

TRUSTEE COMPETENCE, EXECUTIVE LEADERSHIP STYLES, AND INSTITUTIONAL  
PERFORMANCE

by

RONALD GLENN WHITE

(Under the Direction of Scott Thomas)

ABSTRACT

This research explored trustee competencies and executive leadership styles in the context of institutional financial performance indicators. The performance indicators were established using the Methodology for Regulatory Test of Financial Responsibility Using Financial Ratios of the U.S. Department of Education. Specifically, the New Work Model of trustee effectiveness, a competency-based approach developed by Chait, Holland and Taylor, was used to investigate the relationship between six trustee competencies and the performance indicators. The Full-Range Leadership Theory developed by Bass and Avolio was used to examine the relationship between nine factors of transformational, transactional and nontransactional leadership and the performance indicators. An analysis of the data in this study concludes that transformational leadership styles in presidents appear to exert greater influence over financial performance indicators than trustee competencies. The data did not support a relationship between trustee competencies and performance indicators. With respect to leadership, the research indicated that presidents who used transformational leadership styles also tended to lead institutions that have stable or increasing financial performance.

INDEX WORDS: Governance, Leadership, Performance indicators, Transactional Leadership, Transformational leadership, Trustees.

TRUSTEE COMPETENCE, EXECUTIVE LEADERSHIP STYLES, AND INSTITUTIONAL  
PERFORMANCE

By

RONALD GLENN WHITE

A.B., The University of Georgia, 1971

M.Ed., The University of Georgia, 1986

A Dissertation Submitted to the Graduate Faculty of The University of Georgia in Partial  
Fulfillment of the Requirement for the Degree

DOCTOR OF EDUCATION

ATHENS, GEORGIA

2004

© 2004

Ronald Glenn White

All Rights Reserved

TRUSTEE COMPETENCE, EXECUTIVE LEADERSHIP STYLES, AND INSTITUTIONAL  
PERFORMANCE

by

RONALD GLENN WHITE

Major Professor: Scott Thomas  
Committee: Melvin Hill  
Thomas Holland  
Larry Jones  
Libby Morris

Electronic Version Approved:

Maureen Grasso  
Dean of the Graduate School  
The University of Georgia  
August 2004

## ACKNOWLEDGMENTS

When I began my doctoral studies, I was forty-nine years old with two sons in college and with a wife to whom I had been happily married for twenty-seven years. Five years later I have two new daughters-in-law and the same wife who has somehow endured my impatience, who has helped in the planning of two weddings, and who has handled much of the work in our relocation to a neighboring state. Without the love and support of my wife and family, I would have never finished this arduous task.

Furthermore, I have had constant encouragement from the faculty of the Institute of Higher Education at the University. I owe a special gratitude to Dr. Libby Morris who guided me masterfully during the first years of my studies and who planted the seed that developed into this dissertation. Finally, I appreciate Dr. Scott Thomas who directed this dissertation and who provided constant help and support.

## TABLE OF CONTENTS

	Page
ACKNOWLEDGMENTS .....	iv
LIST OF TABLES .....	viii
LIST OF FIGURES .....	ix
CHAPTER	
1 INTRODUCTION .....	1
Purpose of the Study .....	3
Theoretical Framework of Trusteeship .....	4
Theoretical Framework of Executive Leadership .....	6
Significance of the Study .....	9
Overview of the Research Design .....	9
Research Questions .....	10
Limitations of the Study .....	11
Chapter Summaries .....	11
2 REVIEW OF THE LITERATURE .....	13
Trusteeship in Higher Education .....	13
Traditional Model of Trusteeship .....	19
Contemporary Models of Trusteeship .....	22
New Work Model .....	23
Executive Leadership in Higher Education .....	29

Overview of Change-Oriented Leadership .....	34
Transformational Leadership .....	34
Transactional Leadership .....	37
Nontransactional Leadership .....	38
Full-Range Leadership Theory .....	38
Summary .....	50
3 METHODOLOGY .....	53
Performance Indicators .....	55
Five-Step MRT Methodology.....	57
Selection of Study Sites .....	58
Study Sample .....	62
Data Collection .....	64
Data Analysis .....	65
Reliability and Validity Considerations.....	69
4 RESULTS AND DISCUSSION .....	76
Summary of Gainer Findings.....	76
Gainer One Discussion .....	78
Summary of Stabilizer Findings .....	98
Stabilizer One Discussion.....	99
Stabilizer Two Discussion .....	116
Summary of Decliner Findings.....	128
Decliner One Discussion.....	130
Decliner Two Discussion.....	141

5	CONCLUSIONS AND RECOMMENDATIONS .....	156
	Summary of Trustee Competency Findings .....	157
	Summary of Executive Leadership Findings .....	160
	Conclusions and Recommendations .....	164
	Implications.....	166
	REFERENCES .....	172
	APPENDIX A: TERMS AND DEFINITIONS .....	184
	APPENDIX B: INTERVIEW PROTOCOL FOR TRUSTEE .....	188
	APPENDIX C: INTERVIEW PROTOCOL FOR PRESIDENT .....	190
	APPENDIX D: INTERVIEW PROTOCOL FOR CABINET MEMBER.....	192



## LIST OF TABLES

	Page
Table 1: Six Competencies of the New Work Model .....	6
Table 2: Nine Factors of the Full-Range Leadership Theory .....	8
Table 3: Common Themes between Trustee Competencies and Leadership Factors .....	51
Table 4: Differences in MRT Scores comparing 1997 to 2001 .....	62
Table 5: Participants and Methods of Data Collection .....	63
Table 6: Alpha Codes for Trustee Competencies .....	65
Table 7: Numeric Codes for Leadership Factors .....	66
Table 8: Words and Phrases Used in Classifying New Work Model Comments.....	67
Table 9: Words and Phrases Used in Classifying Full-Range Leadership Theory Comments .....	68
Table 10: BSAQ Scores for Comparison Group and All Institutions in the Study .....	69
Table 11: MLQ Scores for Comparison Group and All Institutions in the Study .....	69
Table 12: Counts of Trustee Competencies and Leadership Factors in Interview Data.....	77
Table 13: Summary of Trustee Competencies and Leadership Factors .....	155

## LIST OF FIGURES

	Page
Figure 1: Transformational Leadership and Follower Effort.....	42
Figure 2: Transactional Leadership and Follower Effort.....	47

## CHAPTER 1

### INTRODUCTION

With debt rising, donations declining, and endowments reeling from a faltering economy, many institutions of higher education, especially private colleges and universities, are simply trying to survive. At least 37 colleges have closed since 1997, half of them four-year undergraduate institutions. Eleven others have merged since November 2000. Standard and Poors recently predicted more closings and mergers due to stagnant levels of financial resources and significantly higher levels of debt (Gose, Van Der Werf, Pulley, & June, 2003). Leadership becomes even more essential during these turbulent times. Trustees and presidents of colleges and universities are responsible for the financial well-being of the institutions they govern. Together the board and the president share the responsibility to keep their institution healthy and true to its mission (Fisher, 1991; Kerr & Gade, 1986, 1989). A wealth of information exists about the role of boards of trustees in the governance of colleges and universities. Similarly, there also exists an ample body of literature about presidential leadership in higher education. Less understood is the impact of the interactions between boards and presidents, the focus of this study. These interactions form intersections that can serve to mitigate or amplify the power of each.

Boards of trustees are considered the guardians of the financial assets of higher education institutions (Kerr & Gade, 1989). In the independent college sector there are over 41,000 volunteers who serve as trustees for colleges and universities (Houle, 1997). A board of trustees is not a part of an organization's technical core nor is it a part of the organization's management

subsystem; rather, the board typically sits outside of the organization, holding fiduciary responsibility for the institution, yet seldom engaged in the organization's environment, a somewhat paradoxical element of the nonprofit organization (Herman & Tulipana, 1989). Trustees are often recruited for their capacity to give and to attract financial resources, bringing relatively few higher education governance skills to the table (Taylor, 1995). They are cited as individuals who are short on time and have little knowledge of or experience in higher education (Epstein, 1974). Despite their desire to be useful and effective, trustees often find themselves in boardrooms filled with obsolete value judgments and belief systems (Mueller, 1984). Boards are often found to operate with antiquated skills and tools (Barr & Borden, 1995). Trustees have been accused of being insufficiently informed about major issues affecting their organizations, which has led to less than effective decision-making (Anthony & Young, 1999).

