

**TALES OF TURNAROUNDS:
Servant-Leaders Making a Difference at Universities**

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Good morning! Thank you for the opportunity to speak with you this morning about servant leadership in higher education.

I'd like to begin by thanking all the people who made this conference possible. Dr. Scheibler took the initiative, and was joined by Dr. Kyte and Dr. Thibodeau in planning the event. Our summer intern from Depauw University, Courtney Knies, worked on the detailed arrangements, and sent out the first flyers. When Courtney went back to school she passed the torch to our new Executive Assistant, Lisa Jones, who is here helping us today, along with LeAnne Yoder from our office, who brought books and materials for those who are interested in making some purchases. I am delighted that a friend and former staff member, Julie Beggs, agreed to speak at lunch, and our Board chair, Dick Pieper, agreed to speak this afternoon.

This LIFE conference is an important opportunity for us at the Greenleaf Center to connect with all of you, to share some of our ideas, but more importantly, to learn what you are doing and how we can connect and be of service to you on your servant leadership journeys. So thank you all for being here. We look forward to building our relationship with you.

Hard times

Several months ago, when Sam suggested that I speak, I decided to talk about how effective servant leadership is during hard times. That was before the financial crisis became evident—before the stock market plunged, and Congress began work on a bailout. I don't know what you have been thinking in light of our economic situation, but we know that our ability to serve others depends on our resources. What will it be like at our colleges and universities if there is an economic meltdown? What will happen to financial aid, research grants, donations, and enrollments? If government cuts its funding, and donors hold back,

and students decide to skip a semester or two because they no longer have money for tuition, campuses could be hard hit.

So recent events highlight the question that I would like to address, which is this: How well does servant leadership work when times are tough? My experience is that servant leadership works *better* than other leadership models or styles when times are tough.

After all, when times are tough, you have to make difficult choices, and it really matters how and why you make those choices. Servant leaders make choices that focus not on themselves, but on the needs of the organization and the people the organization serves. Staying closely connected to those needs is the best way to survive and then thrive.

By contrast, when decisions are made on the basis of politics and personalities, the institution can easily become disconnected from its mission and those it serves. The institution can become less relevant, and lose its way. When there is little focus on who is being served, and how they can *best* be served, the institution's future is in doubt.

Tales of Turnarounds

My specific topic this morning is “Tales of Turnarounds: Servant-Leaders Making a Difference at Universities.” I apologize—I am afraid this is going to be a standard 50-minute college lecture, but that should still leave us time at the end for questions and discussion.

Here is what I plan to talk about. I will begin by reporting on a research project that I was involved in many years ago, and then I will describe my own experience as president at Chaminade University from 1989 through 1995. Finally, I will make some observations about servant leadership in higher education. All of this will be in the context of universities facing crises—especially financial crises that could lead to the extinction of the institution.

About ten years ago, a friend and colleague, Dr. Edward Kormondy, approached me about doing research on presidents who led turnarounds at their universities. We knew that such presidents do not necessarily solve all of their institution's problems, nor do the problems they solve *remain* solved. However, these presidents led teams that saved their institutions from extinction and moved them far enough forward so that they could build a new future.

We are interested in the topic because there is an ongoing need for presidents who lead turnarounds. While we like to think that institutions of higher

education are forever, we know that colleges and universities have lived and died in large numbers since our country was established. Historians estimate that approximately 700 colleges died between the founding of our country and the year 1860. More recently, 583 colleges and universities closed between 1966 and 2006, a mere 40-year span. A total of 89 closed between 2000 and 2006.

Now, it could be argued that this is completely normal and even in some way desirable—institutions come and go, old ones die and new ones are born. But the death of an institution is usually painful, and involves the dislocation of hundreds if not thousands of people, as well as significant losses of resources. To the extent that colleges or universities die due to poor leadership, it is worth asking how better leadership might have helped them to survive and then thrive again.

Research on Presidents Who Led Turnarounds

To get started on our research, Ed asked the regional higher education accrediting associations to identify presidents who in their opinion had led turnarounds at their institutions. We sent survey instruments to the presidents they identified. Thirty-six presidents, including Ed and me, filled out the survey. Ed followed up with in-depth personal interviews with nine of the presidents. A summary of our results was published in the May 2001 issue of *Trusteeship*, a magazine produced by the Association of Governing Boards of Universities and Colleges.

We then drafted and redrafted a book based on our findings. Ed worked hard, with ferocious tenacity, to get the book published. I lost count—he probably submitted the manuscript to 30 publishers over several years. I am in awe of his tenacity. Happily, the book reporting on our research was published just this year, titled *Nine University Presidents Who Saved Their Institutions: The Difference in Effective Administration*. That wasn't our title—our title was *Tales of Turnarounds: University Presidents Who Made a Difference*. We also gathered data from 30 presidents, but Ed did in-depth interviews with nine, so the publisher went with the nine. Unhappily, the book is being sold for the immodest price of \$109.

The presidents that we surveyed were in some very tough situations. For example, eleven days after Don Averill arrived at Palo Verde College in California, his institution was put on probation by the accrediting commission. He was given only 6 months to turn everything around.

Thomas deWitt started work at Lasell College in Massachusetts when enrollment was at a 30-year low. There were 43 buildings for 393 students. Many

of the buildings were empty. The budget was being balanced by selling college property.

Robert Knott arrived at Tusculum College in Tennessee and found a \$1.6 million deficit that nobody had mentioned before he arrived. He discovered that there were no accountants in the business office.

Garry Hays took on United States International University in San Diego when it had a \$28 million debt and was already in Chapter 11 bankruptcy. He had only a year to turn it all around to meet the terms of a court-approved plan.

