21st Century Academic Leadership: from the lecture hall or the boardroom?
21st Century Academic Leadership: from the lecture hall or the boardroom?

"As we look ahead into the next century, leaders will be those who empower others and embrace new technology."

Bill Gates, co-founder, Microsoft

Universities worldwide face unprecedented challenges. Higher education is now a global marketplace with fierce competition for students and resources. Meanwhile, new technologies enabling online courses to be delivered to an almost limitless audience are pulling down the final barriers. With intense pressure on universities to attract students, achieve excellent research and teaching results, and exploit new technologies within constrained resources, never has there been a greater need for outstanding leaders. Academic institutions are increasingly emulating business in seeking out talented leaders globally, often with diverse backgrounds to help them realise their ambitions for the institution.

"With intense pressure on universities to attract students, achieve excellent research and teaching results, and exploit new technologies within constrained resources, never has there been a greater need for outstanding leaders."

"The era of university entitlement is over," explains Professor Paul Johnson, Vice-Chancellor of The University of Western Australia. "The second half of the twentieth century represented a golden age of significant expansion of higher education systems, during which universities seldom had to make a case for public support; the funds just kept rolling in. Fast forward to the twenty-first century and everything has changed."

Governments, financially constrained, expect universities to shoulder their share of the financial burden, while employers want universities to become more responsive and less introspective, an engine for business growth and economic prosperity. Sir Tim Wilson, UK Government Advisor on Enterprise and Entrepreneurship in Universities, has called on universities to provide "high-level skills, a world-class research base and a culture of enquiry and innovation."

At the same time, students are questioning the value of a university degree, no longer seen as an automatic passport to a well-paid job. High unemployment among new graduates and rising tuition fees are driving many to seek ways of getting a foot on the work ladder as soon as possible. Online learning means there is time to catch up later, or fit in a degree alongside a career.
Those who are prepared to invest in an undergraduate degree expect to be taught by the best, and universities must continue to strike a balance between teaching and research, particularly at the UK's leading universities. Research, favoured by government funding since the 1960s, still absorbs some 60% of many academics’ time. Quoted recently in The Times, Professor Michael Arthur, President and Provost of University College London (UCL), said that his top global institution needs to improve its undergraduate teaching further if it is not to risk losing applicants. The student – now, more than ever before, a consumer – calls the shots.

But with threats come opportunities, and successful universities will capitalise on these shifts. Standing still is not an option.

■ A new kind of leadership?

This turning point needs decisive and persuasive management. Are the academics who have traditionally led universities the right leaders of tomorrow? Hasn’t the requisite skillset broadened? University leaders must still have academic credibility and commitment to the university’s values and ethos – but they need to be commercially and politically astute, outstanding relationship builders and strong communicators as well. Many universities are now large and complex multinational organisations: UCL, for example, has annual income of £900m and employs 10,000 people. Vice-Chancellors can be seen as CEOs who also have academic and research experience.

There’s no reason why academics can’t be just as entrepreneurial or comfortable with a balance sheet as those running FTSE100 companies: many career academics run highly successful universities. The point is that higher education leaders increasingly need a wider range of skills that are often most effectively (albeit not exclusively) honed in the business world. Looking at it from the other direction, this environment also creates a valuable opportunity for non-academics to contribute to higher education.

Recent appointments suggest that universities are casting their net more widely, and there is compelling evidence that attracting the right people from outside academia can bring new impetus. Sir Christopher Snowden, a former plc CEO with an academic track record, has taken Surrey far up the leagues tables, to eighth in the UK; Dr Richard Florizone, formerly at Boston Consulting Group and Bombardier, has been praised for his work at Dalhousie; and Hong Kong University of Science and Technology has snapped up Dr Eden Woon, a former Li & Fung executive, as its Vice-President.

Commercially minded leaders can breathe new life into academic institutions, especially those for which it is most important to stay ahead of technology. The relentless growth and success of Open University, for example, has been led by Martin Bean, formerly at Microsoft. Many of the challenges facing universities are the same as those facing the commercial world – greater competition for talent and customers, intensified by operating in a global marketplace with fast-moving technology – so it makes sense that leadership forged in business should translate into a university context.

■ Academic leadership still the norm?

Yet, academic leadership still dominates higher education. Research carried out by Odgers Berndtson found that university leaders overwhelmingly come from academic backgrounds. This is

“Vice-Chancellors can be seen as CEOs who also have academic and research experience.”
especially the case in countries with fewer universities, such as Sweden, Australia, the Netherlands, Hong Kong and Singapore, whose leaders come exclusively from the academic world. Some also have commercial experience: 70% of university leaders in the Netherlands, for example, have spent significant time outside academia, but mostly as board members, rather than at the executive edge.