Presidents serve at the pleasure of the board and are expected to exhibit leadership qualities that advance institutional financial resources (Kerr, 1984; Kerr & Gade, 1986). Currently there are over 3,500 accredited higher education institutions in the United States, each with a chief executive officer generally hired by a board of trustees. Presidents typically are academicians who have come up through the faculty ranks and successive administrative positions such as department chair, dean, and vice president (Birnbaum & Umbach, 2001; Ross & Green, 1998). They are often unprepared for the conflict and controversy that frequently surround the presidency, especially those that arise from differing perceptions by a variety of constituencies with respect to the appropriate leadership role of the president (Kauffman, 1987). Some have argued that presidents are virtually powerless and are as interchangeable as light bulbs (Cohen & March, 1986). Others contend that presidents do make a difference and that ample evidence exists of presidents inspiring, motivating, invigorating, and transforming their

institutions (Fisher & Koch, 1996). Presidential leadership functions to keep both internal and external constituencies keenly aware of the central purposes, values, and worth of the higher education enterprise. Moreover, the president is the central figure of a vastly complex and fragile human organization. He or she must be effective or the institution will suffer (Kauffman, 1980). Presidents are an integral part of the governance process, often centrally involved in decisions about the selection of board members and the education of board members with respect to their responsibilities, goals, and objectives, yet at the same time serving as an employee of the board (Herman & Tulipana, 1989). Despite this conundrum, governing boards empower presidents to lead their institutions to greater achievements, hoping that they display extraordinary leadership that inspires trust, loyalty, confidence, performance, and more (Fisher & Koch, 1996). The interaction between a board of trustees and its president establishes institutional direction and the benchmarks used to measure success (Kerr & Gade, 1986). While there are certainly other groups, such as faculty, that contribute to the governance process, this study was confined to the interaction of trustees and presidents.

#### Purpose of the Study

This study compares trustee competencies and executive leadership styles in the context of institutional financial performance indicators. What specific trustee competencies relate to financial strength in institutions? Are there leadership styles in presidents that are linked to financial strength? Are there combinations of trustee competencies and presidential leadership styles that are associated with financial strength more than others? This dissertation examines these questions.

## Theoretical Framework of Trusteeship

The literature on governance in American higher education institutions is copious and wide-ranging in both topic and scope. Prescriptive works, including numerous manuals and handbooks on trusteeship, dominate the literature (Besnette, Foxley, Jordan, Perry, & Richey, 1998; Burnham, Gibson, Finlay, Lewis, & Luciani, 1999; Carver, 1997a; Gale, 1993; Ingram, 1980; Nason & Axelrod, 1980a; O'Connell, 1985). For example, Gale (1993) uses a best-practices approach to discuss the development of trustees on a variety of topics including the selection, orientation, and in-service education of trustees. Notwithstanding, a considerable body of literature on the governance of higher education and other nonprofit organizations has developed based on empirical research (Bradshaw, Murray, & Wolpin, 1992; Brudney & Murray, 1998; Chait, Holland, & Taylor, 1993; Cleary, 1979; Herman, Renz, & Heimovics, 1997; Holland, 1991; Kerr & Gade, 1989; Taylor, Chait, & Holland, 1991; Weary, 1999; Widmer, 1989; Wood, 1985). In one of the more comprehensive studies in this area, Rauh (1969) conducted one of the first large-scale surveys of higher education trustees. In addition to valuable demographic data drawn from the responses of over 5,000 trustees, the survey results revealed how trustees feel about numerous educational policies, what they think the role of the trustee is, and what they do as trustees, among other things.

### New Work Model

Of the research-based literature, Chait, Holland, and Taylor (1993) conducted a seminal study that focused on defining and describing effective boards of trustees at independent colleges. Their theoretical construct has been labeled the New Work Model (Taylor, Chait, & Holland, 1996; Widmer & Houchin, 2000). A growing body of research supports the New Work Model, suggesting that there are certain competencies that distinguish strong boards from weak

ones (Chait et al., 1993; Chait, Holland, & Taylor, 1996; Holland, 1991; Holland, Chait, & Taylor, 1989; Holland & Jackson, 1998). This corpus of research “ascertained that there is a positive and systematic association between the board’s performance, as measured against these competencies, and the college’s performance, as measured against some conventional financial indicators” (Chait et al., 1993, p. 2). Furthermore, these competencies can be improved with the application of appropriate interventions. The implication is that by improving a governing board’s level of competency, the institution over time may improve as well (Chait et al., 1996; Holland & Jackson, 1998).

### Six Competencies of Effective Boards

The New Work Model identifies specific characteristics and behaviors that distinguish strong boards from weak boards. These competencies are classified into six distinct dimensions of effective trusteeship: (1) contextual – the board understands the culture, values, and mission of the institution it governs, (2) educational – the board takes essential steps to ensure that members are well informed about the institution and the role of the board, (3) interpersonal – the board fosters a sense of cohesiveness and teamwork, (4) analytical – the board recognizes the complexities of the issues it faces and uses multiple perspectives to synthesize appropriate responses, (5) political – the board understands its responsibility to maintain two-way communication with key constituencies, and (6) strategic – the board helps shape institutional direction and ensures a strategic approach to the future (Chait et al., 1993, 1996; Holland et al., 1989; Holland & Jackson, 1998; Taylor et al., 1996). A product of the research is the Board Self-Assessment Questionnaire (BSAQ) that is designed to measure the levels of these six competencies in trustees (Chait et al., 1993; Holland, 1991, 1994). Table 1 identifies the six competencies and gives brief definitions for each.

## Theoretical Framework of Executive Leadership

Presidents are integrally involved with trustees in the governance of higher education institutions and are vital to the leadership and management of colleges and universities (Fisher, 1991; Kauffman, 1980; Kerr, 1984). Many trustees believe that their sole responsibilities are to monitor the financial performance indicators and to hire a president who will provide vision and leadership (Chait et al., 1996; Friedman, 1983; Krutsch, 1999). One of the leading attributes desired in presidential search candidates is leadership (Bisesi, 1985; McLaughlin & Riesman, 1990; Nason & Axelrod, 1980a, 1980b).

Table 1: Six Competencies of the New Work Model

Competency	Description
Contextual	The board understands the culture, values, and mission of the institution it governs.
Educational	The board ensures that members are well informed about the institution and the role of the board.
Interpersonal	The board fosters a sense of cohesiveness and teamwork.
Analytical	The board recognizes the complexity of the issues it faces and uses multiple perspectives to synthesize appropriate responses.
Political	The board understands its responsibility to maintain two-way communication with key constituencies.
Strategic	The board helps shape institutional direction and ensures a strategic approach to the future.

### Full-Range Leadership Theory

Bass and Avolio (1999) have developed what is known as the Full-Range Leadership Theory. This theory posits nine leadership factors (addressed below) in three broad classifications or styles of leadership: transformational, transactional, and nontransactional. Their work is based on Burns' (1978) theory of transformational and transactional leadership developed from a qualitative analysis of the biographies of various political leaders. Burns (1978) describes transformational leadership as the ability to raise the consciousness of followers



to higher ideals. It is based on the principle of mutual stimulation: leader to follower and follower to leader. Burns (1978) contrasts this with the notion of transactional leadership: leadership rooted in the principle of exchange that appeals to followers' self-interests, where the leader exchanges rewards for appropriate levels of effort and performance. Transformational leadership is viewed as moving beyond mere transactions by encouraging followers to transcend self-interests and by increasing the level of followers' vested interest in designated outcomes (Bycio, Allen, & Hackett, 1995). Burns' (1978) original theory of leadership is supported by a large body of work (Antonakis, Avolio, & Sivasubramaniam, 2003; Avolio & Bass, 1988; Bass, 1985; Baum, Locke, & Kirkpatrick, 1998; Bycio et al., 1995; Tejada, Scandura, & Pillai, 2001; Tichy & Ulrich, 1984; Yammarino & Bass, 1990; Yukl, 1999).

#### Nine Factors of Full-Range Leadership

Bass and Avolio have been prolific in their research on transformational and transactional leadership (Antonakis et al., 2003; Avolio, 1999; Avolio & Bass, 2002; Lowe, Kroeck, & Sivasubramaniam, 1996). From their work has emerged a nine-factor, full-range leadership theory that moves from the more effective transformational leaders to the less effective nontransactional. Within each classification there are components of leadership that can be used individually or in any number of combinations. For example, transformational leaders may employ one or more of the following five factors: (1) idealized influence (attributed) – leader focuses on higher-order ideals to engender a sense of mission around goals and high expectations, (2) idealized influence (behavioral) – leader takes risks and makes personal sacrifices in order to achieve goals and meet expectations of the mission, (3) inspirational motivation – leader energizes followers with optimism and vision, (4) intellectual stimulation – leader appeals to followers' sense of logic and analysis that encourages them to think creatively

and find solutions, and (5) individualized consideration – leader advises, supports, and pays attention to the individual needs of followers (Antonakis et al., 2003; Avolio, 1999) .

Transactional leaders employ three factors: (1) contingent reward – leader provides followers with material and psychological rewards contingent on the fulfillment of contractual obligations, (2) management-by-exception active – leader is vigilant and ensures that followers meet predetermined standards, and (3) management-by-exception passive – leader intervenes with followers only after noncompliance of standards has occurred or when mistakes have already happened. The nontransactional style of leadership exhibits only one factor, laissez-faire, which is essentially nonleadership through avoiding decision-making and abdicating responsibility. It is a leadership style only in the sense that a person in authority may choose to avoid taking action rather than to lead (Antonakis et al., 2003; Lowe et al., 1996). A product of the research is the Multifactor Leadership Questionnaire (MLQ) that is designed to measure these nine factors in leaders (Bass & Avolio, 2000). Table 2 identifies the three leadership styles and their respective leadership factors.