Alan Guskin found Antioch College in Ohio with closed buildings and an enrollment of 400—down from 1200 in earlier years. The college was essentially bankrupt, a year away from closing. The college wasn't paying its bills, wasn't paying taxes, and was borrowing money from trustees. Ten to 15% of the tuition wasn't being collected. At the same time, departments were overrunning their budgets.

When Jerry Lee assumed his position at National University in La Jolla, California he found trouble with faculty governance, accreditation, litigation, and an accounting system that couldn't track payables and receivables. When he began to make changes, somebody fired a bullet through his office window. His son, who was three years old, had to have an armed guard to escort him to and from kindergarten each day.

What did we learn from the survey? Thirty-one of the 36 presidents we surveyed found that the major issue that they encountered was a lack of institutional and program planning. *Their institutions simply didn't know where they were going.* That was the biggest single issue. They had lost their focus on who they were serving.

What did these presidents do to turn their institutions around? Nearly all of the 36 presidents said that they immediately held in-depth meetings with faculty, staff, and board members. Twenty-five of the presidents reorganized the administration, while a smaller number cut the budget, retained consultants, and froze all expenditures. Those were the immediate steps they took.

When it came to long-term strategies, 32 of the presidents mentioned long-range planning or strategic planning. That made sense, because the major issue was that the institutions didn't know where they were going. When asked what strategies were *the most effective* in turning their institutions around, the largest number of responses related to general organizational development. Within the category of organizational development, the largest number of responses related to

appointing or restructuring the senior management team. They knew they needed a new approach and a new leadership team at the top.

Joining Chaminade University

That was certainly my experience as the president of Chaminade University. We needed a new approach to leadership, and a new leadership team at the top, if we were going to survive and then thrive. Fortunately, three months before becoming president, I read Greenleaf's classic essay, "The Servant as Leader." Reading that essay changed my life, and it dramatically changed my approach to the presidency at Chaminade University.

Let me tell you what I know about how it happened. I ask your indulgence here—I want to paint a fairly complete picture. While this is the story of only one campus, my guess is that some of you will recognize problems that you have been through, and perhaps are *still* going through.

Chaminade University of Honolulu is a Catholic, Marianist institution, that was established by the Society of Mary in 1955. I was told that during 1988, the Board of Regents—the governing board of Chaminade University – sought a Marianist who would succeed the Marianist Father who was then the president. There were about 1800 Marianists around the world, and none of them was willing and qualified to accept the challenge. The bylaws were then changed, so that the president did not have to be a Marianist. I was told that 200 applications were received, and were narrowed down to three candidates, who were interviewed on the same day in February 1989. At the end of the day, there were no candidates left.

The following month, the accrediting agency, the senior commission of the Western Association of Schools and Colleges or WASC, sent a team to Chaminade. That visiting accreditation team found 41 shortcomings—more than enough to put Chaminade on public probation. Public probation would have killed the university, because no student wants to attend a university that is in the process of losing its accreditation.

WASC knew that public probation would be the death knell, and their Executive Director, Dr. Steve Weiner, didn't want to kill the university. He was willing to put Chaminade on private warning, in order to give the board time to find a new president who might be able to turn things around. The board was trying to find that new president, but after nine months of advertising and interviewing, they still had nobody.

After two months of having nobody, a member of the Board of Regents called me on a Friday afternoon to ask me if I would be interested in being president. “This may be the most off-the-wall thing I’ve ever said to you,” the Regent commented, “but how would you like to be president of Chaminade University?” I said it was a great compliment to be considered, but I was happy building the new Mililani Technology Park for Castle & Cooke. I thanked him, and declined.

The following Monday he called me and said that my answer was unacceptable. I had to at least go to lunch with him and another Regent and listen to what they had to say. So a week later I was at lunch, listening. I was attracted to the mission and values of the university. We talked about the Marianist commitment to social justice, ethics, nurturing families, and building communities. I asked to walk the campus, and I studied documents. I read the WASC accreditation report several times. It was sobering, but it was very clear. I let the Regents know that I was genuinely interested. Two weeks later, I was appointed president.

I may have been the first president of a university to be certified by the Board as “better than nobody.” I agreed to serve for three or four years, and stayed instead for six years.

I was the extreme case of the outsider. I had been an attorney, a state government official, and a high tech park developer, but I had never been a faculty member, or Dean, or Vice President for Academic Affairs. In addition, it was a Catholic university, and I am not Catholic. As a local editorial writer put it, I was the first lay president, the first Protestant president, the first married president, and the first president to be a father with a small letter “f” instead of a capital “F.”

Actually, I think I was the first Protestant president of any Catholic University in the cosmos. However, I want you to know that when I was the Protestant president of a Catholic university, the president of Southern Methodist University was a Catholic, so it all balanced out.

An overview of the challenge

Let me give you an overview of the challenge that faced us at Chaminade University.

People on campus, as well as professionals off campus, didn’t think that we could pull it off. Two weeks before I assumed the position, I got a call from Dr. Steve Weiner, the Executive Director of WASC. He said he would be in town, and he wanted to chat with me. He invited me to the Royal Hawaiian Hotel for a drink

out on the lanai by the beach. He had been involved in the WASC accreditation visit that found sufficient grounds for putting Chaminade on public probation. When we finished our small talk, Dr. Weiner leaned across the table toward me, looked me in the eye, and said: “Prepare to fail. There may not be enough time, or resources, or human will, to save Chaminade University.”

I learned later that Steve Weiner was one of the optimists. Members of the WASC Commission would have simply told me that we were going to fail for sure. It was too late. What needed to be done just couldn't be done.

