



Institutions in Crisis

Teaching Notes

CRISIS OF PURPOSE IN THE IVY LEAGUE

The Harvard Presidency of Lawrence Summers
and the Context of American Higher Education

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In 2001, Lawrence Summers became the 27th president of Harvard University. Five tumultuous years later, he would resign. The popular narrative of Summers' troubled tenure suggests that a series of verbal indiscretions created a loss of confidence in his leadership, first among faculty, then students, alumni, and finally Harvard's trustee bodies. From his contentious meeting with the faculty of the African and African American Studies Department shortly after he took office in the summer of 2001, to his widely publicized remarks on the possibility of innate gender differences in mathematical and scientific aptitude, Summers' reign was marked by a series of verbal gaffes regularly reported in *The Harvard Crimson*, *The Boston Globe*, and *The New York Times*.

The resignation of Lawrence Summers and the sense of crisis at Harvard may have been less about individual personality traits, however, and more about the context in which Summers served. Contestation in the areas of university governance, accountability, and institutional purpose conditioned the context within which Summers' presidency occurred, influencing his appointment as Harvard's 27th president, his tumultuous tenure, and his eventual departure.

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Target Audience

Organizational studies
Higher education administration
Sociology
Ethics

Learning Objectives

1. Challenge students to unearth the institutional purpose(s) of organizations (and federated parts of diverse organizations) and to connect conditions in the organizational environment to change in the understandings of these purposes.
2. Gain insight into the governance and accountability issues related to organizations of higher education and how change in governance and accountability affect and are affected by understandings of institutional purpose.

Questions for class discussion

1. Topic: The competitive context in higher education and implications for the modern university.

The introductory section of the case discusses the context for higher education in the late 20th century. The size and scope of the university had changed drastically, and a variety of different types of educational organizations – distance learning, small liberal arts colleges, community colleges, public land grant universities, private universities – were now competing in a competitive market for tuition and research funds.

How did the context of higher education in 2001 lead to:

- a. Summers' choice as Harvard's 27th president
- b. particular events during his presidency
- c. his forced resignation

In the view of The Harvard Corporation Fellows, the trustee body most involved with his selection, Summers was the most appropriate choice for the times.

Was Summers simply the wrong president at the right time? Or did the Corporation misread the context, and he was simply the wrong president (for any set of conditions Harvard might face)?

2. Topic: Accountability and the coexistence of differing bases of accountability.

“Accountability” refers to the obligation to explain, justify, and answer questions about how resources have been used and to what effect.¹ Fundamental questions related to accountability are who is to be held accountable, for what, to whom, through what means, and with what consequences. An organizational system of accountability can strengthen institutional legitimacy by providing evidence to those within and outside of the organization that resources are being distributed in line with an understanding of institutional purpose. For example, federal grant funds for scientific research have financial reporting requirements to hold academic departments accountable to the

¹ Trow, Martin. 1996. “Trust, Markets & Accountability in Higher Education: A Comparative Perspective.” *Research and Occasional Paper Series: CSHE.1.96*. University of California Berkeley: Center for Studies in Higher Education.

terms of the grants, and universities create systems of providing financial aid for underprivileged students to justify and thus account for federal and state tax preferences.

Consider the three governing bodies of Harvard – the faculty, president and administration, and trustees. To whom was each group accountable, and by what metrics would this accountability be measured? What tensions resulted from differing bases of accountability? Does the loosely coupled structure (see footnote 18) of colleges and universities contribute to differing bases of accountability within a single organization? How does Harvard’s ETOB structure affect accountability? Is this a positive or negative characteristic in light of (1) the contemporary competitive context for higher education and (2) the traditional understanding of the institutional purpose of higher education in society? (See page 5 for characteristics of the institutional purpose of higher education.)

Notes for the instructor: “Accountability” typically infers quantifiable measures of efficacy. The traditional liberal arts goals of the university are disadvantaged in this sense, as there are no clear and widely accepted numerical measures of the “broad knowledge” and “civic engagement” that are its objectives. Liberal education advocates charge that this difficulty has allowed the market logic and “audit culture” to make its way into higher education, with the logic of higher education (traditionally the logic of a liberal education) being replaced by a profit-oriented, market-logic. Within a higher education logic, the means and ends of teaching and research are considered valuable in their own regard – thus, studying English literature is important as an activity in itself and is not regarded as more or less valuable than the study of another discipline, such as accounting. A market logic begins with a single ends – the translation of knowledge into currency. Using a market logic, the study of accounting has more value than the study of English literature because it is more highly valued (based on job prospects) in the marketplace. A probable result of the encroachment of a market logic into higher education is the privileging of “practical” knowledge, as learning and research are “valued only in terms of their ability to be translated into cash or merchandise.”²

3. Topic: Models of university governance and implications for institutional purpose, the university, and society.

Governance refers to the explicit and implicit arrangements by which decision-making authority and responsibility within an organization are allocated among the parties who participate in the organization.³ Governance arrangements determine how resources are distributed across the university. The practice of “shared governance” in universities, in which authority and responsibility is shared between faculty, administrators, and trustees, characterizes the complex managerial character of higher education and distinguishes the management of colleges and universities from for-profit business organizations. The balance of authority and responsibility between the three decision-making groups shifts in response to changes in the resource environment or in the re-allocation of decision-making power to existing groups as the composition of these groups change or new groups emerge.