Table 2: Nine Factors of the Full-Range Leadership Theory

Factors	Transformational	Transactional	Nontransactional
1	Idealized Influence (Attributed)		
2	Idealized Influence (Behavioral)		
3	Inspirational Motivation		
4	Intellectual Stimulation		
5	Individualized Consideration		
6		Contingent Reward	
7		Mgmt-by-Exception (Passive)	
8		Mgmt-by-Exception (Active)	
9			Laissez-faire

Cultural and societal changes often create the need for organizations to transform themselves in order to maintain a competitive edge. Increasingly, these organizations will need leaders who know how to bring about organizational transformation (Bass & Avolio, 1994;

Bennis, 1997; Morrison, 1992). Research reveals that transformational leadership is more effective than other forms of leadership. Furthermore, Bass (1985) contends that transformational leadership can be taught. Just as improving trustee competencies may improve financial performance indicators over time, immersing college and university presidents in the principles of transformational leadership may offer similar results.

### Significance of the Study

One mark of success for colleges and universities is financial stability as measured by any number of performance indicators, such as, endowments and assets (Chait et al., 1993, 1996; Holland et al., 1989). If trustee competencies and presidential leadership styles affect college and university financial performance indicators, boards could search for ways to improve competencies and leadership styles through developmental activities, the implication being that such activity could enhance fiscal stability and security. Trustees and presidents could pursue simultaneous developmental activities that would improve their respective roles in the context of trustee competencies and transformational leadership styles. Also, because transformational presidents are generally more visionary and more likely to enact change in the institution, trustees might conduct presidential searches that examine candidates for indications of transformational leadership qualities. This dissertation promises to provide views of five institutions and their respective boards and presidents. Insights will be garnered that should reflect on the advantages and disadvantages of the use of the six competencies of the New Work Model and the nine factors of the Full-Range Leadership Theory.

### Overview of the Research Design

The goal of this study is to explore the relationships among trustee competencies, presidential leadership styles, and financial performance indicators at nonprofit, independent

colleges and universities of less than 4,000 students. This study is based on a sample of five institutions chosen on the basis of their financial profiles. These profiles were developed using the Methodology for Regulatory Test of Financial Responsibility of the United States Department of Education (see chapter three). These five were divided into three groups based on their performance as financial gainers, financial stabilizers, or financial decliners (hereinafter referred to as gainers, stabilizers, and decliners). The gainers demonstrated increasing values in performance indicators, the stabilizers displayed little or no change in performance indicators, and the decliners exhibited decreasing values in performance indicators. Data were gathered from these five institutions using structured interviews and questionnaires. Three people at each institution were interviewed: the president, one presidential cabinet member, and one trustee. Content analysis was used to sort the interview data into the six competencies of the New Work Model and the nine factors of the Full-Range Leadership Theory. The executive committees of the boards of trustees of the five institutions completed Chait, Holland, and Taylor's BSAQ, an instrument that assesses trustee competency. Two versions of Bass and Avolio's MLQ were used to assess leadership styles: the president completed the leader form and the presidents' cabinet members completed the rater form. This dissertation attempts to use data extracted from the above methods to inform the following research questions.

#### Research Questions

1. Do the gainers and the stabilizers exhibit higher levels of trustee competence than the decliners?
2. Are there specific competencies in trustees and explicit leadership factors in presidents that interact more in gainers and stabilizers compared to decliners?

3. Do the presidents of gainers and stabilizers use more transformational factors in their leadership styles than the decliners?

#### Limitations of the Study

Only independent colleges and universities in the southeastern portion of the United States were included. The findings of this study may not be applicable to public and proprietary colleges and universities or to independent colleges nationally. Also, only institutions with less than 4,000 students were included. The findings of this study may not be applicable to larger institutions. Fifteen individuals from five institutions participated in the structured interviews. Twenty-six trustees completed the Board Self-Assessment Questionnaire. Twenty-three college and university cabinet members completed the Multifactor Leadership Questionnaire. Due to the small sample sizes, caution should be used in applying the findings to other colleges and universities. Despite these limitations, this study and its findings make a contribution to the fields of trustee governance and presidential leadership by expanding the view of the interrelationship among trustee competencies, presidential leadership styles, and financial performance indicators.

#### Chapter Summaries

Chapter two reviews the literature pertaining to governing boards and presidential leadership in higher education. With respect to governing boards, both traditional and contemporary models of trusteeship are presented. Executive leadership in higher education is viewed from an historical perspective of the college and university presidency as well as from the standpoint of contemporary change-oriented leadership. Literature on the New Work Model and the Full-Range Leadership Theory is reviewed in detail.

Chapter three explains the methodology of the research model. The performance indicators for the study are drawn from the Methodology for Regulatory Test of Financial Responsibility (MRT) of the United States Department of Education. MRT is explained in detail. Sections are included on the selection process for the research sites, the study sample, data collection methods, data analysis methods, and reliability and validity considerations.

Chapter four provides data analysis and discussion of the research. A section is provided for each of the three groups of institutions classified by the performance indicators: gainers, stabilizers, and decliners. The gainer category contained one institution. The stabilizer and decliner categories contained two institutions in each. Generous qualitative data are provided for each institution as well as some quantitative data.

Chapter five presents conclusions and recommendations derived from the study. In addition to a general summary of findings, specific recommendations are included for trustees and presidents. Terms and definitions are included in Appendix A.

## CHAPTER 2

### REVIEW OF THE LITERATURE

The review of the literature explores the topics of governance and leadership and focuses primarily on governance and leadership of colleges and universities in the United States.

Literature on governance is reviewed first, including a review of the New Work Model. This is followed by an examination of the literature on leadership, and in particular, the Full-Range Leadership Theory.

#### Trusteeship in Higher Education

Trustees have been described as individuals bound together who hold a charter of public trust for an incorporated institution (Greenleaf, 1975). They are at the top of the academic governance hierarchy and serve as the principal connection between the institution they hold in trust and the constituent group or groups that have endowed them with that trust (Riley & Baldrige, 1977). The beginnings of American college and university boards of trustees can be traced to Yale College in the eighteenth century where the first external lay board was appointed (Brubacher & Rudy, 1968). During the nineteenth century lay leadership came to be the accepted norm for higher education governance. Prominent clergy, businessmen, and government officials accepted positions as trustees and through their collective influence provided leadership, legitimacy, and resources. Viewed as the best way for colleges and universities to achieve growth and stability, boards of trustees accepted the responsibilities to guard the resources and promote the general welfare of the institutions they governed (*Governance of higher education*, 1973; Rudolf, 1962; Ruml & Morrison, 1959).

Today, boards of trustees are expected to be autonomous, responsible, responsive, and accountable with respect to the institutions they govern. Trustees have become the guardians of institutional autonomy and independence that are the hallmarks of higher education (Duryea, 1973; Kerr & Gade, 1989). Mason (1972) contends that trustees do not hold unlimited sovereignty over an institution, but participate in a government of checks and balances with administrators and faculty. Research reveals that effective boards recognize that they are part of a larger community that has valid claims on the decision-making process (Chait et al., 1993). The effective board will interact with the highly interdependent network of institutional stakeholders on the college or university campus. Effective trustees understand that they are legally responsible for the future of the institution while at the same time serving an organization dominated by higher education professionals that can claim extensive authority in the institution's internal governance. When trustees become a part of the campus community, they are no longer outsiders serving with detachment but citizens of the institution who realize that the college, not the board, comes first (Taylor, 1989).

“A governing board is expected to represent the public trust in ensuring that the organization carries out the purpose for which it was established in a responsible and accountable fashion” (Lakey, 2000, p. 6). The Association of Governing Boards of Universities and Colleges (AGB) encourages boards to examine the clarity, coherence, and appropriateness of their governance structures, policies, and practices (*AGB statement on institutional governance*, 1998). Included in the AGB’s list of trustee responsibilities and attributes are the following: integrity, ability to work with others, listening skills, an open mind, a sense of humor, sensitivity to others, willingness to commit time and energy to the task, willingness to immerse oneself in



the institution and its mission, and commitment to financial giving, to lead fund-raisers to other resources, and to stay current with trends in higher education (*Trustee Responsibilities*, 1991).

Boards of trustees serve in several fundamental roles: (1) they appoint, support and evaluate the president, (2) they ensure that the institution attends to its mission, (3) they establish the organization's direction, (4) they define the work to be done, (5) they provide oversight, (6) they establish policy, (7) they engage in strategic planning, (8) they approve and evaluate programs, (9) they develop and allocate resources, (10) they represent the aspirations of the institution to the public, (11) they are responsible in the exercise of trustee authority, (12) they preserve institutional independence, and (13) they maintain a commitment to higher education (Carver, 1997a; Cheit, 1971; Houle, 1997; Lakey, 2000; Nason, 1993; Widmer & Houchin, 2000). One study identified board activities most strongly correlated with organizational effectiveness as follows: policy formation, strategic planning, program monitoring, financial planning and control, resource development, board development, and dispute resolution (Green & Griesinger, 1996).