Obviously, I didn't agree. On my second day on the job, we had a planning workshop with Regents, faculty, and staff. We came up with a plan that directly addressed all 41 of the major concerns articulated by WASC. Implementing that plan was the most important thing that any of us did during the following three years.

The WASC team report was a gift of immense value. It meant that we didn't have to spend much time wondering what to do. Half a dozen professionals in higher education had come to our campus; fanned out among the departments and programs; interviewed faculty, staff, and students; and studied documents. Their recommendations told us what we had to do to keep accreditation, and they told us in detail. The challenge was defined, and our survival was at stake. We had focus, and a sense of urgency.

A month after that first workshop, we held a retreat for the Board of Regents. It was at that retreat that most board members learned for the first time what was in the WASC report. The previous president didn't show them the report, so it was my job to break the news. We presented the 41 negative findings in the morning, and the board looked pretty shocked—their eyes sort of glazed over. Then, after lunch, we presented the Action Plan we had prepared to address the negative findings. Board members were still shocked, but they could see where we needed to go and how to get there.

We had a lot of issues to address. We were vastly overstaffed, and the staff we had were vastly underpaid. We had 210 full-time employees, and 900 full-time students. The average staff salary was \$19,000 and the average faculty salary was \$26,000—and that included senior faculty who had been there for 25 years. It was worse than pathetic, especially when you take into account the fact that Hawaii has one of the highest costs of living in the United States.

Meanwhile, we were trying to do too much. We were teaching 425 courses per year for 900 full-time undergraduate students. We taught 80 classes each year

that had fewer than 8 students—most of them between 4 and 6 students—and those were undergraduate *lecture* classes, not graduate seminars.

One way the budget had been “balanced” was by the time-honored technique of deferring maintenance. The Vice President for Finance & Operations thought that the deferred maintenance was somewhere between \$3 million and \$5 million. That was a lot for an institution our size.

I didn’t know it then, but the full-time day student enrollment had been dropping during the previous five years, and that was our biggest source of revenue. While the day session enrollment was dropping, the university’s operating budget had doubled in the same five years. The rapidly declining day session enrollment and rapidly rising operations budget were leading to financial disaster—those two lines were going to cross, and they did, five months after I started work.

For the next four years, nearly half of all payrolls were in doubt until the last day or two. I believed that if we missed payroll even once, the rumors and lack of confidence would spread, and we would be on a downward slide from which there might be no recovery. My stomach never stopped churning during those four years.

Fortunately, we never missed payroll. However, during the worst cash flow periods, I had to sit down and go through trays of checks made out to our vendors, deciding which ones we had to pay now, and which ones we could hold off for a while longer. It was not fun. One day, we were four hours from payroll, and were still short, so I went home, got the checkbook for my personal line of credit, and wrote a personal loan to the university, so we wouldn’t miss payroll that day.

The financial situation was made complex by the governance situation. We were impacted by the decisions of three connected but legally independent boards. The Chaminade University Board of Regents was responsible for the daily operations of the university. However, the university did not own any of the land or buildings we used—they were controlled by the Board of the Marianist Center of Hawaii, made up of Marianist brothers and priests as well as a few laypeople. We had to go to that board when we needed to borrow money, because they had all the collateral.

Then there was the Advisory Board of the Marianist Province of the Pacific, which was located in California, and advised the Marianist Provincial, who served on the Marianist Center Board. The Advisory Board in California could be more influential with the Board of the Marianist Center of Hawaii than the advice of the Chaminade University Board of Regents. Some people were on

two of the three boards, but my recollection is that nobody was on all three. On major issues, the staff had to make its case before two local boards and a Mainland advisory committee.

Meanwhile, the financial accounting system was a mess. There were two different computer software systems, one at the bookstore and food service, and the other in the business office, and they didn't speak to each other. There were also manual accounting systems. And the Vice President for Finance didn't write everything down. I asked him one day what was the dollar total of the purchase orders we had outstanding. He said about \$100,000. I asked for a list of the purchase orders, and he pointed to his head. "It's all up here," he said. I suggested that it would be nice to have it "all down here," on a piece of paper.

The financial system was all very primitive, so it was very difficult to get accurate information. Our accounts were so bad that our auditors had great difficulty conducting our audits. In fact, it generally took two years for the auditors to complete an audit. Without reliable data, we focused on cash flow, and cash flow was miserable.

The lack of reliable financial data drove me and the Board crazy. Unfortunately, the financial system was so hopeless that nobody wanted to come to the university to work on it. In the meantime, we couldn't make good decisions when all we had was a combination of no data, incomplete data, and absurdly old data. Rebuilding the financial system was a long-term agony of the first order.

We were in a financial crisis, and rumors were flying. So one day, I took the top 30 faculty and staff leaders into a classroom, and gave each of them a complete copy of the university budget. For nearly four hours we went through the entire budget, line by line. When we finished, everybody knew that *nobody had anything*. We were stripped to the bone everywhere. That killed a lot of the rumors, especially the rumor about the million-dollar athletic slush fund.

I worked hard to share information. We had open meetings of the faculty and staff each month to make announcements, report on our progress in meeting the targets in the action plan, celebrate successes, and face up to difficulties. But some information could not be shared. We did not share the fact that we were barely able to meet payroll, nor that we were at risk of losing our Directors & Officers liability insurance, or that we couldn't pay all our bills. In my judgment, that kind of information would have generated so many negative self-fulfilling prophecies that it would have brought us down. My job was to generate *positive* self-fulfilling prophecies. To do that, I had to be calm, confident, and cheerful at all times, even when I felt the earth falling away beneath my feet. I honestly acknowledged the problems, but I continually emphasized the solutions.

