

The Salvaging President

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When crisis strikes a college or university, unsettling news stories inevitably follow:

“A racial incident on campus has created negative national publicity.”

“Academic records have been violated, and the administration has been involved in illegal conduct.”

“Five of eight senior positions are in an acting status, due to resignations or terminations over a six-month period.”

“The college has no audited financial statements and faces a loss of accreditation.”

“Funds have been embezzled, major deficits loom, and the institution has filed for Chapter 11 bankruptcy.”

These quotations reflect real situations faced in recent years by presidents who accepted the challenge of turning around an institution that was *in extremis*. We have labeled the presidents who led these colleges and universities back to safe ground as “salvaging presidents.” Such leaders do not necessarily solve all of their institution’s problems, nor do all the problems they solve remain solved forever. But such leaders do save their institutions from extinction and move them far enough forward so that they are in a position to build a new and more promising future.

To learn about the effectiveness and modus operandi of salvaging presidents, we asked the regional higher education accrediting associations to identify individuals in their purviews who have “rescued” an institution. As a result of this confidential process, 49 presidents and former presidents were invited to complete a five-page survey. Thirty-six presidents, including the two authors, did so. Respondents represented institutions in all six Carnegie classifications; public, private, and church-affiliated; a range of enrollment levels (from fewer than 500 to

as many as 13,000 students); and diverse geographical locations, especially the Southwest, Midwest, and Northeast.

The results of the survey are instructive not only to newly appointed presidents who may find themselves in a salvaging operation but also to governing boards. In reading the following survey summary, trustees may gain a sense of how their boards might participate in the salvaging process and of the types of individuals they might identify to turn around a struggling institution.

Major Institutional Issues

Nearly all of the 36 salvaging presidents in this survey found there was a lack of institutional and program planning. In addition, most of the institutions had very small endowments, financial exigency because of inadequate fund-raising, a high rate of student turnover, and seriously flagging enrollments.

Though the presidents said they were aware of some of these problems at the time of their appointment, many said they were oblivious to the depth and severity of the conditions. Among the issues that surfaced within a month or two of appointment, the most commonly cited were fiscal mismanagement (unrealistic budgets or lack of budget controls, for example), litigation problems, board micromanagement, low morale, and lack of trust throughout the institution.

Why These Presidents?

We asked respondents why they thought they had been selected for their jobs. The most common reasons were depth and breadth of senior administrative experience and experience in planning, finance, public relations, fund-raising, and accreditation.

Though most of the presidents had traditional academic backgrounds, one-third did not. Whatever their backgrounds, these presidents said they believed they were chosen more for their nonacademic skills than for their academic stature, and they said they used mostly nonacademic strategies to turn their institutions around. Most had broad experience in the corporate world, in law or state government, or in associations.

The presidents were asked what particular aspects of their personality, experience, or background would surface most readily in their work in salvaging the institution. They cited leadership skills, communication skills, organizational

management ability, strategic-planning skills, interpersonal skills, and public-relations skills. (Mentioned less often were backgrounds specific to academe, such as accreditation knowledge and academic expertise.)

Immediate and Long-Term Strategies

On arrival at the campus, nearly every president immediately held in-depth meetings with faculty, board, and staff, and many met with accrediting bodies, students, community and alumni leaders, local news media, and donors. Several presidents reorganized the administration, while others cut the budget, retained consultants, and froze expenditures.

Instituting long-range and strategic planning, orienting the board to its proper responsibilities, instituting a new student-recruitment program, and improving relationships between the administration and faculty topped the list of longer-term strategies. Others included launching a public relations campaign, redefining the mission, eliminating positions and academic programs, and developing market niches.

When asked which strategies were the most effective in turning around the situation, the largest number of responses related to general organizational development, followed by fiscal planning, enrollment management, and public relations.

Within the general organizational development category, the largest number of responses related to appointing or restructuring the senior management team. Within the fiscal-planning category, presidents mentioned fixing such financial problems as overspending, collecting unpaid tuition, eliminating debt, using more conservative revenue projections, and financial restructuring. Under the category of enrollment management, the presidents cited the development of an enrollment plan and defining a market niche. Notably, upgrading or adding academic programs were at the bottom of the list.

Advice to Future Salvagers

None of the respondents recommended not serving as a salvaging president. The advice given most often was to make sure the president enjoys board support, do it with eyes wide open, and ensure access to all critical information.

As might be expected, the respondents offered a range of advice on specific issues such as having an independent financial audit done in advance, doing an environmental scan to see whether the college has the potential to survive, finding out beforehand what various constituencies expect, and building on the values of the culture. They also recommended using more than one strategy simultaneously, staying detached and professional (by not letting one's ego become involved), setting clear goals and delivering on them, and not fearing failure.

They said a good president should embrace the mission, communicate the vision, and select competent and passionate people who will become a strong team and implement strategic plans. As a final precaution, they said presidents should make sure they have the physical stamina to confront many challenges simultaneously and not take the job unless they are willing to spend enormous amounts of time and energy.

In a set of follow-up interviews with eight presidents of private institutions, each was asked whether he or she would do it again. All said they would, despite the job's demands, as a once-in-a-lifetime opportunity to make a difference and as a labor of love.

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