Trustees have traditionally focused on their fiduciary responsibilities, rarely addressing other institutional issues, such as academics, mission, and the co-curricular aspects of the college or university. Research shows that decisions and actions are seldom tied to institutional mission (Barr & Borden, 1995). A study of nonprofit organizations found that CEOs and board members place the greatest proof of board effectiveness on the financial results and strength of the organization (Herman & Renz, 2000). Any discussion about the influence of governing boards on the higher education institutions they govern inevitably turns to a conversation about what governing boards could or should do compared to what is actually done. Prescriptions and anecdotes abound; findings based on research are scant (Chait et al., 1996). One study revealed

that there is a wide variation in the use of prescribed board practices and that the judgments by CEOs of board effectiveness are moderately related to the extent of use of recommended board practices (Herman et al., 1997). In another study of board practices researchers concluded that many common prescriptions were not reliably connected to the outcomes that stakeholders use to judge board effectiveness. Furthermore, thirty-two percent of the organizations actually decreased the extent to which they used a set of commonly accepted board practices compared to an earlier study of the same nonprofit institutions, suggesting that recommended practices are not widely seen as crucial to effective board functioning, but rather are viewed as ways to approach board work (Herman & Renz, 2000). This research suggests that board effectiveness is related to organizational effectiveness, that there is no "silver bullet" or "best practice" in board process management that ensures effectiveness, and that boards need to find what processes are useful to them; not just what experts say or trends suggest, but what actually helps them reach good decisions and make a difference in the organization's success (Herman & Renz, 2000).

Drawing from a review of years of research, Nason (1982) concluded that the traditional model of governance is inadequate to the circumstances of the present and the future. Despite this current inadequacy, governing boards will need to play a major role in shaping the destiny of higher education (Nason, 1982). One case study focusing on board reform concluded that formal changes in board structure or organization will not necessarily achieve the desired result, rather it can act much like a sedative, lulling board members into thinking that because they have acted, change will naturally occur (Levy, 1981). What board members need is a thorough understanding of problems and issues, leading to in-depth analyses and methodical decision-making. Formal change in the rules and structure may not be necessary. Regardless, deep

discussion among trustees, management, and constituents is both a learning vehicle for problem-solving and the precursor to appropriate change (Levy, 1981).

There is an endless supply of "breakthrough" solutions and programs for achieving "world-class" performance and results. Many of these have value and may create good results; however, because they are powerful management tools, they also have the potential for causing great damage. Organizations should resist the simplicity of implementing another institution's program. Rather, board members and CEOs should strive to understand the theories behind successful programs and to adapt appropriate aspects in view of the realities and nuances of their particular situations. The focus is less on panacea-thinking and more on the hard work needed to craft solutions tailored to an institution's unique context and needs (Shapiro, 1995). Systems of higher education function better when boards and leaders can appraise the system's capacity, learn from past mistakes, and act decisively to strengthen weaknesses (MacTaggart, 1999). Ineffective leadership from boards can inhibit an institution's ability to embark on intentional and fundamental renewal (McGuinness Jr, 1999).

Whether reading the prescriptive literature or the research-based, consensus is that governing boards generally are under-performing and under-utilized. Chait, Holland and Taylor (1996, p.1) concluded:

After ten years of research and dozens of engagements as consultants to nonprofit boards, we have reached a rather stark conclusion: effective governance by a board of trustees is a relatively rare and unnatural act . . . Regrettably, most boards just drift with the tides. As a result, trustees are often little more than high-powered, well-intentioned people engaged in low-level activities. The board dispatches an agenda of potpourri tied tangentially at best to the organization's strategic priorities and central challenges. We did not reach this judgment alone. Most trustees whom we encountered were quick to acknowledge dissatisfaction and disillusionment with their board's performance.

Trustees are successful people accustomed to leadership roles. “Nearly all trustees feel comfortable in the role of signal caller – someone able to scan the environment, assign responsibilities, and execute the play” (Chait et al., 1996, p. 5). They have been described as a huddle of quarterbacks with large egos lurking inside almost every helmet and as such find teamwork a difficult skill to master, preferring to act individually. It has also been noted that trustees are high rollers in what they perceive to be a low stakes game (Chait et al., 1996). “As a volunteer and as merely one board member among many, most trustees can avoid or minimize personal accountability . . . Few board members lose much sleep over trusteeship, even though the caliber of governance that the trustees provide has profound consequences for the institution” (Chait et al., 1996, p. 6).

In a rather extensive research project, Kerr and Gade (1989) concluded that trustees are considered essential to higher education institutions, yet often are not engaged in what they could or should do. Trustees have been called the silent partners in higher education, working largely in the background below the levels of public visibility. Only when crises loom do they move to center stage away from their policy-setting activities to operational ones (Baldrige, Curtis, Ecker, & Riley, 1978). They tend to avoid innovation and experimentation, preferring to preserve the existing model of higher education governance. They move into new paths only when forced there by critical and urgent situations. Typically being busy executive types, they prefer quick decision-making and leave the more time consuming work of planning and strategizing to presidents and administrators (Keller, 1983). Many trustees believe that their sole responsibilities are to hire and fire the president and to monitor the financials. Beyond that they remain disengaged (Chait et al., 1996; Friedman, 1983; Krutsch, 1999; Nason & Axelrod, 1980b). The review of presidential performance is an often delicate and controversial subject.

One two-year study attempted to examine the procedures being used to assess presidents. Of 318 institutions examined, 38 percent reported using formal assessment procedures in the evaluation of presidential performance and 48 percent reported using informal procedures. Presidential assessment is a natural outgrowth of a board's responsibility for the health of the institution (Nason & Axelrod, 1980a).

### Traditional Model of Trusteeship

At the heart of the issue of trustee effectiveness is the traditional model of governance that relegates governing boards almost exclusively to policy-making duties, with the exception of presidential searches and evaluation of the chief executive (Krutsch, 1999). Perhaps the most comprehensive view of the traditional work of boards of trustees is the Policy Governance Model (Widmer & Houchin, 2000). It suggests that boards set policy with respect to mission, budgets, and performance standards and that they guard the physical assets of institutions by setting policies that protect and conserve resources. Boards set policy about vision, values, beliefs, and commitments. The pivotal duty of governance is ends determination and outcomes that are achieved by setting limits on management rather than prescribing how management is to do its work. The Policy Governance Model contends that many nonprofit boards are mired in ritual and are unable to act as a group, and therefore, offers an alternative that focuses on taking action, accountability, and leadership (Carver, 1997a, 1997b, 2001; Carver & Carver, 1996, 1997).

Additional insights into traditional governance are numerous. A shared governance model where trustees set policy, administrators manage operations, and faculty shape academic programming is sometimes characterized as indecisive and ineffective, being more adept at preserving the past than shaping the future. Presidents are constantly required to discuss, negotiate, and seek consensus, which causes them to operate from one of the most anemic power

bases of all the major institutions in American society (Duderstadt, 2001). It can be argued that governing boards have set policies that place too many limits and restrictions on presidential activity, making it difficult for presidents to lead (Fisher, 1991).

Traditional boards often focus on process more than substance. There is a tendency to ignore the monitoring of board performance and to neglect self-evaluation, facts that may contribute to lackluster leadership over considerable periods of time (Bowen, 1994). Frantz (1997) lists three key obstacles to board effectiveness: (1) the absence of a written rationale for the existence and role of the board, (2) the absence of a studied design for board composition criteria, for on-site / in-house orientation, and for the roles and functions of board members, and (3) the absence of management control and evaluation of the board and its members by the board itself. Board meetings are characterized as tightly scripted events with predetermined outcomes determined by a small inner circle of trustees. Agendas are filled with trivial matters. Often, trustees are given volumes of data with little analysis and interpretation (Chait et al., 1996).

Chait, Holland and Taylor (1996, p. 116) write:

Most of the scores of college and university board meetings that we have observed exhibited a basic uniformity, despite vastly different institutional characteristics and trustee demographics. The standard-issue board meeting opens with a series of committee meetings, of equal duration, dominated by staff reports about operational issues. A dinner with faculty, students, or staff follows. The next morning, the formal board meeting proceeds with roll call, acceptance of minutes, the president's report (often distributed in advance and then recapitulated), committee reports (in alphabetical order), old business, new business, and adjournment. Even when a board's schedule differs from this template, little variation occurs from one meeting to the next. Most boards follow a single pattern time after time, regardless of the circumstances. Small wonder that trustees leave most board meetings without a sense of accomplishment.

The traditional patterns of governance have restrained governing boards from getting involved in the educational processes, the core business of higher education (Chait, Mortimer, Taylor, & Wood, 1984). While the policy-making responsibility of governing boards is

generally not disputed, some would suggest that limiting the activity of boards to only this kind of endeavor stops short of the many advantages that might be realized if boards were more deeply involved in the institutions they govern. For example, boards have a right to review and advise in the areas of academic programming, establishing performance standards, and ensuring quality. From this view, policy and operations are interrelated and intertwined (Kauffman, 1983). Drucker (1990a) contends that the work of nonprofit boards and their CEOs does not neatly divide into policy versus administration; rather, there is overlap that should cause boards and executives to be involved in both functions and to coordinate their work accordingly. One board chairman has likened the division of responsibility not so much to a line that divides policy from administration, but more of a constantly shifting gray area (Potter, 1977). Trustees tend to be acutely aware that they possess the legal responsibility for the institution, but also recognize that management has the infrastructure, the specialized knowledge of higher education, and the time to run the operation (Chait et al., 1996).