One of the realities of attempting a turnaround is that the people who led you into the crisis are probably not the people who can lead you out of it. We needed to bring in new leadership at all levels. However, after being honest with people about the situation we faced, it was difficult to get qualified people to come on board. They could get higher pay elsewhere for less work, less stress, and less professional risk. In spite of this immense disadvantage, during my first three years we were able to install all new vice presidents, all new deans, and all new graduate program directors. I give them immense credit for their willingness to take on these leadership positions during a time of turmoil and doubt.

The Change Process

By my estimation, there were about 40 faculty, staff, administrators, and board members who were totally committed to transforming the university so that it could survive and thrive. There were a couple of hundred others who were not fully engaged or committed. Finally, there were probably 40 or 50 who did not want things to change, and were so adamant on that point, that they genuinely preferred that the university close, rather than become something they believed it shouldn't become. These people fought every change, every step of the way. No decision was too small to be controversial.

Opposition to change of any kind is normal. But we had to bring off a whole series of changes, and it was possible to do it all wrong. That is why opposition to change was so understandable. After all, there were two ways for Chaminade University to die—one, by collapsing and going out of business, and the other, by being transformed into something totally foreign to its mission and values. Our leadership challenge was not only to move the university forward but to bring its mission and values with it.

One of our disadvantages was that we had to move on all fronts at once. We had 41 negative findings to address. There was no time to make a change in just one area, step back and see how it went, and then make adjustments before trying another area. We had to bring about change in dozens of areas simultaneously. Because most of the areas were inter-related, that raised the potential for chaos and unintended consequences.

One of my biggest challenges was to gauge how much change the campus community could take. If we moved too fast, and left too many people behind, I knew that we would fall apart. But if we moved too slowly, we would lose accreditation and die. I kept remembering those lines from the William Butler Yeats poem, "The Second Coming":

Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the centre cannot hold...

I saw it as my job to try to hold the center together as we moved forward.

Some accomplishments

We made dramatic progress in academic programs. We developed and adopted a new general education curriculum. We expanded the library by 20 percent, and installed new computer-based information services. We launched a Master of Science in Teaching program in 1993 and a Master in Public Administration program in 1994—the first new Master’s degree programs in 8 years.

We did all that we could for the faculty. Over four years we increased the average base salary of the full-time faculty by 55 percent—from \$26,000 to \$40,000. We built a new office or workstation for each of the 57 full-time regular faculty members. We introduced incentives for faculty research and development, including an improved sabbatical program. In my view, teaching was our core service, and we were good at it. I was willing to bet the store on the faculty. If we couldn’t support them, I didn’t see a future for the university. In fact, I didn’t think the university *should* have a future if we couldn’t support the faculty.

The most traumatic thing we did was to eliminate positions. We made a net reduction of 52 positions, from 210 down to 158. That was a 25% cut. Forty-two of the positions were second-tier staff positions, and ten were faculty positions. The faculty positions were cut by attrition—we cut positions when they became vacant.

On a campus that prided itself on being a family, it was a terrible thing to eliminate positions and send people away. We had to let go 18 people on the same day. It was the day before Valentine’s Day, and faculty and staff began to refer to it as the Valentine’s Day massacre. Departing employees filed legal challenges, and the university won each challenge, but there was no cause for joy in those victories. Most of the money we saved by eliminating staff positions was used to pay for salary increases for the faculty.

We enjoyed the most successful fundraising years in our history, and had the highest number of donors in our history. We launched a capital campaign that raised \$1.9 million in cash and pledges. That was by far the biggest and most successful campaign the university had ever had, and I give the credit to the Board of Regents. We spent the money on a dramatic series of physical improvements—

the renovation of classrooms, laboratories, offices, faculty workstations, the library, cafeteria, and residence halls. We renovated the top floor of one of our halls into a women's residence, the first new residence hall on campus in 15 years. We also opened a snack shop in the main courtyard, and built a fitness center for students. The fitness center was donated by my mother-in-law, Mrs. Carlson, in memory of her late husband.

We were making immense strides, but we were suffering significant operating deficits. The cumulative deficit during my six years in office was \$5 million. The annual budget was about \$14 million, so during my six years, we earned about \$84 million and spent about \$89 million, losing about \$850,000 each year. Some of the deficit was due to the fact that we had to spend money to respond to the WASC report and meet accreditation requirements. Much of it, however, was due to losses in business operations and the continued decline in day session enrollments.

I discovered early on that we were good educators but bad business managers. We were losing money in our auxiliary operations—the cafeteria, bookstore, and residence halls. We decided to outsource the cafeteria, and installed new systems and products in the bookstore. On another front, we closed two preschools that were losing money.

Sadly, we were unable to stop the annual drop in the full-time day enrollment. This was where the negative self-fulfilling prophecies hurt us the most. We were making controversial decisions, and faculty and staff were unhappy. A number of faculty and staff shared their unhappiness with students, openly disparaging the university, and telling students that they should go elsewhere. The environment of controversy, the negative comments of some faculty and staff, and our increases in tuition, all took their toll. The full-time enrollment fell from 954 students in the fall of 1989 to 714 students five years later in the Fall of 1994. It was very discouraging. These declines were not offset by the fact that we enjoyed historic all-time high enrollments in our evening programs on the military bases.

We worked hard on student recruitment. Chaminade was founded in 1955, and rode the baby boom. In the sixties, seventies, and early eighties, students just kept coming. Then came the demographic crunch of the late eighties. There were fewer students, and colleges and universities all over the country began to compete vigorously for their incoming classes. We had to learn how to compete, also. We couldn't just get an inquiry, send the inquiring student or parent a course catalog, and hope for the best.