Academics dominate US universities, too, perhaps unexpectedly so given that most split their leadership between a Provost (who runs the academic side) and a President (effectively a CEO) – a perfect opportunity, one might think, to hire someone from outside academia. But in fact the most common career path for Presidents of US universities was via the top academic post, that of Provost. There are, however, signs of a shift in favour of outside experience, with the proportion of Presidents coming from an immediate prior post outside higher education rising from 17% to 23% between 2007 and 2012.

The UK, on the other hand, has led the way in appointing non-academics to leadership positions in higher education. Nearly all university leaders are academics, but a high proportion (40%) has also spent significant time outside academia. Appointments from outside academia are becoming more usual, including Sir David Bell, from the Department for Education, as Vice-Chancellor of Reading; Sir Alan Langlands, CEO of the NHS, who was Vice-Chancellor of Dundee until 2009, and now of Leeds; and Bill Rammell, former UK Minister of State for Further and Higher Education, as Vice-Chancellor and CEO of Bedfordshire.

Universities are more adventurous when it comes to recruiting outside their own country, capitalising on a larger talent pool that is increasingly willing to relocate. Companies understand that staying ahead in a competitive economy requires the best global talent: more than a third of serving FTSE 100 Chief Executives and Chairs were born outside the UK. Universities, too, are recognising the value of international students, partnerships and leaders. High-profile trans-national appointments include Professor Ed Byrne moving from Monash to King’s College London; Professor Calie Pistorius from Pretoria to Hull; Professor Louise Richardson from Harvard to St Andrews; and Professor Andrew Hamilton from Yale to Oxford.

Most universities, however, are led by locals. Odgers Berndtson found that the universities in Hong Kong and Sweden are headed exclusively by Chinese and Swedish nationals, respectively; and 95% of the Netherlands’ university heads are Dutch. In Canada, 21% are of international origin, although all are Canadian citizens. At the other end of the spectrum, Australia stands out, with 36% of its 39 universities led by international leaders.

Universities are also conservative when it comes to gender: Vice-Chancellors are predominantly men. No university in Hong Kong and Singapore has a female leader; while in North America, Europe and Australia, at least 75% of university leaders are male – and often more: 86% of the UK’s universities have male leaders. Sweden is a notable exception, with women leading just over half of its 17 universities, compared with about 10% in 2003. This shift reflects a concerted effort to identify and promote female university leaders in Sweden over the past decade, with financial investment to support a women’s leadership network.

“Companies understand that staying ahead in a competitive economy requires the best global talent... Universities, too, are recognising the value of international students, partnerships and leaders.”

An international leadership pool

Companies understand that staying ahead in a competitive economy requires the best global talent: more than a third of serving FTSE 100 Chief Executives and Chairs were born outside the UK. Universities, too, are recognising the value of international students, partnerships and leaders. High-profile trans-national appointments include Professor Ed Byrne moving from Monash to King’s College London; Professor Calie Pistorius from Pretoria to Hull; Professor Louise Richardson from Harvard to St Andrews; and Professor Andrew Hamilton from Yale to Oxford.

Most universities, however, are led by locals. Odgers Berndtson found that the universities in Hong Kong and Sweden are headed exclusively by Chinese and Swedish nationals, respectively; and 95% of the Netherlands’ university heads are Dutch. In Canada, 21% are of international origin, although all are Canadian citizens. At the other end of the spectrum, Australia stands out, with 36% of its 39 universities led by international leaders.

Universities are also conservative when it comes to gender: Vice-Chancellors are predominantly men. No university in Hong Kong and Singapore has a female leader; while in North America, Europe and Australia, at least 75% of university leaders are male – and often more: 86% of the UK’s universities have male leaders. Sweden is a notable exception, with women leading just over half of its 17 universities, compared with about 10% in 2003. This shift reflects a concerted effort to identify and promote female university leaders in Sweden over the past decade, with financial investment to support a women’s leadership network.
So who should lead our universities? The academic versus business debate seems to be more controversial than the issue of getting more women to the top academic positions, or boosting cross-border recruitment. Does universities’ apparent risk aversion really matter?

