, the dissemination, the testing, the application, the conservation of knowledge. These are the tasks of the college and the university.

So far, so good, in terms of a prospect. But two more trends impinge upon that. And the first is information technology.

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How, in a brief session, do we measure the magnitude of information technology? It is a major new opportunity, and it is a major new threat to our colleges. It is a major new opportunity because it provides completely new access and new approaches in the dissemination and application of knowledge. It is a major new threat because we have been slow to use it, slow to modify it, slow to employ it.

The old pattern regarded knowledge and a degree as the goal. The new pattern sees competencies and skills as things to be transmitted. The old pattern was site-based: one campus, one place. The new pattern is unconstrained: any person, any study, any time, any place. The old pattern was a standardized curriculum, with limited choice. The new pattern is an individualized program with unlimited choice. The old pattern was a fixed calendar. The new pattern is infinitely flexible. The old pattern was faculty centered, faculty presented. The new pattern is student centered, student discovered. The old pattern was cost-intensive. The new pattern is cost-effective. The old pattern involved purchasing the whole package, a four-year degree. The new pattern involves cherry picking, at any time, as required, disarticulated.

And the impact of all of that? We still don't know. There are those who argue that this will affect training, but not education, but I wouldn't bet on it. The same was probably said for printed books when they were first developed. How does our education, how do our offerings, how do our results compare with, and compete with, this new opportunity and this new threat?

There is a third trend, which is even more disturbing. And that is that our monopoly of higher education is about to end. We are about to become a deregulated industry, with all the turmoil that has produced for other industries, including the airlines.

As long as learning depended on a fixed base and fixed resources, as long as it depended on libraries, labs, lecture rooms, professors who would act in exegesis of the text, we had a monopoly, and we've enjoyed it for three-and-a-half centuries.

We are self-accrediting, and we've done a good job, on the whole. But we are also self-credentialing in terms of those we graduate. That is about to change. We are now in a new ball game.

The University of Phoenix is also accredited to award degrees. It is one of five for-profit institutions quoted on the NASDAQ. Last year, it had 60,000 students enrolled, and its profits—its profits—were \$33 million in 1997. Its price to earnings ratio is 50, which makes it a glamour stock. And there are others.

For-profit universities are dwarfed, however, by distance education. There are eleven different nations that have distance learning universities with more than 100,000 students involved.

In Turkey, for example, Anadolu University has 530,000 students, and the cost of instruction for those students is one-tenth of the cost of instruction at conventional, traditional universities. And lest we immediately aver that the quality of those programs is less than those on our traditional campuses, let me remind you of a recent study where Britain's Open University, which has 157,000 students, was ranked tenth out of 77 traditional universities in the quality of its teaching programs, with 50 percent of the cost of the typical campus.

And in all this, our own colleges and universities are playing a role. Very few colleges and universities here, I think, are not represented in the rush to Cyber League, rather than Ivy League schools, as they've recently been called. The number of cyber schools grew in the period of four years, from 1993 to 1997, from 93 to 762. And students enrolled now total around a million, in comparison with 13 million in traditional higher education.

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I believe no institution is immune to this new game. And whether or not our institutions survive this changing landscape is going to depend on three things: on trustee responsibility and creative governance, on creative and strong presidential leadership, and on much greater institutional flexibility, and effectiveness.

I've written in other places about presidential leadership and campus flexibility, but today I want to say a word about the role of trustees, because it seems to me that if we are to prosper in our institutions, it is you, the trustees, who must chiefly take the initiative.

We represent inherently conservative institutions. Our task is to conserve, as well as challenge and create knowledge. And we're superb at making revolutionary suggestions for change in other institutions, but we are often blind to the need for reform in those that we, ourselves, represent.

What is the role of trustees? The public—and, after all, you are the public embodied—the public sees the universities as the problem rather than the solution to this new world of knowledge in which we live. John Gardner once said that universities have always had both their lovers and their critics, but the critics have seldom been loving, and the lovers have seldom been critical.