So we hired a consulting firm to help us set up a new computer tracking system that would send a series of different letters, brochures, and fliers to inquiring students in a pre-determined sequence. At the same time, we developed a much more sophisticated financial aid system to make it possible for more students to attend. All of this cost hundreds of thousands of dollars, an expenditure that faculty attacked bitterly at the time. However, the system began to work during my last year on campus, and has been working well since then.

By the way, we also stopped positioning the university as every student's fallback university. Students no longer needed us as a fallback—they were getting into their first, second, or third choice campuses. So we began explaining how Chaminade could be a good *first* choice.

We borrowed money to cover the losses. Finally, by my last year, we were able to run a surplus before debt service. In other words, if we did not have the interest and principal payments on the \$5 million debt, we would have run a surplus for the year. In the world we were living in, that was a notable achievement, because it meant that things were no longer getting worse. I approached the Marianists and began talking with them about paying off the debt. They did pay it off, after I left the presidency. The payoff of the debt was an important pledge to put on the table to attract a new president.

The Board

Let me say a few things about the Board of Regents. This was a group of good people who had not signed up for major trauma and continuing crises. That's not what any board member of any non-profit organization signs up for. The Regents rallied, raised money, and were very supportive during my first two years. Unfortunately, the problems were too big to solve in two years, and many Regents became restless. Board meetings turned sour. For a couple of years, there was at least one Regent, and often several, who would suggest at every Finance Committee meeting and nearly every full board meeting that we should just shut the university down. This was not great for morale, and it kept the rumors flying, not only on campus, but throughout the community.

Closure of the university was a legitimate question. However, we ran some numbers and discovered that if we met our obligations to all our students, it would cost as much to close the university as to borrow the money to keep our doors open and eventually earn the money to repay the debt. We also looked at a lot of different configurations, such as eliminating the undergraduate day program and continuing with the evening and graduate programs. However, after full discussion, we came back to the Marianist preference to fulfill their mission through daytime undergraduate programs. At that point, we needed commitment

and resources to go forward. Instead, we suffered through several years during which at least some Board members kept raising the question of whether or not we should fold up and quit.

At one point, I learned that several Board members were out in the community telling their friends that Chaminade University was going down, so nobody should give the university any money or other forms of support. Their comments would have carried a lot of weight, because after all, they were comments made by Regents, and the friends of those Regents would have assumed that the Regents were committed to the university and knew a lot about what was going on. It was extremely discouraging to learn that Regents were actually torpedoing our chances for survival.

During my second through fifth years, there were several Board members—probably five out of the 30 Board members—who wanted to fire me. They attacked me during Board meetings, and also met privately to plot my demise. Finally, the Marianists serving on the Board faced them down. They told them that I was doing what the Marianists and the Board wanted me to do, and furthermore—who were they going to get to replace me? They weren't able to get anybody else before, so what made them think they were going to get somebody else now? Who would come into the kind of situation we were in? That seemed to quiet them down. Eventually, two resigned and one was indirectly voted off the Board. During my sixth year, my final year, the Board and I were at peace and working well together.

Accreditation and the financial bottom line

Even when I was interacting with Board members who meant to be positive and supportive, we had two big differences that were never reconciled. The first was a policy issue—the relative importance of accreditation and the financial bottom line. The second was the issue of leadership style, which I will discuss later.

On the first issue, I was determined to save the university's accreditation, even if we had to borrow money to do it. I told the Regents that we could borrow money, but we couldn't borrow accreditation. If we lost accreditation, we would have to close. It would be over.

Our Regents were predominantly from the business world, and they saw the university as a business first. I agreed that we had to run a surplus to survive and thrive, but accreditation determined whether we would exist at all, and accreditation was in mortal danger. The Board and I never agreed on this issue.

Our disagreement was noticeable when the WASC team came back after three years, in the spring of 1992, to see what we had achieved. The accreditation team said that we had made significant progress on 39 of the 41 negative findings. The WASC team report included words like “amazing” and “miraculous.” On the basis of the team’s report, the WASC Commission removed the private warning and upgraded us to full accreditation. It was an extraordinary achievement. We had not only avoided public probation, we were once again fully accredited.

There were tears rolling down some of our faces when the accreditation team presented its report to the faculty and staff. We knew how hard people had worked, and how much they had suffered. At the next board meeting, however, the restoration of full accreditation by the WASC Commission merited only a brief announcement, about 30 seconds. No Board member made any comments. It really didn’t mean anything to Board members. They quickly moved to the next item on the agenda.

Putting it into perspective

It’s been 13 years since I left Chaminade University. I think those years have helped me to put it all in perspective and draw a few conclusions.

First, the 40 or so of us faculty, staff, administrators and Regents who were committed to saving the university succeeded in saving it. We made mistakes, and we did not solve all of the university’s problems, but our accomplishments were extraordinary by university standards. Even the WASC team members thought it was amazing and miraculous.

Second, saving the university was more about courage than intelligence. After all, it was clear what had to be done to save the university. The only question was whether a leadership team could be put together that would have the courage to do it. We put our team together, and we had the courage. That may have been our most fundamental contribution —raw courage.

One reason I had the courage was that I didn’t know better. I didn’t know better because I didn’t have a traditional academic background. I can’t tell you how many times a faculty member or Dean told me that a certain solution or approach to a problem was “impossible.” What they meant was that things just weren’t done that way in colleges and universities. Since I had no background in the way things were done in colleges and universities, I wasn’t persuaded. I thought that any solution that was moral, legal, and practical, was also possible. I was even more certain that institutions that get into trouble don’t usually get *out* of trouble by doing the same things that got them *into* trouble. It seemed like a good time to try something different.

