Introduction

Ladies and Gentlemen and Colleagues:

I am delighted to follow our Chancellor, The Honourable Brian Peckford, in giving a lecture in this Acsenda Series on Global Leadership. Mr Peckford titled his talk ‘Leadership: A Personal View’.

My title is ‘Leading Higher Education in Turbulent Times’. But you will get some personal views from me too. I spent 10 years as a university vice-president in three institutions and then 17 years as a university president in two countries. After those experiences I went and viewed higher education from a different vantage point as a senior functionary in two international intergovernmental organisations, UNESCO in Paris and the Commonwealth of Learning just down the street here in Vancouver. That career has given me views on leadership in higher education that I shall come to later. They continue to be nourished by my current part-time duties with organisations in Canada, China and the US.

Change in reality or change in perception?

It is a cliché that we live in a time of change. But in the case of higher education we should ask ourselves whether we are dealing with a change in the reality or mainly a change in our perception of that reality. The oldest university in continuous existence, the University of Bologna in Italy, was founded in 1088 at the beginning of the last millennium. Throughout the millennium universities prospered and multiplied. They have appeared to be models of constancy. 40 years generation ago Clark Kerr's Carnegie Commission wrote, in an oft-quoted aphorism:

'Taking, as a starting point, 1530, when the Lutheran Church was founded, some 66 institutions that existed then still exist today in the Western world in recognisable forms: the Catholic Church, the Lutheran Church, the parliaments of Iceland and the Isle of Man, and 62 universities... They have experienced wars, revolutions, depressions, and industrial transformations, and have come out less changed than almost any other segment of their societies.'
I was a student at two of those 62 universities. Indeed, I was a student in Paris in May 1968 when my fellow students tried to make a revolution. I confess that I stayed away from the barricades myself since I was just finishing my doctoral research at the time. It was rumoured that if the French police caught foreign students in the demonstrations they took them to the Belgian border and told them not to come back. That did not tempt me.

Those events in May 1968 gave rise to a longstanding misunderstanding in the press. Three years later, in 1971, US President Nixon made his historic visit to China and asked his host, foreign minister Zhou Enlai, what had been the impact of the French Revolution. Zhou replied that it was too early to say. The news media assumed that they were referring to the storming of the Bastille in 1789 and seized on this as an example of the Chinese amazing ability to take the long view. It was not until many years later that the interpreter who had been present at the exchange said that this was wrong, they were actually talking about the May 1968 student uprising.

Evolution or revolution?

But Zhou was correct that it was too early to say. In 1968 things returned to normal pretty quickly after De Gaulle went on the radio to tell the French to pull themselves together. As the orange poster here implies, things didn’t change much in the universities. It was evolution, not revolution and I believe that is how higher education will always operate. Steady evolution is the name of the game. But finding the right niche as the environment evolves is a bigger leadership challenge than joining a revolution.

The revered management guru Peter Drucker once predicted that in thirty years time the big university campuses would be relics. Universities wouldn't survive. He made that forecast 17 years ago and, despite the challenges that I shall describe in a moment, it’s hard to imagine the UBC campus being an archaeological site in 2027.

However, perceptions can change very quickly. I take the higher education system in the US as an example because Americans swing from extreme to extreme more readily than the rest of the world. Only a few years ago not only Americans, but also almost everyone else, considered it to be a truism that the United States had the world’s best higher education system. Yet only ten days ago an article in the Wall Street Journal, no less, announced that the US higher education system was broken. Some scholars have been predicting problems in the road ahead for some years. But now reality seems to have struck.

There are good figures available for the US public system, the state universities. These universities were built on grants of land made by governments many years ago. The system is widely admired and enrols millions of students, but what do the figures show? We can summarise them in 13 points, an unlucky number for a sad situation. This compilation is from my colleagues at Academic Partnerships, a company that helps state
universities go online to increase the scale and quality of their programmes. I am an advisor to the company.

1: Enrolment declined last year for the first time in 15 years – down by 2.3%. That means a quarter of a million fewer students.

2: Tuition fees have increased at between four and five times more than the inflation rate for 30 years. This has been an accelerating process.