I believe the role of trustees is to be loving critics and critical lovers. And I want to suggest to you that unless you, as trustees, are willing to apply a kind of self-test, a kind of board check, if you like, to your own boards, then universities will languish. And universities that will languish in this coming decade will be those that have devoted, but uninformed and disengaged trustees on the one hand, and bright and affable, but ineffective, passive, unimaginative presidents on the other. We need your leadership, your creative engagement, if our institutions are to survive.

Let me ask what that means, and I speak as somebody who's been both a president and a trustee. I think it means asking candidly, with the kind of self-criticism that we apply to other situations, whether my board exhibits the following seven characteristics. And first, I put devotion to the institution.

Tom referred to challenges and the governance of public institutions. The governance of private institutions, in particular, involves people who are enormously and endlessly devoted to their institutions, but, public and private alike, trustees need to be devoted to their institution.

Lord Chesterfield once said, "Nobody should tamper with a university who does not love it well." We need to be loving critics.

Second, boards need to be informed, and unless they're informed with both knowledge and sensitive understanding, they cannot be engaged. I'm puzzled by those who are willing to serve as trustees, but unwilling to take the time to make themselves fully informed.

And third, I believe, trustees should be challenged. Our own colleagues should be challenged. The greatest discernment you have to exercise is in selecting and retaining the president, but that's not the only one. It's a question of seeing the wood and the trees. It's a question of understanding the difference between governance and management.

I love that old phrase, that guideline for trustees: "noses in, fingers out," and it's as applicable today as it was when first developed a century ago. Devoted, informed, discerning and demanding.

I believe that as trustees, we have been less demanding of our institutions than we need to be. I mean that in terms of standards, in terms of excellence, in terms of expectations, in terms of values, in terms of fiscal responsibility, in terms of the vision and the goals and the climate of the campus.

John Gardner once said, "The society which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."

And we must demand excellence as trustees. We must be demanding representatives of the public.

We must also be disciplined. In public institutions in particular, I am dismayed at the number of end runs that continue to happen. The average time in office for the president of a public institution is said to be around five years. Not long enough to be effective. And the period is declining. It's only a little longer for all institutions.

How can we support our presidents when end runs are a typical pattern of the board?

Two other things: I believe we need more candor in our trusteeship, and by that, I mean an open honesty and generosity, and a willingness to be critical, including self-critical. And I believe we need to be more supportive and more candid than we are with our institutions.

Institutions are under pressure, both from without and within. And ultimately, you and the president are the people who must defend the standards and the values of those institutions. The autonomy of the institution, the academic freedom of the individual, the integrity, values and resources of the institution, all those ultimately rest in the hands of the president and the trustees.

"But," you may complain, "I'd hoped for a road map. I'd hoped, when you talked about landscape, that you'd really map out the topography and guide us through it. And you've given me a sermon."

And so I have; it's Sunday, after all. So I do want to give you, in closing, a kind of road map, though it is not a road map.

It is an unusual kind of map. It's more like a medieval chart, which shows these wonderful illuminated figures at the side of a map—cherubs puffing out breezes, and dolphins frolicking in the margins and the corners, with little script warnings which say, "Here be shallows, here be currents; there be sea monsters, here be mermaids." It's that kind of map.

I was taking two of my grandchildren through Estero Bay in Florida this past week. We were going to an island there. And I was struck by the fact that the channel that we were navigating was only possible to follow because it had navigation lights, the channel markers, on each side. And once you strayed, either to port or starboard, from those navigation lights, you were in trouble, because the channel was dredged, and outside these markers, the bay was not.

It seems to me the new university and college will be successful to the extent that it can navigate a winding channel marked by these paradoxes, these polarities.

All universities, it seems to me, public and private, are going to have to rely more in the future on private support. But all of them have to be increasingly publicly committed. So the new university will be increasingly privately supported, but increasingly publicly committed. The publics will become more private. The privates will become more publicly committed. And I think we shall see a merging of some of the characteristics between them.

Second, I believe a successful campus will be rooted in a locality, as it has traditionally been, but internationally oriented, because that's the only kind of orientation that makes educational sense; still more that gives our students the concern of global citizens that will carry them into the world of the next century.