Third, the cost of saving the university was very high in both human and financial terms. I believed in the mission and values of the university and its contribution to students and the community, so I thought the cost was worth paying. As Chaminade University continues to succeed and make a contribution year after year, far into the future, the relative cost will continue to shrink. But during my six years there, the cost was very high.

That leads to a fourth conclusion, which is that for many people, the pain overshadowed the pride in what was accomplished. I wish that the university could be proud of how it faced a series of crises and responded with a series of significant, tangible improvements. There were dozens of people who performed above and beyond the call of duty. I think they should be honored. However, my impression is that most people at Chaminade would rather forget what happened during those six years. For many people, it just hurts too much to remember. For some, it was an embarrassing period in the university's history, because we had sunk so low, and were so close to extinction. Nobody likes to remember their weakest moments, even when those moments are followed by new strength.

The role of servant leadership

My fifth conclusion is that we would not have saved the university, had it not been for servant leadership. Let me tell you why.

As I mentioned at the beginning, I read Robert Greenleaf's classic essay, "The Servant as Leader," for the first time just three months before becoming president of Chaminade University. When I read Greenleaf's definition of servant leadership, bells rang and lights flashed. He offered a definition of leadership that was ethical, practical, and meaningful. I realized that servant leadership described the way I wanted to live, and the way I wanted to lead. I took his teachings very seriously.

Greenleaf said that only the natural servant begins by listening first. So before I took up the job, I started going to campus, meeting with individual faculty and staff members—about 30 of them. I went to their offices, and met with them one-on-one. I didn't go to tell them what I was going to do. I went to ask them what they did, and what they thought, and what they recommended for the future.

I resisted the heavy pressure from the local media to announce new plans for the university. They wanted me to announce a shake-up, or share a grand new vision. I declined. I said I was honored to have the job, and I thought that Chaminade University was a good university, poised to become a great one.

Reporters were disappointed that I wouldn't say more, but I wanted to *learn* more before saying more, and I knew that would take months of listening on the job.

By the way, it makes sense to me that university presidents should be inaugurated six or nine months after they start work. During that first six to nine months they should spend time listening, getting to know the people, the history, the culture, and the values of the campus community. Only then should a new president start talking about a new direction, and even then, the new direction should build on what is best about the people, history, culture, and values of the campus. I knew before accepting the job that I believed in the university's mission and values. I went to join the university. I didn't go to force the university to join me.

Servant leadership was consistent with the mission and values of the university, so during my first month as President, I founded the Chaminade Leadership Institute to promote the idea of servant leadership on campus. We held workshops, discussing appropriate texts and inviting community leaders to come and speak. We then started building up our community service program, to emphasize service to others.

Our next step was to create a capstone course on servant leadership for seniors. This was a multi-disciplinary course developed and taught by five or six faculty members. Every senior had to take the course to graduate.

Finally, we set up a series of requirements by which a student could graduate with servant leadership distinction. If I had read Greenleaf's parable, *The Teacher as Servant*, I would have also tried to set up a Jefferson House on campus. I am delighted that Julie Beggs is here today to talk about that exciting idea.

We also worked with the state association of high school student councils, and hosted their annual summer leadership workshop on campus. We invested about \$20,000 per year in bringing 100-150 incoming high school student council officers to campus, paying most of their food, lodging, and travel expenses. We shared ideas about servant leadership with them as part of their workshop program.

These programs introduced servant leadership in a fairly low-key but intentional way. It was then up to me and others to actually model servant leadership in our daily lives. As imperfect as I was—and still am—I think that promoting the idea of servant leadership and trying to be a servant leader made a difference in the decisions we made, and why we made them.

Leading the process of change

I know that the power model of leadership is the dominant model in our culture. According to the power model, leadership is about acquiring and wielding power. It's about clever strategies, and manipulation, and making people do things. By contrast, the service model used by servant leaders is about identifying and meeting the needs of others. It is about helping the right things to happen. Servant leaders are often coordinators, facilitators, partners, healers, coalition-builders.

For people in the power model, power is an end in itself. It is the goal. For servant leaders, power is only a tool, a means and not an end. And when it comes to tools, power is usually less important than listening, teaching and coaching, developing one's colleagues, and unleashing the energy and intelligence of others.

Personally, I find it very hard to trust a leader of change who lives the power model of leadership and is focused on her or his own power and prestige. For a power-oriented leader, the change process is usually about rival personalities and factional politics, and whose power base will be affected by which changes, and who will emerge with more power when certain changes are adopted.

By contrast, I find it very easy to trust a servant leader, who is focused on the needs of students, customers, clients, patients, or citizens. In the service model of leadership, the change process is about listening, consulting, and analyzing information so that the organization can change in ways that make it relevant to the changing needs of the people it serves. That is why a servant-leader is the best kind of leader to lead the change process.

Change is almost always painful to somebody. We should not cause that pain without a moral justification. Building the leader's power base or getting even with a power rival is not a moral justification for change. The only moral justification is that change is necessary to better meet the needs of those whom the organization serves. The change will still be painful for people within the organization, but at least there will be a moral justification.

The power model at Chaminade

I found that the power model of leadership was rampant on the Chaminade campus. It may not have been worse than other campuses, but it was bad, and it made it hard to make decisions and move forward. Every decision made by the administration was interpreted by others in raw political terms. People thought every decision was all about cliques and power plays. They were focused on personalities and power, not on issues or problems.

If I had played the game—if I had gotten sucked into a contest for power—I think the university would have gone down. I know that sounds self-important, but I think it is true. We would have all been so busy fighting for power and position, that we would not have addressed the real problems before us. Soon it would have been over, and the doors would have closed forever.