3: Adjusted for inflation, the average middle-class American family earns $400 less than it did in 1988. But:

4: In 2012 universities raised fees by a record 8.3% making a 46% increase over the last ten years. Of course, one reason for this is that:

5: State funding declined a record 9% in 2012, down 30% per student since 2000. For that reason:

6: Tuition fees as a share of total public university revenue rose 62% over the last decade. Increasing fees is the easy way to try to balance the books.

7: In June 2013, the total of discounts given for tuition fees exceeded the total amount paid by parents. This is a 50% reduction from posted rates. Nevertheless:

8: Student debt has doubled since 2007. This is a now huge factor in the US economy because:

9: Student loans have topped one trillion dollars, more than all the credit card debt, total car loans or total household debt in America. Furthermore:

10: Last year default rates on student loans reached a high of 17%. In the US a student loan is one form of debt that you cannot wipe out by declaring bankruptcy. Some students will drag this debt to their graves. Because:

11: A record percentage of college graduates are unemployed when they graduate, 53.6%. Therefore to save money:

12: 45% of recent college graduates are now living at home with their parents. For graduates aged 18 to 34 the numbers living at home have grown from 13% to 21% in the last decade. And to cap it all:

13: 46% of U.S. college students do not graduate, although the extra income you get by having a degree is higher in the US than in almost any other country. In summary, these are indeed turbulent times, not only for US public universities but also for much of higher education globally. I’ve cited the case of US public universities because the data is available, but the article in the Wall Street Journal also notes that ‘private schools are facing a long-term decline in enrolment’. It also reports that, ‘even elite institutions (and some famous law schools) have not been spared’. Moody’s has
downgraded their credit ratings over ‘doubts about the viability of their high tuition/high overhead business models’.

The article concludes that: ‘what's really needed in U.S. higher education is major structural change. To remain viable, colleges and universities need to cut expenditures dramatically. For decades, they have ridden the student-loan gravy train; using the proceeds to build palatial buildings, reduce faculty teaching loads and, most notably, hire armies of administrators’. Another study concludes that most of the growth in higher education costs ‘comes from administrative bloat, with administrative staff growing at more than twice the rate of instructional staff’.

What does this mean?

I make three points here. First, this situation is, to some extent, peculiar to the US. The huge expansion of federally funded student grants and loans has encouraged public institutions to behave irresponsibly and has also cut down to size some for-profit institutions like the University of Phoenix, which recognized a gravy train when it saw one without thinking that it might hit the buffers.

Second, however, universities in other countries should not be complacent. Direct state support for institutions is falling everywhere, and those that respond simply by jacking up fees will face the US problem sooner or later. But I return to my earlier question of perception and reality. Are we look at making a correction after indulging in excess – a bit like the US housing market, or are we looking at fundamental change?

Third: either way, there has been a massive failure of leadership. There are thousands of higher education institutions in the US, yet you can count on the fingers of one hand or two the number of institutions that attempted to create new business models before the crisis hit rather than happily riding the student loan gravy train.

But I must stop picking on the United States. Universities there may be facing turbulent times but the world in general is also experiencing turbulent times. These have implications for higher education globally. We are fortunate to live in Canada, especially western Canada, but we must realise that many parts of the world have by no means recovered from the economic and financial crises that began five years ago.

A Crisis of Youth Employment

The worst feature of these crises is the high rate of youth unemployment.

Last year The Economist newspaper devoted a major article to this topic. It gave some alarming figures. This chart gives the numbers of young people who are neither employed nor in education or training. The Economist calculated that the world total of inactive young people is nearly 300 million – or one quarter of the world’s youth. Yet at the same time employers complain that they cannot find graduates with the right skills and competences. There is a serious gap between education and the job market.
What is higher education doing – and what should it be doing – about this huge problem?

The article concluded that:

“Policymakers know what to do to diminish the problem – ignite growth, break down cartels and build bridges between education and work. New technology gives them powerful tools too.” Higher education must focus on two parts of this advice, building bridges between education and work and using some of these powerful tools that technology provides”.

