

e-literacy: the need for leadership change in the business of higher learning

Tech and Communications

EgonZehnder

- When universities evaluate potential dean candidacies, they must also consider candidates who do not have purely academic backgrounds, given academia's current strategic challenges.
- Boards cannot remain as homogeneous as they are. Their obligation as universities' "observatory tower" demands that they be as diverse as the world in which they operate.
- Sophisticated chief technology officers need to come in-house over the next few years, as technology developments require a massive strategic shift as well as a step upgrade of IT systems.

Video streaming has made a perpetual student of each of us. Take a TED talk; add a quiz plus software that measures how well you did and how many times you had to rewind, slow down, or speed up the lecture; add on some form of accreditation; and you have an online course. As MIT's president Rafael Reif said in a recent interview with the New York Times: "I can see a day soon where you'll create your own college degree by taking the best online courses from the best professors from around the world — some computing from Stanford, some entrepreneurship from Wharton, some ethics from Brandeis, some literature from Edinburgh — paying only the nominal fee for the certificates of completion. It will change teaching, learning and the pathway to employment. There is a new world unfolding, and everyone will have to adapt."

The business of learning is being radically transformed: the way we teach, the way we learn, university revenue models and governance. The best-placed leaders to surf that transformation are those who confidently adapt to the new reality, navigate their institutions with nimbleness as competitors emerge, bring along all constituencies – faculty, students, donors, investors, employers, policymakers – and avoid parochialism by fostering diversity at the executive leadership and board level.

Technology transformations reach an inflection point

The use of technology in education has advanced significant innovation. Course materials are more interactive and better designed, putting pressure on static textbooks. One such provider, Pearson Education, feeling the pressure to innovate, has hired Adrian Sannier as VP of Product Marketing from Apollo Group, where he was Arizona State University Chief Technology Officer. Oracle has for years provided back-office administration software and student information systems to schools and universities. Innovators like Blackboard provide learning management systems that students now consider rote, allowing them to submit homework online and automating grading.

But perhaps the most exciting development over the past two years is the Massive Open Online Courses (“MOOCs”). Some of the most successful platforms have sparked from the Ivy League schools. Udacity, founded by Stanford’s Sebastian Thrun, utilizes a thoughtful, integrated model and develops courses in-house. There are about 20 active courses online so far, and 400,000 active users. Coursera, the 800-pound gorilla founded by Stanford’s Andrew Ng and Daphne Koller, operates like a hosting and software platform. It has nearly three million users and has partnered with over 60 schools. edX, an MIT and Harvard initiative founded by Anant Agarwal, offers online courses to both enrolled students and the general public, and seeks to measure and study the learning process. Inspired by these and others, Apollo Group recently partnered with IDEO to launch the Innovators’ Accelerator, a course that stages three world-renowned business professors (including Harvard’s Clay Christensen) and costs \$2,000 for a six-week, thirty-hour instruction.

Former Duke Executive Education Dean Blair Sheppard – who brought his school’s program to the top of executive education rankings for ten years running – recaps: “Academia looks at technology as a platform, but we need to think of it as a different way of conceiving the school. Companies like Salesforce, Google, or Facebook understand where the world is going, technologically. Their people have far-reaching vision we can learn from.”

Universities starting to adjust

Universities need to radically reshape their structures and practices to take full advantage of productivity gains and make the most of the tremendous impact they can have in the new technology-directed world. Today, massively more students are able to access learning. On-site, multi-year programs are no longer the only learning alternative. Remote schooling will yield a vastly different experience than the tight-knit social and cultural connectedness of the campus experience. However, while learning might take varied forms, only one aspect of teaching can be replaced. David Krakauer of the University of Wisconsin-Madison recently said in *Nature* magazine’s March 2013 feature article “Online Learning: Campus 2.0,” “What’s absolutely clear is that the very large lecture hall can be completely replaced... But there is also no substitute for a conversation.” Some schools focus on reinforcing this experiential learning that cannot be erased by MOOCs. For example, Stanford’s Graduate School of Business recently changed its teaching method to a multitude of small-group, quick, focused and intense modules. Former Stanford Dean Robert Joss, previously CEO of Westpac Banking Corporation, worked six years with faculty to achieve that strategic change.

The changing talent landscape

Not surprisingly, with technology taking center stage, CIO/CTOs are in high demand in education. New roles are being created, such as Vice Chancellor of Online Learning. Stanford just appointed John Mitchell to that role, while its Graduate School of Business has hired Nvidia’s CTO, Ranga Rayaraman. Big-data analytic expertise is also being prioritized.