I tried very hard to stay focused on what the university needed to do to fulfill its mission and serve its students. I think that is the essence of servant leadership—the understanding that it is not about me, not about my power or position or comfort or ego, but about how we as individuals and institutions are serving others. It’s about Greenleaf’s test: “Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants?”

I found that it wasn’t easy to stay focused. The personal attacks were hard to take. There were a few faculty members, in particular, who attacked me, in very personal and very degrading terms. Apparently, they were not satisfied with disagreeing or discussing—they were only satisfied when attacking, and the more outrageous their claims, and the meaner their comments, the better they seemed to feel. They would attack viciously, and then say that if I couldn’t stand the heat, I should get out of the kitchen. It seemed to me that there should be some moral and factual restraints on what we said to each other, but that didn’t matter to them. They were unrestrained. It was my job to ignore or deflect the personal attacks, and stay focused on what needed to be done. I kept reminding myself that it wasn’t about me, it was about the future of the university.

It took a lot of discipline to stay at least one step back from the power model, even as I could hear the siren songs trying to draw me in. When you’re being attacked, and you have the power to counter-attack, it’s hard to hold back. It’s hard to withhold your fire. I held back for a number of reasons, one of which was that I was sure that a counter-attack would almost always make things worse. And things were bad enough already.

While a majority of the faculty and staff were willing to work together, the tone was set by the people who would rather fight than solve problems. We needed to figure out how to sit on the same side of the table, shoulder to shoulder, and fight the problems, not each other. Servant leadership was the right kind of leadership for that shift in focus. It was a struggle, but we did better by trying to use a servant leadership approach than we would have done had we been drawn into the power model.

Oddly enough, the proof of this was during my last five months as president. After I announced my resignation, I expected to be a lame duck, but in fact, I was able to get a lot done. The reason was simple: people no longer interpreted my actions as being politically motivated. They changed *their* behavior. *They* became less political. I was astonished, and also delighted. The result was so much cooperation, and so many breakthroughs, and so much progress in a short time, that some of my most ardent attackers suggested that maybe I should apply to be the next president.

The Mission and Values

We knew that we were going to have to make some tough decisions. I think that the concept of servant leadership made a huge difference in deciding for whom and how to make those decisions.

I believed that we were there to fulfill the mission of the university, which was to serve students by offering a specific kind of educational experience. I wanted to make sure that we had the mission of the university clearly in mind when we made tough decisions, so that we wouldn't lose our way. So very early in my term as president, we reviewed and revised our Mission Statement, deciding to focus on three elements: (1) career preparation, (2) in a liberal arts setting, (3) enriched by Catholic, Marianist values. Those values related to social justice, concern for the needs of the disadvantaged, ethics, servant leadership, the nurturing of families, and the building of communities. We reviewed the mission in a formal, campus-wide process after my first three years, to make sure we were still on track. That was followed by a new action plan.

To truly fulfill that mission, I became the chief champion of Catholic, Marianist values. It seemed to me that most campuses around the country were offering career preparation in a liberal arts setting. We had one more element, and that is that we were Catholic and Marianist. My predecessors had decided to play down that element, to make the campus more secular. I emphasized the values of our Catholic, Marianist tradition because I saw those values as the most important reason that Chaminade University should continue to exist. One example of the impact of those values on our students was the high percentage of Chaminade graduates who went into teaching, non-profit work, government service, and health-related fields. I believed then, and I believe now, that Honolulu needs a university that trains people in the caring professions, as well as making people aware of the need to nurture families and build strong communities.

I immediately began to focus on the Catholic, Marianist character of the institution. I read books about Father Chaminade, the founder of the Society of Mary, for whom the university was named. I gave speeches on campus and in the

community about his life and the Marianist mission. I commissioned a painting of Fr. Chaminade and had it displayed in the lobby of the central administration building. We held a Marianist Festival, and brought back leading Marianists to speak and share the history of the campus. We held workshops to discuss the Marianist charism and papal documents on Catholic universities. We held the first-ever meeting of the presidents of the three Marianist universities—Chaminade, the University of Dayton, and St. Mary's University in San Antonio. My fervor for rebuilding the Marianist character of Chaminade University led to the standing joke that it takes a Protestant to market a Catholic.

One of the highlights of my time at Chaminade occurred in my last year, when I was invited to be one of the lay people at a Marianist Province of the Pacific retreat in San Diego attended by more than 100 Marianist brothers and priests. In the opening session, I was introduced by Fr. John Bolin, Chaminade's Rector and senior Marianist. He introduced me as the most Marianist president the university had ever had. I was very touched by that.

Cutting staff and programs

Having reviewed and affirmed the mission, and having strengthened the Catholic, Marianist element in the mission, we started making cuts in our staff and programs. We analyzed our programs and services in terms of their proximity to the mission and their impact on our students.

As I mentioned, we ended up cutting 52 positions, almost all second-level staff positions, but also a few faculty positions by attrition. If we had done this using the power model, I would have protected the positions of my supporters and friends, and cut the positions of my detractors or enemies. That would have helped me, personally, as President. However, it would not have helped the university or our students. I watched many friends leave, and many detractors stay.

We also had to cut programs run by people I truly enjoyed. We had three preschools which were run by faculty in the Education Department. One was on campus, one was downtown, and one was on the other side of the island. The preschools were delightful, and the community needed them, but they were losing lots of money, and we only needed the one on campus for our students to gain experience and for our faculty and staff to have a place for their children. That preschool was close to our mission, while the other two were not, so we shut down the other two. I went to the meetings we held with the parents and explained the situation. Those were not happy meetings.