That means that our student membership, our board membership, our contacts, our study abroad programs, our service programs, our research studies, all these will be locally rooted—not forgetting the local community, but will also have strong international connections.

Third, the new university will be academically independent, but constructively partnered. The pride of the American university and college has been its wonderful independence, its proud institutional autonomy. But no institution can do it all, and increasingly, it will be the quality of partnerships, the things we choose not to do ourselves, but to share with others, which will determine success.

The new university will be knowledge-based, but student-centered; research-driven, but learning-focused. And I say that, because it seems to me the great success of science and research in the last fifty years has been achieved at the price of care for undergraduates. I believe that has to change in both colleges and universities.

We must become much more student-centered, much more student-committed than we been. That doesn't mean diluting research, and it doesn't mean being soft. It means, in fact, that we must be research-driven, but learning-focused, technologically sophisticated, but community-dependent. And I don't mean by that "community" the external community; I mean the internal community, because the big casualty of the growth in size of the campuses and the growth in the power of the disciplines had been the community of learning.

Universities were invented in the Middle Ages by monks because they believed that they could promote their scholarship better in community than in the isolation of their cells. And the new cells we have created are called departments.

We need to rediscover and recreate the community which is the university, partly because knowledge demands it, partly because society demands it. The most exciting new knowledge occurs at the boundaries between the disciplines. And our societal problems don't come neatly wrapped in disciplinary packages. Community dependence will balance reductionism with integration.

The new university will be quality-obsessed, but procedurally efficient. We have pretended for far too long on the campuses that because knowledge is priceless, anything goes: money is no object. We didn't have to take efficiency seriously. That day has gone. The public has become intolerant of the constant increase in costs on the traditional campus. We shall neglect efficiency at our peril.

And finally, the successful campus will be professionally attuned, but humanely oriented. The tragedy of the professionalization of the campus has been the loss of influence of the humanities. This is partly their own fault, no doubt, because they've lost their way, and they have defeated themselves so often. But we need to address the humane questions, the overarching issues of life, if we are to have ethical practitioners and sensitive and responsible individuals.

Where does all this leave us? It leaves us with a kind of medieval map, but it also needs one more thing, and that's a compass for this journey. I believe the compass is an ancient one. And in the midst of technological revolutions, we shall succeed as trustees only by paying attention to this ancient compass.

My compass has four cardinal points. The first is this: that teaching is a moral vocation. Teaching affects the will as well as the mind. It is a vocation, a calling, rather than just a job or a career. Teaching is a moral vocation.

The second cardinal point: scholarship—research—is a public trust, made possible only by the understanding and support of the public who benefit from it. It is a public trust, and not simply a personal undertaking, with the overarching needs of society always there in the background.

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The third cardinal point: service is a societal obligation, for the campus as a whole, and for campuses at large.

And finally, freedom, balanced by responsibility, are the essential pre-requisites.

Those are ancient verities. There's nothing new about them on the campus. But they are the compass that will guide us through the landscape of the new century.

In the end, although we've talked a lot about institutions, our job as trustees is not with institutions, but with individuals. A century ago, John Henry Cardinal Newman said, "The university is not a mint, or a factory, or a treadmill. It is an alma mater, knowing her children one by one."

And that transforming alchemy is still the secret of the campus. The future leaders of the world are our students today. Captains of industry, artists, painters, musicians, parents, children, citizens, statesmen, poets, philosophers, anarchists, visionaries, dreamers, scientists, technologists—all these sit in our classrooms and work in our labs and play on our athletic fields. What an opportunity for the transformation of the world is provided by our students!

Alfred North Whitehead summed up what I believe is the task of the university simply and challengingly: "The task of the university," he declared, "is the creation of the future so far as civilized means of appreciation, and rational discourse can affect the issue."

That's what it is. It's not the transfer of information. It is the sharing of the flame. And that's why even in a landscape whose topography seems to change more rapidly than we can comprehend, leadership—your leadership—still matters. And that's why your gathering and this conference are of such lasting importance.

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