Let me summarise this context of turbulence with a Canadian analogy. This boat making its way through turbulent waters, which looks to have a lot of people on board, can stand for the many over-crowded universities around the world that are trying to make headway in stormy seas. You take this boat – some of you may have done so – if you want to get close to the bottom of the Niagara Falls and are prepared to get a bit wet. The boat is called Maid of the Mist. You can think of the water pouring over the falls as the challenges dropping down on higher education. Then think of yourselves as the people in the boat and note two features. First, they are surrounded by mist. They can hear the falls but cannot always see them. Second, there is a rainbow, signifying hope and reward somewhere. That summarises nicely the situation of those working in universities.

So what are the options that could help higher education’s leaders, and institutional communities generally, to get to the pot of gold at the end of the rainbow rather than going under the falls?

How is Higher Education Responding?

UNESCO organizes world conferences on higher education every ten years. The last one was held in 2009 and brought together 2,000 people with an interest in higher education from most countries of the world.

The participants at that conference identified the new dynamics impacting on higher education. The predominant trend is increasing demand, much of it unmet, especially in the developing world.

To address the challenge the range of providers is diversifying. They range from so-called ‘world-class’ universities in an elite tradition focused on research to vibrant new and different providers more focused on developing skills and competencies. The private for-profit sector is playing an increasing role and nearly all providers are making use of ICTs and eLearning, some of them to teach across borders. At the same time we see the emergence of what we shall call ‘post-traditional’ higher education. New curricula and shorter qualifications attempt to address the crisis in the relationship between higher education and the labour market.
The striking feature of diversification is that these trends are highly inter-related. Discussing any one of them leads quickly to the others. It is rather like pulling on one noodle in an overcooked bowl of spaghetti and getting more than you bargained for.

The role of technology

But The Economist said that new technologies are powerful tools so let’s focus on them. Technology may not be determining the nature of changes that can take place in higher education but it does speed up those changes. But here again we need to think evolution not revolution. We tend to hail technology in higher education as a revolutionary new phenomenon that started with the Internet. But technology has been transforming higher education for years. Even by the 1960s, the blending of technologies had begun to offer universities a rich communications environment.

The Open University

At the foundation ceremony of the UK Open University in 1969 the Chancellor, Lord Crowther, captured this in these words:

“The world is caught in a communications revolution, the effects of which will go beyond those of the industrial revolution of two centuries ago. Then the great advance was the invention of machines to multiply the potency of men's muscles. Now the great new advance is the invention of machines to multiply the potency of men's minds. As the steam engine was to the first revolution, so the computer is to the second.”

It is hard to overstate the impact of the UK Open University in laying the groundwork for the use of technology in higher education. Established with strong political support, it attracted worldwide attention for conducting high quality distance education at scale. The OU slogan ‘open as to people, open as to places, open as to methods and open as to ideas’ encapsulates this. Today the Open University has 250,000 enrolled students.

Yet despite its size it ranks 5th, one place above Oxford, in national assessments of teaching quality. This slide is dated because in 2004 the elite universities, who hated this assessment of the quality of their teaching, pleaded successfully with Prime Minister Blair to stop it! Note also, and this really is remarkable when you think about it, the Open University came top in last year’s nation-wide assessment of students’ satisfaction with their universities and it has never come lower than third in this annual UK survey.

I conclude from the history of the Open University that we can use technology to deliver high-quality education to large numbers of people. By calling itself ‘open’ the university was primarily concerned to open up access to study by enabling people to learn at a distance and eliminating academic requirements for admission. But there are, of course, other ways of making higher education more open.

Opening up the Curriculum
At the same time as the Open University opened, the great American educator Ernie Boyer, who was then Chancellor of the State University of New York, America’s largest university, set up Empire State College with the aim of opening up the curriculum.

Empire State College allows students to work with mentors to invent their own courses of study. Its slogan ‘my degree, my way’ captures this perfectly. It established the principle that with sound mentoring students could design credible programmes and courses for themselves.

Letting students do more to design their own curricula is not just a fancy liberal idea. New technology is unleashing a storm of ‘disruptive innovation’ that forces many workplaces to redesign jobs constantly. Higher education cannot adapt fast enough. Students alert to the changing world around them may be better than universities at seeing opportunities and identifying the skills that they require to take advantage of them.

Since Empire State College enunciated the principle of ‘my degree, my way’ there has been an extraordinary multiplication in the tools that students can use for this purpose, most particularly Open Educational Resources.