It was hard to make these decisions. However, we made them with the quiet confidence that came from knowing that we were making decisions that were focused on the mission and the people we were there to serve.

Our decision-making process included a lot of discussion and consultation. We tried especially hard to consult with faculty leaders. Sometimes, they declined to give us advice, because they did not want to be part of the decision. At other times, they gave us conflicting advice, so it was not clear what they wanted us to do. At still other times, they gave us advice in private, and when we followed their advice, they attacked us in public. I found that especially hard to take. However, most of the time, the faculty gave us useful advice, and we were able to act on it.

Servant leadership: Working between two power models

Our emphasis on servant leadership not only kept us focused on the mission and the students we were serving. It also offered a way to work with two important groups who were using the power model—the faculty and the Board.

Universities are complex places, and one of the complexities is that more than one group thinks that it should be in charge, or is in fact in charge, or should at least have a huge amount of influence. The two most obvious groups are the faculty and the Board.

I have met many faculty members who cherish the governance model that arose at medieval universities in Europe in the 12th and 13th centuries. Back then, scholars would gather together, establish a school, and elect their own leader, who would preside over the school's activities. According to this model, the faculty is in charge, and the president merely presides, doing the faculty's bidding. The president is *primus inter pares*, or first among equals.

I truly enjoyed being *primus inter pares* while chairing three accreditation teams for WASC. I am sure you are familiar with the process. The teams consisted of accomplished professionals from different academic institutions who had university experience in a variety of areas such as academic programs, finance, information technology, student services, and governance. We would gather on the campus we were sent to evaluate, share our questions or concerns, and make plans. During the next two days, we would divide up and conduct individual meetings with faculty, students, staff, and administrators; research specific questions; and then reconvene to share what we had learned. Each member of the team would draft his or her own observations and conclusions, which I would compile into a single report. It was a very professional, “self-regulating” group that did not need a “boss.” My role was to be the convener, the facilitator, and at the end of our visit, the spokesperson for the team. I enjoyed it immensely.

While much can be said for *primus inter pares*, the fact is that in the United States, colleges and universities were founded very differently than medieval European universities. In the United States, community leaders decided to establish a college, so they formed a Board, which hired a president, who appointed the faculty. According to this model, the Board is in charge, and delegates much of its operating authority to the president. The president is expected to lead and shape the institution.

These different views of power and leadership were a huge problem for me as president at Chaminade. The faculty and the Board saw the president's role completely differently—in fact, their views were the opposite of each other.

Most of our Board members had backgrounds in business. They were used to making decisions quickly and decisively. They wanted me to be a dramatic, autocratic leader. They wanted me to issue proclamations. They got disgusted looks on their faces when I described the process of information sharing and consultation that I would be going through before making a decision. They thought that anyone who did all that informing and consulting was a weak leader.

It would have helped to have some Board members with backgrounds as faculty members or university administrators, but the Board did not want anybody with those backgrounds. They specifically rejected the idea. They knew how to run organizations. What was so different about a university?

By contrast, the faculty thought I was much too strong a leader, much too autocratic. No matter how much time the administration spent consulting with faculty—and we thought we spent a lot of time doing that—faculty members were never satisfied. They thought that we didn't consult with enough people, and we didn't consult over a long enough period of time. We made decisions in weeks that they believed should have been made in months or years. I told them that if we were to survive, we couldn't wait months and years. They interpreted this as my attempt to justify autocratic behavior.

Faculty members who cherished the medieval European model felt that I should not take positions on campus issues. They said that my role was to preside, not lead. I was supposed to always be impartial. They complained that when I took a position, it had a chilling effect on open discussion. They told me that I should say nothing.

These conflicting views—the autocratic leader preferred by the Board and the silent presiding official preferred by the faculty—were both about power. The solution to this conflict, it seemed to me then, and still seems to me now, is servant

leadership. If one is focuses on power, there is really no solution to these diametrically opposed points of view. However, if the campus is filled with servant-leaders, the question is not “who has power?”— the question is “what needs should we be addressing?” “How can we get the job done?” If all the parties on campus work together in a collegial fashion, shoulder to shoulder, focusing on problems and opportunities with a sense of joint responsibility, then it doesn’t really matter who has power. The focus is on identifying and meeting needs. If a broad-based agreement can be reached, then it doesn’t matter who had the power to make the decision. Power wasn’t needed—listening, creativity, and reasonable compromise were all that was needed.

Robert Greenleaf repeatedly emphasized the important role of trustees. He urged trustees of universities to be committed, informed, and independent, with their own staff. He urged trustees to focus on achieving distinction in service to students and society. Looking back, it seems to me that it would have made a big difference if the Regents at Chaminade University had adopted servant leadership as their leadership model. They were basically good people, trying to deal with a bad situation. Servant leadership would have helped them to be more effective. It would have helped them to listen and learn about an environment they were not familiar with, and focus on the bigger issues and most important impacts. They would have challenged all of us campus leaders, and that would have been a good thing. The challenges would have been relevant and productive for those we served.

It was worth it

In our study, Ed Kormondy and I asked the 36 presidents who led turnarounds if they would do it again, and nearly all said yes. I don’t know if I would do it again, but I am glad I did it once. I’m glad I did it because it was an exceptional opportunity to make a difference. It was the hardest thing I have ever done, but it was worth it. It was worth giving the university a chance to not only survive but thrive, and it has indeed grown and done well in the years since I was there.

I am also glad I did it because it was for me a thorough test of the idea of servant leadership. I found servant leadership to be an ethical, practical, and meaningful way to lead. Perhaps most relevant today, my time at Chaminade convinced me that servant leadership works not only when times are good, but also—even especially—when times are tough.

Thank you.