An appropriate balance of governance was clearly an issue during Summers’ presidency. Have students debate the rationale of having a hierarchical corporate governance structure (which is being advocated by many in higher education administration) vs. the continuation of shared governance (which faculty continue to advocate).

Is efficiency the same as efficacy?

How would each group – administration and faculty – measure “efficacy” or “efficiency” in the university? Can these measures coexist, or must one take primacy over the other?

² Shumar, Wesley. 1997. *College for Sale: A Critique of the Commodification of Higher Education*. NY: Routledge. Page 5.

³ Hirsch, Werner and Luc Weber, Eds. *Governance in Higher Education: The University in a State of Flux*.

Would the traditional purpose of higher education change if governance relationship became more corporate? Is this beneficial for the university? For society?

4. Topic: Corporatization of higher education.

Advocates of corporatization push for greater centralization of university power in the office of the president and central administration. Faculty, who would lose decision-making power and autonomy under centralization, are more likely to oppose corporatization. Those advocating for the continued strong role of faculty note that efficiency is not necessarily commensurate with effectiveness, and that the nature of the new market accountability makes higher education less responsive to faculty and students and more to “political and market forces that claim sovereignty over higher education.”⁴

Discuss the benefits and drawbacks of a corporate decision-making structure for the university with regard to:

- (1) fulfilling its traditional institutional purpose
- (2) succeeding in a complex and competitive market

5. Topic: Institutional purpose.

“Institutional purpose” refers to the individual and collective understanding of the appropriate role of a particular institution in society. “Appropriate” in this sense is clearly linked to an institutional ethics – an understanding that the set of practices and social roles that constitute the institution are contributing to the greater good of society. With the tremendous growth in higher education over the last half-century, the institution of higher education has become more things to more people – it is expected to train youth in the classics as well as in practical skills for employment, to do both basic and applied research, and to be sensitive to social and economic conditions. Contestation over the purpose of higher education in society occurs routinely and manifests in discussions of, for example, the proper direction of the curriculum and course requirements.

Discuss the differing conceptions of institutional purpose that can be held simultaneously at a university and how these differ across academic units and administrative offices.

Discuss the relationship between the unique federated structure of universities and the Harvard ETOB structure as contributing to the coexistence of multiple purposes.

Is this coexistence beneficial for the organization? For society?

Notes for the instructor: Differing understandings of institutional purpose vary among and within colleges and across academic departments (humanities, sciences), types of organizations (professional schools, liberal arts colleges, distance learning), and professional and social groups (administrators, faculties, students). Adding to this differentiation of purpose is the increasing “suburbanization” of the university as numerous and relatively autonomous interdepartmental research institutes appear on the periphery of core departments.⁵ The differences in professional backgrounds and incentives contribute to differing conceptions of the purpose of higher education and inform varied understandings of both the broad role of the university in society and how university resources should be allocated across the numerous groups who vie for them.

⁴ Aronowitz, Stanley. 2001. *The Knowledge Factory: Dismantling the Corporate University and Creating True Higher Learning*. Beacon Press. Page 164.

⁵ Mallon, William. “Disjointed Governance in University Centers and Institutes.” *New Directions for Higher Education* 127: 61-74.

The unique organizational structure of universities may contribute to the coexistence of multiple understandings of institutional purposes within higher education writ large, and within single organizations. The “loose coupling” of subunits (i.e., administrative offices, departments, research institutes, training institutes, graduate schools, etc.) within and between universities allows different purposes to coexist in relative harmony.⁶ Within a single university applied research and online training can coexist beside, but departmentally distinguished from, humanistic scholarship and basic scientific research with no immediate “practical” application. Survey and interview research indicates that there is rarely a shared vision of the central purpose of the university. Understandings of institutional purpose within a single university can easily include faculty or administrators who differentially conceive of the university, and their work, as promoting economic development, generating new knowledge, or serving as a source of social betterment.⁷

⁶ “Loose coupling” is a term used to characterize the weak, circumscribed and/or infrequent contact between subunits in an organization. See Weick, Karl E. 1976. “Educational Organizations as Loosely Coupled Systems.” *Administrative Science Quarterly*. 21(1): 1-19.

⁷ Busch, Lawrence, Richard Allison, Craig Harris, Alan Rudy, Bradley T. Shaw, Toby Ten Eyck, Dawn Coppin, Jason Konefal, Christopher Oliver, and James Fairweather. Institute for Food and Agricultural Standards, Michigan State University. July 13, 2004.. *External Review of the Collaborative Research Agreement between Novartis Agricultural Discovery Institute, Inc. and The Regents of the University of California*. Pages 147-151.