Creating an administration with global perspectives is also becoming a strategic imperative. Many schools

have opted for geographically relevant regional boards to supplement boards of trustees whose composition often cruelly lacks diversity in nationality, gender and background. Tuck's School at Dartmouth has both a European and a Latin American advisory board. Wharton also has one for Asia, as does Chicago's Booth School of Business. Others like Harvard take it one step further, setting up local executive education offices. These require few resources and add credibility to the schools' engagement with regional students and employers and the global perspectives of its leaders.

Some schools are using new governance structures to attract new leaders, and operate with the flexibility of private sector enterprises. Berkeley-Haas' School of Business restructured its Center for Executive Education as a 501c3 so that it would be able to attract the caliber of executive talent compatible with that of the clients it seeks to serve. Dean Richard Lyons' expectations in "spinning-off" the center as an autonomous entity are high: "Business executives are the most demanding students. Our whole operation needs to be more in sync with their world. I am hoping that the Center will become even more of a vehicle of innovative curriculum for the business school than it already is."

The changing role of leadership

According to Stanford's Robert Joss, for a dean "the biggest opportunity is to get better; the biggest risk is complacency." The role of a school's dean is to craft a vision and connect all constituencies: faculty, students, alumni, recruiters, and the extended university.

Deans need to manage sustainable businesses. That involves maintaining a balance between revenues (attract students, run endowment, encourage alumni gifts, develop additional revenue models) and expenses (attract faculty, provide quality and effective learning experiences). Moreover, deans need to maintain a balance between the service the school is uniquely placed to deliver and the professional skill set the world requires of students: "What faculty wants to teach can, at times, be out of sync with what the world wants to hear," notes Blair Sheppard. This entails skill in balancing the faculty dynamic. Berkeley-Haas' Rich Lyons emphasizes that point: "It is critical for deans to understand and manage well the whole faculty dynamic. If it starts to sour, it can become irrecoverable.

We can't play CEO: we need to choose our battles and their timing." Deans also need to ensure that schools remain relevant in a fast-changing global landscape, avoiding parochialism at all levels; faculty, leadership and board.

Where to source the top leadership talent? Schools so far have chiefly hired accomplished professors to lead administrative roles, much like hospitals tend to place medical doctors at the helm. Harvard is known for exclusively promoting its own professors to dean positions: Nitin Nohria, HBS' dean, has been on the faculty since 1988, as had Glenn Hubbard at Columbia's business school prior to becoming its dean.

Professors indeed know about faculty and student life. However, they often have a weaker link with alumni, and employers, and are less experienced in managing staff. They also tend to be less sensitive to external market pressures and to the economics of the business. On the other hand, deans who were formerly in the private sector relate better to alumni and MBA students and are experienced in managing staff. They are most challenged in relating to faculty and understanding both the university and faculty culture. Stanford's business school is unique in that of its nine deans to-date, four of them have come from the private sector. The school has been very successful with that model.

The competencies required in deans are those of premium service professions:

- Results orientation and team leadership: an ability to focus on the right metrics and drive accountability in delivering results
- Strategic ability and change management: sharp insight into the evolving landscape, agility and wisdom in seizing the right transformation decisions and bringing constituencies along
- Collaboration and influencing at a global level - with professors, alumni, corporations, boards, regional boards, governments - requires intercultural sensitivity and a superior ability to empower diverse informal groups

The best candidates are individuals who have demonstrated professional expertise; but just as importantly, that they can also work effectively across cultures, are good listeners and can influence big personalities. These skills are often found in professional services firms that operate like partnerships. For example, Johns Hopkins University's Carey Business School approached McKinsey alumnus Bernard Ferrari to become its second dean. Berkeley-Haas Center for Executive Education has done the same, hiring another McKinsey alumnus, Derek Dean, as its Executive Director.

The university model founded in medieval Europe is challenged. As stated in the April 29, 2013 New York Times article by Tamar Lewin, "Colleges Adapt Online Courses to Ease Burden": "Traditional teaching will disappear in five to seven years as more professors come to realize that lectures are not the best route to student engagement and cash-strapped universities continue to seek cheaper instruction." University leaders need to be capable of leading them through stormy waters. Their boards, preparing their leaders' successions, need to think broadly and creatively about the talent they should consider and prepare to attract.



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