Not at all, say those who believe that academics make the best university leaders. In her book ‘Socrates in the Boardroom’, Dr Amanda Goodall of Cass Business School argues that being a good manager alone isn’t enough: leaders should have a deep understanding of the core business of the organisations they are to lead. The core business of a university is striving for academic excellence, not maximising profit, and its success is measured in terms of enhanced stature and reputation, not a rising share price. University leaders who are scholars understand the core business. Queen Mary University of London, for example, jumped 35 places up the league tables under Sir Adrian Smith (an internal appointment as well as an academic one). Having grown up through the system, academics have earned their peers’ respect and are well-placed to understand how the sometimes arcane academic world works.

Positions of university leadership may still be dominated by academics, but fewer are now taking the traditional route working their way up the same organisation. Odgers Berndtson found that fewer than half of current university leaders were internal appointments, and in some countries, significantly fewer: in Australia (also marked by relatively high international leadership), only one of its 39 Vice-Chancellors has been internally appointed. This compares with just 14% internal appointments in the UK and Hong Kong (one post), and 26% in Canada. Only the Netherlands showed high levels of internal promotion to leadership, with 80% of Vice-Chancellors internally appointed.

Whether via internal promotion or international search, academic leadership is the norm at universities worldwide. How can universities ensure that the familiarity of an academic leader doesn’t breed resistance to change? As Henry Ford said, “If we do what we’ve always done, then we’ll get what we’ve always got.” How can world-class universities make sure they are supported by a top-rate administration?

Shared leadership and the non-executive team

One solution is to have a commercial leader alongside an academic one. Many would argue that the debate of academic versus business leader misses the point: why not have both? The split leadership model is already well-tested in the US, and may gain traction elsewhere as the demands on leadership increase. In April 2012, Imperial College London split its leadership between a Provost, responsible for education and research, and a President and Rector, who oversees the whole institution.

Again, opinion is divided: supporters claim that academic credibility and first-class business acumen are not easy bedfellows, and that splitting the roles attracts greater expertise in each area. Opponents fear that the academic role will be side-lined – the Provost does, after all, typically report to the President and Rector, effectively the CEO – and that the arrangement can lead to a lack of clarity in reporting lines.

Where there is just one leader, forming the right non-executive team is essential: gaps in leadership expertise can be filled at this level. Universities are not led by a Vice-Chancellor alone. Just as FTSE 100 companies rely on a Chair and Board, so universities rely on a Chair and Council
Members. Many, if not most, Council Chairs come from a business background, and understand the rigours of managing a capital programme as well as the importance of forging relationships with government agencies and others. In a deregulated funding environment, the role of governance and Council are becoming increasingly important: Council Members, unremunerated and often unsung heroes, add real depth and breadth – and an independent view – without encroaching on the academic mission or upsetting traditional hierarchies.

The executive team is also being reshaped. Specialists in areas such as marketing, estate management, IT and HR can be recruited, or existing roles extended so that the Registrar, for example, becomes a quasi-COO. On the academic side, too, responsibilities are being devolved, as at the University of Hull, where three Pro Vice-Chancellors lead Learning & Teaching, Research & Enterprise, and Engagement. As the demands on academic leaders become more complex, so do the teams supporting them, executive and non-executive.

### Becoming more business-like

Opinions differ, and they always will. However, one thing is certain: whatever their backgrounds and whatever their university’s leadership structure, higher education leaders must be more business-oriented and outward-looking than ever before.
These pressures will increase as universities identify their niches and establish their position within them. In his IPPR report ‘An Avalanche is Coming’, Sir Michael Barber outlines five possible university models, including the Local University, community-based and playing a key role supporting the local economy, and the online-delivered global Mass University.

In an age of intense competition, this process of unbundling will allow universities to be more much clearer about what kind of education they are providing. Following a phase of homogenisation (in the UK at least, where polytechnics were subsumed into universities, losing their technical differentiation in the process), specialism is on the up. Some universities will focus on producing their own, cutting-edge research, while others will adapt globally-developed content for their students; some will be collaborative, others exclusive; some global, others local; some concentrated on undergraduate study, others on lifelong education. Each will require different kinds of leadership.

Conclusion

Clearly, the leadership recruitment priorities of a world-renowned, research-intensive university will differ from those of one focused on widening participation and improving employability. Those universities will not fish in the same ponds for their next generation of leaders, and nor should they. One thing of which we can be sure, though, is that all universities, even those with a more local outlook, are operating in a truly international market when it comes to recruiting their leaders – and one that goes beyond academia.

The universities who will thrive in the twenty-first century will turn threats into opportunities. They will harness globalisation, turning it from a war for talent – students, leaders and academics – into an opportunity to recruit from a far bigger pool. They will seize new technology as a way of reaching a far wider audience, thirsty for high quality content: after all, the intellectual capital still has to come from somewhere, and in today’s information-deluged world, people are relearning the value of quality over quantity. And they will see the rise of the consumer as a chance to establish a well-respected brand that people are prepared to pay for, whether they are students or employers.