Open Educational Resources

The notion of making academic content freely available for re-use and adaptation made news in the late 1990s when MIT started putting its lecturers’ course notes on the Web. This was the extension to learning materials of the idealism that had already inspired open source software and open access to research materials.

UNESCO held a forum in 2002 to explore the implications of MIT’s initiative for developing countries. The Forum coined the term Open Educational Resources defined them as educational materials that may be freely accessed, re-used, modified and shared.

Ten years on, last year, UNESCO held a World Congress on OER. A set of recommendations on OER was developed and approved by acclamation at the Congress as the Paris Declaration. Its key recommendation – the punch line if you like – is to encourage the open licensing of educational materials produced with public funds. There are signs that some governments are already taking the Paris Declaration and the economic benefits of OER seriously. For example, our own province of British Columbia will now offer free, online open textbooks for the 40 most popular postsecondary courses and plans to extend this programme.

Making sense of MOOCs

A direct development from Open Education Resources that has captured the attention of the media much more than OER themselves is MOOCs – Massive Open Online Courses. What are we to make of this phenomenon? Is it a nine months wonder or a harbinger of things to come? It is a bit of both. I start with some background.
A MOOC is a Massive Open Online Course. OER were the long fuse that detonated the MOOCs explosion. Most MOOCs are basically learning resources with some computerised assessment questions.

The University of Manitoba, Canada, first used the term MOOC for a course Connectivism and Connective Knowledge in 2008. Two thousand members of the public took the course free online. But MOOCs really made news in 2012 when elite American universities such as Harvard, Stanford and MIT joined in.

I use the first MIT course, Circuits and Electronics, as an example. It was massive, attracting over 150,000 learners. It was open, meaning free and without admission requirements. It was online worldwide and attracted learners in 160 countries. You might question whether it was really a ‘course’ because if you passed the computerised tests you could buy a certificate of completion but you could not receive credit for use to study at MIT. That was in 2012. Since then there has been a stampede to join the mooing cows in MOOC herd.

This is a copycat phenomenon. Few universities have a clear idea of why they are offering MOOCs. Here again there is a failure of leadership. A senior officer at MIT told me last year that she kept asking her colleagues why they were doing MOOCs and no one could give her a cogent answer.

Professor Tony Bates, the internationally respected Vancouver-based blogger on educational technology, predicts a shake out in MOOCs this year as evaluation results come in and financial officers start to ask harder questions about cost and benefit. There is as yet no business model for MOOCs. I talked earlier about the inflation of tuition fees. However, re-pricing your product at zero is hardly a rational response to that excess!

Meanwhile, with so many providers piling in to offer them, the definition of a MOOC has become much more fuzzy. One joker remarked that every letter in the acronym MOOC is now negotiable. But in terms of the global economic and youth unemployment crises, this diversification is good. As MOOCs multiply they could reinforce some helpful trends.

Many of those taking the first MOOCs already had university degrees, so they provided informal professional development for well-qualified people. Two things are needed to make MOOCs more useful. First, we need MOOCs in employment related topics at all levels. Second, people need credible qualifications for successful study. Both are happening. The range of topics is diversifying fast and various bodies are giving recognition for MOOCs, even where they did not offer the course themselves.

Last November I had the honour of presiding at the launch of the Open Education Resource university, OERu, which took place here in British Columbia. The OERu is a growing global consortium of institutions. It is dedicated to helping students who want to do ‘my degree, my way’, by studying independently through OER or MOOCs or in other ways, to get tutorial support and proper recognition for their learning.
This is an example of the wider trend of the ‘unbundling’ of higher education, with different organisations handling different parts of the process.

**Three consequences of MOOCs**

Let us note three trends that are being accelerated by MOOCs.

The first is the move to online learning. Until recently online learning, like the rest of distance learning, was thought to be of low quality. This was often simply a dogmatic belief held by traditionalists. I showed earlier, using the example of the UK Open University that, done properly, distance teaching can be of higher quality than classroom lecturing. Today, the rush of Harvard, MIT, Stanford and company into online learning has finally shaken the traditional belief that distance learning is inferior. Online teaching and learning is now central to the future of universities.