Furthermore, many boards fail to develop a system that teaches trustees how to be successful as board members. It has been compared to becoming a parent for the first time. For nine months there is knowledge that a baby is coming, but little in life prepares one for such a significant role. Unless one takes the initiative to learn about trusteeship, little will be known about it. Boards are often a collection of successful individuals who do not perform well as groups (Chait et al., 1993). A reasonable response might be to look for ways to increase the effectiveness of governing boards by educating and informing trustees of their various responsibilities. Another way boards can improve is to assess their own performance. Trustees can evaluate the quality of their oversight of institutional mission, quality of planning,

educational policy, locus of decision-making, the effectiveness of committees, and the quality of its meetings (Taylor, 1987).

### Contemporary Models of Trusteeship

A different theoretical construct is being advanced that suggests that boards should move from solely policy-making activities to more engaging behaviors, what is being characterized as old work versus new work or the New Work Model (Taylor et al., 1996; Widmer & Houchin, 2000).

New work is another term for work that matters. The new work has four basic characteristics. First, it concerns itself with crucial, do-or-die issues central to the institution's success. Second, it is driven by results that are linked to defined timetables. Third, it has clear measures of success. Finally, it requires the engagement of the organization's internal and external constituencies. The new work generates high levels of interest and demands broad participation and widespread support (Taylor et al., 1996, p. 4).

Under the New Work Model trustees and management together are encouraged to find out what matters. They must determine the important issues and the agenda of the organization.

In the world of the old work, the lines were clearly drawn: the board remained on the policy-setting side of the net, management on the implementation side, and so the game of governance was played. In the new work, the board and management are on the same side of the net as partners in both roles. The question is not, Is this an issue of policy or implementation? Rather, the question is, Is the issue at hand important or unimportant, central or peripheral? (Taylor et al., 1996, p. 7)

Examples of new work include the board and administration assessing needs, designing a plan, and implementing it together; or the creation of a board structure that mirrors the strategic priorities of the institution, allowing for many ad hoc arrangements; or the organizing of meetings with goal-driven agendas where form follows function (Taylor et al., 1996).

The Contingency Governance Model is another approach to governance, suggesting that although all boards share similar responsibilities, they do not necessarily organize themselves the same. This model accepts both the Policy Governance Model and the New Work Model as



valid, but argues that a contingency approach is more effective because it allows a board to organize itself and fulfill its responsibilities based on the characteristics and values of that particular board and its organization (Widmer & Houchin, 2000).

### New Work Model

Chait, Holland and Taylor (1993) developed the New Work Model as a means to measure the effectiveness of boards of trustees. Developed qualitatively in the higher education sector, the model has since been expanded to include nonprofit boards in general (Holland & Blackmon, 2000; Holland & Hester, 1999). Six competencies emerged from board behaviors that distinguished effective boards from ineffective. Recognizing the vast differences of opinion in defining the word effectiveness, the researchers used multiple measures to ascertain the characteristics of effectiveness in boards of trustees: reputation among experts, scores on structured interviews, and institutional performance indicators.

A group of experts were asked to identify the least and most effective boards with which they were familiar based on their beliefs and views of effectiveness. Next, the researchers followed this phase of the study by conducting structured interviews with ten institutions from the experts' lists without knowing which had been identified as effective or ineffective (Chait et al., 1993; Holland et al., 1989). After reviewing both sets of data, a strong overall consistency existed between the researchers and the experts as well as among the researchers themselves in independently reaching consistent judgments with respect to the essential elements of effective trusteeship. They concluded "there are specific characteristics and behaviors that distinguish strong boards from weak boards" (Chait et al., 1993, pp. 1-2). A final phase of the study explored the relationship of institutional performance and effectiveness by comparing the findings of the experts and of the researchers with institutional performance indicators, such as,

changes in operating revenues, institutional wealth, and financial reserves. The researchers concluded “that there is a positive and systematic association between the board's performance, as measured against these competencies, and the college's performance, as measured against some conventional financial indicators” (Chait et al., 1993, p. 2). A causal relationship was not assumed or tested; however, strong overall consistency existed between the researchers and the performance indicators revealing that the indicators were statistically associated with dimensions of effectiveness (Chait et al., 1993).

A follow-up study applied the New Work Model to practice by answering the basic question: Can boards of trustees learn to improve their competency levels? To answer this question, the authors developed an action research study that collaborated for five years with the boards of six private colleges. Interviews, a questionnaire, and consultation/coaching were used in the study within a pre- and post-study perspective. The primary conclusion is that boards can improve their performance on these competencies (Chait et al., 1996).

The New Work Model provides a systematic approach drawn from the study of actual behaviors of trustees in group settings. Board size, term limits, number of meetings, and duration of meetings had little impact on board effectiveness. Rather, the behavior of trustees as group members had major influence over the development of the goals, objectives, and organization of board work (Chait et al., 1993). This research also led to the development of an instrument, the Board Self-Assessment Questionnaire (BSAQ), designed to measure the strength of these competencies. Through several empirical studies the BSAQ has emerged as a valid and reliable instrument for measuring board performance in the context of the six competencies (Holland, 1991; Holland et al., 1989; Holland & Jackson, 1998; Jackson & Holland, 1998).

The six competencies of the New Work Model are as follows: contextual, educational, interpersonal, analytical, political, and strategic (Chait et al., 1993, 1996; Holland et al., 1989). It is not imperative for a governing board to achieve mastery on every competency to be considered effective; however, effective boards exhibit a greater overall degree of proficiency and have generally higher scores on the BSAQ, relative to ineffective boards (Chait et al., 1993).

### Contextual Competency

The contextual competency relates to the norms and culture of the institution. When new trustees join a board, they may possess differing views of the institution. Some know it well, especially those who are alums or those who have previously served the institution in some capacity. Others know little about the culture of the institution, having been brought to the board because of their wealth, expertise, or influence. “From a typical trustee’s perspective, colleges are in many respects a foreign culture with strange customs and curious business practices” (Chait et al., 1993, p. 10). Boards that reflect high competency in the contextual area “(1) adapt to the distinctive characteristics of an academic environment; (2) rely on the institution’s mission, values, and traditions as a guide for decisions; and (3) act so as to exemplify and reinforce the organization’s core values” (Chait et al., 1993, p. 9).

### Educational Competency

The educational competency relates to how well trustees understand their roles and responsibilities as board members, how well they know the institution they serve, and how well they understand the work of the board and the institution. Some trustees have never served on any kind of board. Others are quite experienced, having served on other nonprofit boards and/or corporate boards. Management or board experience in the profit sector is not always transferable to the nonprofit sector (Drucker, 1990b; Wolf, 1999). Governing boards should proactively

educate their members in the business of higher education. They should be well informed about higher education and use that information and knowledge to secure the future of higher education (Lewis, 1980). Research has revealed that trustees' ratings of organizational effectiveness are positively related to board members' ratings of staff educational sufficiency and the extent to which board members feel informed of their duties (Herman & Tulipana, 1989).

Boards high on the educational competency “(1) consciously create opportunities for trustee education; (2) regularly seek feedback on the board's performance; and (3) pause periodically for self-reflection, especially to examine the board's mistakes” (Chait et al., 1993, p. 26). These boards have initiated efforts to educate board members to the fundamentals of trusteeship as well as to the unique nuances of serving on its board compared to other boards. Members are encouraged to ask questions and raise concerns about the board's work and performance. Opportunities for trustee education and development are frequent. It seeks feedback from stakeholders regarding its responsibilities and performance, and reflects on its strengths, limitations, and mistakes. In fact, it uses mistakes and setbacks as learning tools (Chait et al., 1993). The wealth of information that is emerging from the study of nonprofit boards indicates that educating board members is a key to improving board performance (Houle, 1997).

### Interpersonal Competency

The interpersonal competency relates to how a board functions as a group. Trustees in higher education are unpaid, part-time volunteers who generally spend no more than fifteen days on campus each year (Wood, 1985). Very often individual trustees are not aware of the group dynamic and how it affects the board's behavior. In addition, the effects of subgroups and their behavioral patterns are little understood by trustees. The unique group dynamic of a governing

board sits like an invisible and influential trustee affecting what the board does (Alderfer, 1986). Boards sometimes have a tendency toward "group think", squelching controversy and open discussion in favor of rubber-stamping executive decisions (Small, 2000). When boards have powerful cliques or dominating leadership, the group dynamics are even lower because the work of the board reflects the efforts of only a select few (Chait et al., 1993).

Boards high on the interpersonal competency “(1) create a sense of inclusiveness among trustees; (2) set goals for themselves; and (3) groom members for leadership positions on the board” (Chait et al., 1993, p. 42). Group dynamics reflect collective goals and achievements. Such a board nurtures the development of its members as a group, communicates group norms and standards, fosters a sense of cohesiveness, encourages teamwork, and recognizes group achievements (Chait et al., 1993).

#### Analytical Competency

The analytical competency relates to the way boards handle the complex issues of governance and the accompanying ambiguity of some issues. Some trustees are educators; most are not. The typical board member comes from the business or entrepreneurial sector and has little specialized knowledge of higher education and even less understanding of the complexity of the issues facing colleges and universities today. Boards high in the analytical competency “approach problems from a broad institutional outlook, search widely for information, and actively seek different points of view” (Chait et al., 1993, p. 59). They work from a broad perspective, emphasizing cognitive skills that recognize the many implications of board actions upon diverse constituencies. There is a view of the board as a part of a larger community rather than an isolated entity. As a group, the interdependencies of complex issues are understood,

dissected and analyzed, accepting ambiguity as essential to critical discussion and welcoming diversity of opinion (Chait et al., 1993).