The universities of the future might be led by a world-class academic, a high-flying business executive, or a combination of the two. There is no single right answer – but those who stand still now risk finding themselves moving backwards before long. Avalanches rarely announce their arrival but when they come, the impact can be devastating for the unprepared.

“Education is the most powerful weapon which you can use to change the world.”

Nelson Mandela

This paper is based on Virginia Bottomley’s address to The World Academic Summit 2013 in Singapore. Organised by Times Higher Education and Nanyang Technological University.
The Team

UK

Baroness Virginia Bottomley
Virginia Bottomley chairs the Odgers Berndtson Board Practice. The practice conducts global searches for chairs, chief executives and non-executive directors for plcs and private companies.

virginia.bottomley@odgersberndtson.com

Fatima Koumbarji
Fatima Koumbarji is Chair of the Education Practice in London. She is an experienced search consultant delivering senior appointments across a breadth of educational and training providers.

fatima.koumbarji@odgersberndtson.com

Stephen Crookbain
Stephen Crookbain is Head of the Odgers Berndtson UK Education Practice. He has over ten years’ senior recruitment experience across a wide variety of different sectors.

stephen.crookbain@odgersberndtson.com

Richard Heeks
Richard Heeks is a Consultant in the Education Practice. He has considerable experience of appointing to executive and non-executive leadership roles in a number of sectors and functional areas.

richard.heeks@odgersberndtson.com

Asia Pacific

Julie Steiner
Julie Steiner is a Managing Partner in the Sydney office of Odgers Berndtson where she leads the Education practice.

julie.steiner@odgersberndtson.com

Cecilia Tsim
Cecilia Tsim is Managing Partner of Odgers Berndtson, Hong Kong. A certified Hogan Leadership Assessor, she has over 30 years’ human resources, coaching, management assessment and executive search experience.

cesilia.tsim@odgersberndtson.com
**Americas**

- **Gerri Woodford**
  A partner in the Toronto office, Gerri Woodford has more than 25 years’ experience in higher education and a deep understanding of the search process in an academic setting.
  gerri.woodford@odgersberndtson.ca

- **Colleen Keenan**
  Colleen Keenan is a Partner in the Toronto office, where she leads successful senior level searches in the education and academic sector.
  colleen.keenan@odgersberndtson.ca

- **Steve Potter**
  Based in New York, Steve Potter is the Managing Partner of the US business of Odgers Berndtson.
  steve.potter@odgersberndtson.com

**EMEA**

- **Monica Ekvall**
  Monica Ekvall is a Partner in the Stockholm office of Odgers Berndtson.
  monica.ekvall@odgersberndtson.se

- **Ed van der Sande**
  Ed van der Sande is a Senior Partner in the Amsterdam office of Odgers Berndtson.
  ed.vandersande@odgersberndtson.nl

- **Leon Ayo**
  Leon Ayo is a Partner and Chief Operating Officer of Odgers Berndtson South Africa based in Johannesburg. He works within all industries and sectors in the Sub-Saharan Africa region.
  leon.ayo@odgersberndtson.co.za
About Odgers Berndtson

Odgers Berndtson is one of the leading international executive search firms and the largest in the UK. Our reputation for excellence and integrity has been established over 40 years. We act as trusted advisors to clients who need help recruiting for important positions.

Odgers Berndtson’s Board Practice is responsible for some of the most important recent Chairman and Non-Executive Director appointments as well as for executive board roles.

As part of a truly global firm, the Board Practice spans all major markets. We work with a wide range of FTSE and AIM-listed companies, international groups, private equity-backed businesses, family-owned organisations, and small and medium sized enterprises.

We have a thorough understanding of board and committee structures, and board dynamics. Our team includes experienced directors of publicly quoted and privately held companies. In short, we know how boards work.

Odgers Berndtson has been an influential voice in the corporate governance debate. We understand how the principles of good governance, applied practically and not by rote, can help create strong, effective boards that add real value to an organisation.

Our wide experience and deep knowledge is brought to bear on every board appointment we undertake.
International Executive Search and Assessment in 30 countries across the world

**Americas**
- Brazil
- Canada
- Peru
- United States

**Europe**
- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Italy
- Netherlands
- Poland
- Portugal
- Russia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom

**Africa, ME & Asia Pac**
- Australia
- China
- Japan
- South Africa
- India
- Singapore
- United Arab Emirates
- Vietnam

Content © Odgers Berndtson