The second trend is towards shorter courses. Online courses work best – that is to say students succeed better – if they are between five and six weeks in duration. This favours intense concentration on a particular topic.

We also note a third, related trend. The qualifications that define the output of higher education are being put into new bottles. New types of awards, such as Open Badges, are emerging. These badges, which are placed on the Web, carry more information about what was studied and how it was assessed than the usual university transcript. They allow learners to get recognition for short-cycle studies on economically relevant topics and to aggregate a series of badges into a conventional qualification such as a degree or a diploma.

I noted earlier that there are various new dynamics afoot in higher education but I shall content myself with these remarks about technology and not explore the others here. My Acsenda colleagues, for example, know far more about running for-profit higher education than I do. But in my view corporate structures are not all that important. All institutions have to make a surplus in order to survive. What happens to those surpluses is less important. It’s not obvious to me that putting them in the pockets of shareholders is less desirable than using them to build massive football stadia that are only used a dozen times a year.

**Collaborative Leadership**

So let me conclude with some remarks about leadership in this turbulent world of higher education, since that’s what you brought me here for.

First, having spent nearly thirty years in leadership posts in universities I am pleased to note that research does show that a key determinant of the quality and impact of institutions is the quality of their leaders. I don’t make a sharp distinction between leadership and management. For me leadership, management and administration are all part of a whole. All members of a university community have to exercise each of these
roles at one time or another. Institutions have to try to be good at all three, because weaknesses in any one of them will undermine the effectiveness of the others.

Good universities are challenging organisations to lead, manage and administer because they are composed of intelligent and relatively autonomous knowledge workers. Twenty years ago the heads of commercial enterprises scorned university managers as soft and consensual but today, as all businesses rely more on knowledge workers, business people understand that good universities can be leaders in 21st century management practice.

The bad news for autocratic leaders is that bright people ask intelligent and hard questions. The good news is that bright people develop good solutions to problems. The task of university leadership is to create a sense of common purpose, which we call a strategy. In a university full of bright people, developing a good strategy means paying attention to both content and process.

I find a simple quadrant helpful for illustrating this.

First, regarding the content of the strategy, you can have good strategies and poor strategies. Second, you need a process that makes the people in the university feel that they own the strategy.

Your aim, therefore, is a strategy that fits in the first box: a good strategy that the university community owns. You want to avoid box 4: a poor strategy with low ownership. But the most likely risk in a university is that you find yourselves in boxes 2 or 3. Box 2 may be a good strategy but the university feels no ownership of it. It is often called a consultant’s strategy – having been conceived outside the institution. The staff’s motivation for implementing it will be low. On the other hand, box 3 is a strategy developed within the university. It has high ownership but it is a poor strategy, probably because of too much groupthink. Hard choices were avoided in favour of compromise and mutual backscratching so no one will be inconvenienced.

How do you achieve a strategy in Box 1? In my experience you do it by collaborative leadership that combines bottom-up and top-down planning. From the top you must inspire the university with a vision of its future that fits the fast-changing technological environment. But you must also have a participative planning process that allows the university community to build a structure on the foundation of that vision.

It can be done. I believe that we achieved something like this in the UK Open University in the 1990s, thanks in good measure to the work of my Pro-Vice-Chancellor for Strategy, Geoff Peters, who was brilliant at making top-down and bottom-up meet. In that decade we doubled enrolment from 100,000 to 200,000 students and put £100 million of reserves in the bank. The stellar success of that institution today, as the world’s leading online university, suggests that those plans were a solid foundation for a new generation of technology.
I would also add that this combination of bottom-up and top-down processes is also the only way of creating a culture of quality within a university, because it gives people pride in achieving the goals that they have helped to articulate.

Conclusion

So, Ladies, Gentlemen and Colleagues, I conclude that higher education will only avoid the failures of leadership that I have mentioned by rediscovering collaborative leadership.

Collaborative leadership lessens the risk that institutions will fail because of comfortable groupthink by the faculty or irrational decisions by a president following the herd of his fellow presidents.

Collaborative leadership, through planning that combines bottom-up and top-down processes, can harness technological innovation to create universities fit for the 21st century and avoid the many traps that institutions are falling into at the moment.