### Political Competency

The political competency relates to the board's relationship to the institution's various groups of stakeholders. Boards are adept at effective political maneuvering when it comes to donors and benefactors of one kind or another; however, they often turn deaf ears to other stakeholders such as students, faculty, alumni, and the general public. Boards often do their work so independently that they appear separate from the institutions they govern rather than a part of it. Boards high in political competency "(1) respect the integrity of the governance process, (2) consult often and communicate directly with their key constituencies, and (3) attempt to minimize conflict and win-lose situations" (Chait et al., 1993, p. 77). They protect the rights of all stakeholders, engaging them for the good of the institution. Options are kept open while searching for optimal solutions. Building healthy relationships and effective communication channels with constituent groups is viewed as a key responsibility of the board (Chait et al., 1993).

### Strategic Competency

The strategic competency relates to the shaping of a direction and vision for the institution. Trustees are usually busy executives who tend to shy away from the time consuming activities of planning and strategizing. Boards high on the strategic competency "cultivate and concentrate on processes that sharpen institutional priorities and ensure a strategic approach to the organization's future" (Chait et al., 1993, p. 95). They examine and reexamine institutional and strategic priorities, doing their work in the light of these priorities, and acting before issues become urgent or of crisis proportions. They make decisions with an eye always on the future.

A few strategic priorities are identified and pursued. Discrete events are discerned and interpreted in the light of meaningful patterns and trends. They take sensible risks that align with the strategic plan and take responsibility for their actions (Chait et al., 1993). Keller (1983) describes how one university brought trustees and administrators together around strategy in an annual retreat where discussions focused exclusively on long-term needs, strategies, major changes, and external threats and opportunities. This approach uncovers trustee thinking and preferences for campus strategy formulation and appears to be a useful way for presidents to involve trustees in strategy development (Keller, 1983).

Further research into the New Work Model reached additional conclusions, among them the following: boards must view the development of these competencies from a long-term perspective, not from a quick-fix point of view; boards must understand that there is no one-size-fits-all strategy for board improvement; retreats are effective ways to move a board toward higher levels of competency; group goal setting is an effective way to build cohesion and accountability on the board; and restructuring the board is an effective way to improve performance (Holland & Jackson, 1998).

#### Executive Leadership in Higher Education

Not only do trustees formulate policy and manage financial assets, they hire the president, the one person most responsible for the success of the institution and perhaps the most significant piece in the governance puzzle (Lenington, 1996). College and university presidents "are the glue that hold their communities together, the grease that reduces friction among the moving parts, and the steering mechanism that guides any forward motion" (Kerr & Gade, 1986, p. xiv). A study of twenty presidents of higher education institutions concluded that the

president was the key factor in the forward movement of each of these colleges and universities (Gilley, Fulmer, & Reithlingshoefer, 1986).

A longitudinal study of college and university presidents by the American Council on Education gives a clear picture of the persons who serve higher education in executive leadership. The typical president in 1995 was a 56-year-old Caucasian male, served an average of 7.3 years, and was most likely to have held his or her previous position at a similar type of institution. Women held 16.5 percent of all presidencies, up from 9.5 percent in 1986, and members of minority groups held 10.4 percent of all presidencies, up from 8.1 percent in 1986 (Ross & Green, 1998). Exploring the pathway to the presidency, four trajectories emerged from a study of the American college and university president: scholar, steward, spanner, and stranger. The scholar was found to be the normative presidential career ladder, a faculty appointment followed by successive administrative positions in higher education. The steward was the next most frequent path to the presidency and resembles the scholar with the exception of never having served as full-time faculty. The spanner came from any of five trajectories, the common denominator being a gap in their higher education employment histories outside the academy. The stranger was the least used path and represented presidents who came from outside higher education with no experience in higher education within their last three positions (Birnbaum & Umbach, 2001).

Kerr (1984) led the Commission on Strengthening Presidential Leadership, which conducted research that included interviews with 800 presidents that were representative of 2,400 colleges and universities. In general, the Commission discovered that the strength of the presidency had been weakened in recent decades and concluded that colleges and universities are in desperate need of leadership. Furthermore, top academic officers from whom most presidents



are selected indicated that the attractiveness of the presidency had deteriorated, a fact confirmed by professional search personnel and ex-presidents. Among the reasons cited for this decline are the following: more federal and state controls, more influence of faculty over appointments, more faculty unionization, more fractionalization of the campus into special interest groups, more layers of governance, less consensus, less sense of community, and less assurance of the importance of the mission of higher education. Among other conclusions of the study, it was noted that many presidents would find the presidency more attractive if they were less restrained and more supported (Kerr, 1984).

The role of the college or university president has always been a challenging experience. Written in the middle of the twentieth century, the following excerpt from the pen of Queens College president, Harold W. Stoke, is still appropriate nearly fifty years later:

A college president quickly learns to be a man of calculated speech, not only in casual conversation but in his official communications as well . . . Presidents must learn to say and to write nothing until they are deliberately ready to accept the consequences. Even more dismaying is the president's discovery that he is a man of many acquaintances but few friends. The reason is simple: friendship is possible only between equals, and a college or university has only one president. Robbed of his freedom of speech and left with acquaintances in lieu of friends, a college president, however gregarious outwardly, is a lonely man (Stoke, 1959, p. 21).

Other presidents have written about this loneliness at the top, notably William Rainey Harper, first president of the University of Chicago: "Moreover, this feeling of separation, of isolation, increases with each recurring year, and, in spite of the most vigorous effort, it comes to be a thing of permanence" (Harper, 1938, p. 178).

As their power and authority erode, presidents confront increasing numbers of challenges with decreasing means to affect them. Cohen and March (1986) contend that the presidency does not really matter any longer and that executive leadership at the university level is

principally mythological. University decision-making is characterized as a process that decouples problems from choices, leaving the president with little control over outcomes, relegating the presidency to a largely symbolic leadership role. The university is described as "organized anarchy", a place of uncertain goals and inadequate knowledge about who is attending to what (Cohen & March, 1986).

Presidents are viewed as managing in nearly ungovernable settings (Birnbaum, 1986). Kauffman (1980) interviewed thirty-two college presidents and found that a third of them had left their positions in their first two years on the job. Most described themselves as burned out. Contributing factors were the unrealistic view of the faculty and students, the relative irresponsibility of boards, and a lack of understanding by the public, faculty members, and students of the limitations to presidential power. The majority of them suggested that there is a need for better educational leadership. Kauffman (1980) believes that the presidential search process is flawed because of the use of unweighted, unevaluated criteria to select presidents. Instead of defining what major qualities are required for a specific institution, search committees combine all of the qualifications desired by all of the constituents, a sure way to dilute the mission (Kauffman, 1980). In a study of 376 institutions that had recently completed presidential searches, Nason (1980b) concluded that for a search to be successful the board must establish the criteria by which the new president will be chosen and these criteria should be derived from an understanding of institutional objectives for the next ten years.

Alton (1982) explored the question of voluntary resignation of presidents. A dramatic finding of his study revealed that governing board relationships as a causal factor in resignation ranked thirteenth in 1971, but had significantly moved to third place by 1981. One survey of presidents is cited that reveals their ratings of administrative tasks and the stress potential of

each. Of the tasks scrutinized, governing board relationships ranked third for presidents of public and private institutions; however, the stress potential of governing board relationships was ranked number two for public presidents and number five for private college presidents (Munitz, 1981).

Bennis and Nanus (1982) define effective leadership in corporate America as moving organizations from current to future states, creating visions of potential opportunities, and instilling within the group culture commitment to change and to new strategies that mobilize and focus energy and resources. They conclude that “vision is the commodity of leaders, and power is their currency” (Bennis & Nanus, 1985, p. 18). Cote (1985) found that presidents and board chairpersons generally agree in the ranking of twenty presidential roles. Both ranked "visionary" as number one. Presidents' must articulate a special vision, mission, or cause for the institution (Fisher, 1984). This mission should be large and should include lofty concepts such as peace, progress, freedom, and the welfare of both the college community and the greater public. Lofty goals promote morale and leadership effectiveness and provide a significant collective identity that tends to inspire both new heights and sacrifices for the greater common cause (Fisher, 1984).

Keller (1983) cites some of the challenges facing higher education: fluctuating finances and enrollments, changing programmatic needs and schedules, increasing competitiveness among colleges and universities, exploding technological needs and advances, and growing external controls from a variety of sources. He points out that the initiative for strategically meeting these challenges must come from the president. He concluded that the era of laissez-faire campus leadership ended where the era of academic strategy began. He argues for a more active, change-oriented management style in order to deal with the challenges of the present and the uncertainties of the future (Keller, 1983).

## Overview of Change-Oriented Leadership

Theories of charismatic, transformational, and visionary leadership have emerged that examine the behavior of leaders who are able to evoke confidence and support from followers in a manner that often leads to outstanding follower productivity, accomplishment, and satisfaction. Leaders such as Gandhi and Martin Luther King, Jr. changed the course of history through their abilities to garner extraordinary support from radically devoted followers who often attributed transcendent gifts of leadership to them (Bass, 1985; Meindl, 1990). Weber (1947) coined the term “charismatic” to describe extraordinarily gifted leaders whom their followers viewed as endowed with the divine grace of leadership, possessing transcendent powers that enabled them to find radical solutions to social crises and situations of desperation.

More recent articulations of charismatic leadership have been developed that suggest a wide range of leader behaviors (Bass, 1985; Burns, 1978; Conger & Kanungo, 1987; House & Shamir, 1993; Tichy & Devanna, 1986). Theorists along with business and other organizational leaders have sought a formula for understanding and developing charisma, using as examples Iaccoca’s dramatic rescue of Chrysler from the brink of bankruptcy and Kelleher’s phenomenal growth of Southwest Airlines within the troubled airline industry (Tejeda et al., 2001). Leadership theory has developed rapidly around the constructs of charismatic, inspirational, and visionary leadership (House & Shamir, 1993). Transformational/charismatic leadership theory has significantly shaped the field of leadership by advancing the notion of change-oriented leadership and its impact on followers (Hunt, 1999).

### Transformational Leadership

Yammarino, Spangler, and Bass (1993) traced the basic principles of transformational leadership to Weber’s concept of charismatic leadership. The root word in transformational is

transform, and therefore, the basic notion is that leaders of this type transform the culture of an organization in a way that causes followers to be internally motivated to perform their duties. This is contrasted with transactional leadership where the leader merely creates a contract or transaction with followers where they perform their duties in exchange for benefits, such as, salaries, bonuses, and perks. Transformational leadership causes followers to move to a higher level of commitment that results in performance based on higher ideals and principles, not just compensation (Bass, 1985). These leaders help satisfy followers' higher-order needs such as those related to self-actualization, esteem and belonging. Transactional leaders are assessed by exchanges that are easily identified and measured, but transformational leaders are assessed more on their improvement of the human condition (Bass, 1981).

Burns (1978) more fully articulated transformational leadership theory. He concluded that most leaders approach followers with an eye to exchanging one thing for another, in other words, a transactional view; however, his study of political leaders led him to conclude that effective leadership was characterized by a relationship between leaders and followers, not merely transactions (Burns, 1978). He lamented that a serious failure in the study of leadership is the bifurcation between the literature on leadership and followership. He advocated that the roles of leader and follower be united conceptually, that "leadership is nothing if not linked to collective purpose" (Burns, 1978, p. 3). Furthermore, "the effectiveness of leaders must be judged not by their press clippings but by actual social change measured by intent and by the satisfaction of human needs and expectations" (Burns, 1978, p. 3). He viewed the transforming leader as able to recognize and exploit the existing needs of potential followers. The transforming leader seeks to satisfy higher needs, always aware of possible motives in followers. Such a leader builds "a relationship of mutual stimulation and elevation that converts followers

into leaders and may convert leaders into moral agents” (Burns, 1978, p. 4). Moral leadership emerges from the basic wants, needs, aspirations, and values of followers and produces social change that satisfies the genuine needs of followers (Burns, 1978). Transformational leaders realign the culture of a people or an organization by creating a new vision that leads to a modification of shared assumptions, values, and norms. They craft new ways for culture to develop and for new norms and behaviors to be expressed (Bass & Avolio, 1993). These leaders transform the culture in such a manner that followers willingly do more than they originally intended to do and even more than they thought possible. They set challenging expectations to which followers respond with higher performances (Bass & Avolio, 1998).

Bass (1985) suggested that a paradigm shift was needed to comprehend how leaders influence followers to achieve optimal levels of performance that transcend self-interest for the greater good of the unit or organization. His research identified many distinguishing characteristics of transformational leaders. They are deeply trusted and work from a moral perspective that warrants such trust. Their willingness to make personal sacrifices for the cause creates a strong identification with followers and boosts the trust factor. They become strong role models for an organization. Transformational leaders take the time to get to know the people in their unit or organization and find out what these people need in order to perform at their best. They understand human behavior and how far people can be stretched and tested. They have as a goal to use challenges as a means of developing leaders from followers (Avolio, 1999). They are moral agents who focus themselves and followers on accomplishing higher-level missions resulting in higher levels of follower trust, loyalty, and performance (Bass, 1985).

Many authors and researchers over the past two decades have called for strong presidential leadership to meet the challenges facing American higher education. The leader

most often described is a transformational one, an agent of vision and change (Bass, 1985; Chaffee, Tierney, Ewell, & Krakower, 1988; Duderstadt, 2001; Fisher & Koch, 1996; Gilley et al., 1986; Keller, 1983). The transformational leader transcends the processes of the college or university that are no longer productive. Whether it is by inspiration, deep caring, creative thinking, or any of a number of transforming behaviors, the transformational leader supports a vision of effectiveness and success that may alter the culture and lead to improved institutional performance (Cowen, 1990). Improved institutional performance is a result of improved follower satisfaction and performance. Bass (1985) found that follower satisfaction, effectiveness, and effort were more highly correlated with transformational leadership behaviors than with transactional ones. Also, he discovered a high correlation between follower satisfaction and improved performance, indicating a greater degree of effectiveness for transformational leadership behavior compared to transactional and nontransactional leadership behavior. As a result of these and other studies, the call for presidents to be transformational leaders is more clearly understood.

#### Transactional Leadership

Using transactional leadership the leader and the follower agree on a course of action for the follower to be rewarded or to avoid punishment. It is like striking a bargain or signing a contract for an agreed upon exchange. There are interconnected roles and responsibilities between the leader and the follower in a quest to reach designated goals. As progress is made toward those goals, the leader may directly or indirectly reward that progress or impose penalties if the progress is insufficient. Positive and aversive contingent reinforcement are what transactional leaders do to motivate followers (Burns, 1978). Instead of moving followers to go beyond their self-interests, the transactional leader simply addresses and uses those self-interests.

Inducements are offered to get followers to move in a desired direction. Promises of reward are exchanged for cooperation and compliance while a corrective exchange is threatened for undesirable or counter productive behavior. Followers respond to both constructive and corrective transactions to satisfy their self-interests. For the former they desire praise, promotion, or monetary benefits. For the latter they wish to avoid reproof, negative feedback, or disciplinary action. Whether the result is positive or negative is contingent upon the actions of the follower (Avolio, 1999).

Bass (1985) noted that independent colleges were more entrepreneurial than their public counterparts, and therefore, theorized that private colleges would be more likely to produce transformational leaders. In contrast, public colleges exhibit higher levels of bureaucracy than independent colleges, so Bass (1985) further theorized that public colleges were more likely to produce transactional leaders.

#### Nontransactional Leadership

Nontransactional laissez-faire leadership is really not leadership; however, it is a behavior that all leaders exhibit occasionally that is nontransactional in nature. It is essentially an evasive pattern that at best defers decision-making and at worst avoids responsibility. In the extreme these individuals cannot make up their minds, are satisfied to wait for others to take the initiative, and may not care what happens. Avolio (1999) contends that a person with consistent laissez-faire tendencies is a “social loafer”.

#### Full-Range Leadership Theory

Burns (1978) viewed transformational and transactional leadership behaviors as opposite ends of a continuum. Bass (1985) disagreed, often observing both patterns of behavior in the same leader. He concluded that transactional behaviors are foundational to the emergence of



transformational leadership. Although conceptually distinct, transformational and transactional leadership are typically displayed by the same persons, only in different amounts and intensities (Bass, 1985). Transformational leaders effectively and consistently employ rewards contingent upon performance (Tejeda et al., 2001). When a leader honors all previous transactions with followers, trust is the natural result over time. It is higher and higher levels of trust versus compliance that transformational leaders use to achieve exemplary performance in followers (Avolio, 1999).

Through numerous research projects, Bass (1985) operationalized the concepts of transformational leadership and applied it to organizational leadership. He expanded the view of leadership beyond the political arena and developed transformational leadership theory using modern industrial, educational, social, and military organizations. His original theory included three transformational leadership factors, two transactional, and one nontransactional. Additional research expanded the theory to its current form as the Full-Range Leadership Theory: nine single-order factors comprised of five transformational leadership factors, three transactional leadership factors, and one nontransactional laissez-faire leadership factor (Avolio, 1999; Avolio & Bass, 1991; Avolio, Waldman, & Yammarino, 1991; Bass & Avolio, 1994; Baum et al., 1998; Hater & Bass, 1988). At least fourteen studies have generated conflicting findings with respect to the number of factors that best represent the model (Antonakis et al., 2003). The primary work by Bass and his associates firmly supports six factors and provides preliminary support for nine (Bass & Avolio, 2000). Tejeda, Scandura, and Pillai (2001) have completed a recent study that favors the nine-factor model. Although calling for further theoretical and empirical refinement, they conclude that the Full-Range Leadership Theory “offers much promise in terms of integrating diverse perspectives across the full range of leader

behavior, follower reactions and situational attributes” (Tejeda et al., 2001, p. 49). The Full-Range Leadership Theory is not intended to include all possible constructs representing leadership; rather its purpose is to focus on a particular range of factors and to deeply examine them. Thus, Bass and his associates have defined a full range of leadership behaviors from avoidant to idealized patterns that currently number nine factors; however, others may yet be discerned that will enhance the range of leadership processes in organizations (Avolio, 1999).

Transformational leadership is comprised of five factors viewed as first-order factors: idealized influence (attributed), idealized influence (behavioral), inspirational motivation, intellectual stimulation, and individualized consideration.

#### Idealized Influence (attributed)

The original six-factor model merged three of the current transformational factors into one factor named charisma/inspirational: (1) idealized influence attributed or charisma attributed, (2) idealized influence behavioral or charismatic behavior, and (3) inspirational motivation or inspirational leadership. Refinement of the theory identified these three factors as conceptually distinct (Bass & Avolio, 2000).

Theologically, charisma was an endowment of spiritual grace from God. For secular social science, it is an endowment of an extremely high degree of esteem, value, popularity, and/or celebrity-status attributed by others . . . The leader with charisma attains a generalized influence which is transformational . . . Admiration for charismatic leaders and the desire to identify with them and to emulate them are powerful influences on followers. As an attribution, charisma is in the eye of the beholder (Bass, 1985, pp. 39-40).

Attributed idealized influence refers to the socialized charisma of the leader, whether followers perceive the leader as confident, powerful, and focused on higher-order ideals (Antonakis et al., 2003). This is the impact the leader makes on followers or what they think of the leader. Followers view them as leaders that can be counted on when the going gets tough.

There is the assumption that these leaders will do the right thing and will demonstrate high standards of ethical and moral conduct. These leaders are considered to be extremely consistent rather than arbitrary or capricious. Followers often think of their leaders as having extraordinary capabilities, persistence, and determination (Avolio, 1999). Figure 1 illustrates the effect of the five factors of transformational leaders on follower effort.

#### Idealized Influence (behavioral)

Behavioral idealized influence “refers to charismatic actions of the leader that are centered on values, beliefs and a sense of mission” (Antonakis et al., 2003, p. 264). They are risk takers and are willing to make high levels of personal sacrifice to accomplish the mission of the organization. The willingness of the leader to share in the risks builds followers’ admiration, respect, and trust (Avolio, 1999). These leaders become powerful role models that cause followers to emulate them in self-sacrifice and risk-taking. “Followers attribute their own extra effort to internal self-related causes rather than to extrinsic rewards further adding to the followers’ commitment to the cause, and to vague and distant goals” (Bass, 1998, p. 24). A study of 250 chief executive officers who were rated by their direct reports with respect to their idealized or charismatic leadership found that the more idealized or charismatic leaders led more productive organizations as revealed by their direct reports, as well as a number of financial indicators including stock performance, sales increase, market share, earnings, and return on investment (Agle, 1993).

#### Inspirational Motivation

“Charismatic leadership is clearly inspirational: emotionally arousing, animating, enlivening, and even exalting to followers and their efforts” (Bass, 1985, p. 62). Inspirational

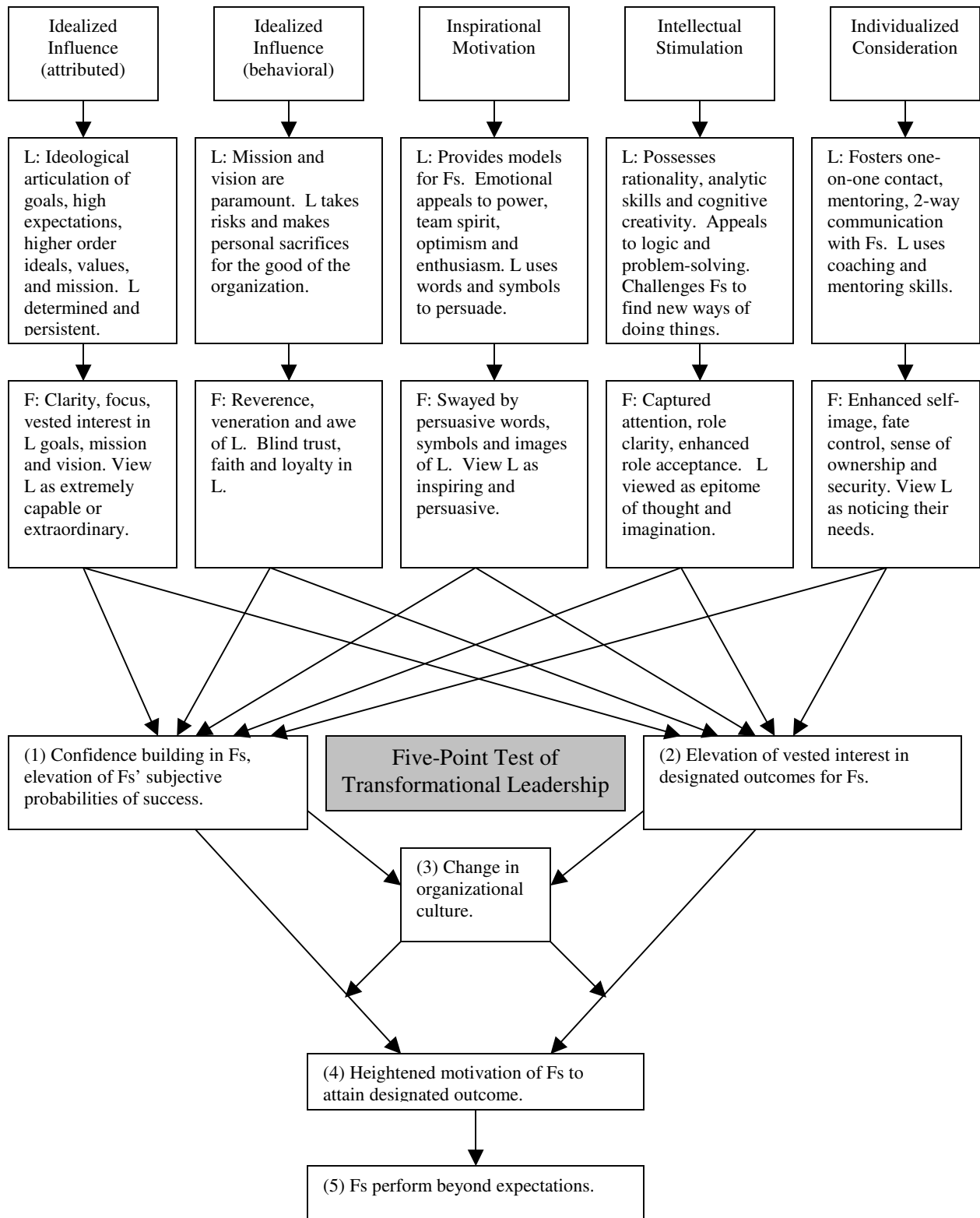


Figure 1. Transformational Leadership and Follower Effort

Note: L = leader; F = follower. Adapted from Bass (1985) *Leadership and performance beyond expectations*.

motivation refers to the ways leaders energize their followers by providing meaning and challenge to their followers' work. They communicate ambitious goals, idealized vision, and achievable vision regarding the future of the organization. They get followers to think about attractive future states or scenarios, sometimes espousing very different and desirable alternatives. They exude enthusiasm and infuse optimism and a team spirit throughout the organization (Avolio, 1999). "They can inspire others by what they say, by what they do, and at the highest end of the range, by both" (Avolio, 1999, p. 45). In a study of 545 follower ratings of job satisfaction, inspirational leadership had the strongest relationship to the amount of extra effort followers were willing to put forth in their jobs (Gottlieb, 1990).

### Intellectual Stimulation

"By the transformational leader's intellectual stimulation, we mean the arousal and change in followers of problem awareness and problem solving, of thought and imagination, and of beliefs and values, rather than arousal and change in immediate action" (Bass, 1985, p. 99). It is more about "followers' conceptualization, comprehension, and discernment of the nature of the problems they face and their solutions" than about doing (Bass, 1985, p. 99). Intellectual stimulation refers to actions of the leader that challenge followers to think creatively and find solutions to difficult problems. In fact, creativity is considered a high norm of conduct. It is an appeal to their sense of logic and analysis. These leaders encourage followers to question the status quo by re-examining assumptions considered to be vital to the organization and are generally open and accepting of followers' ideas. They reframe chronic problems and encourage followers to approach the way things have always been with an attitude that leads to exploration of new ways of doing things. When followers try new ways of doing things, mistakes that may result are never criticized. "Nothing is too good, too fixed, too political, or too bureaucratic that

it can't be challenged, changed, retired, and/or abandoned" (Avolio, 1999, p. 46). A study that identified champions of innovation in a variety of Canadian organizations showed that they exhibited transformational leadership qualities including intellectual stimulation (Howell & Higgins, 1990).

### Individualized Consideration

"Consideration for others has emerged as a consistently important aspect of leader-subordinate relations. Generally, it has been found to contribute to subordinate satisfaction with the leader and in many circumstances to subordinates' productivity" (Bass, 1985, p. 82).

Individualized consideration refers to leader behaviors of advising, supporting, and noticing the individual needs of followers, helping them to develop and self-actualize, which in turn leads to higher levels of follower satisfaction. These leaders act as coaches, mentors, teachers, facilitators, confidants and counselors, discovering what followers need for growth and development and encouraging them to reach their full potential. In fact, followers are developed to successively higher levels of potential (Avolio, 1999).

Leaders who exhibit this factor invest in followers' learning processes, often treating them more as individuals than as members of a group. As new learning opportunities are developed, individual differences with respect to needs and desires are monitored and used to customize the learning experience to the learner. Individual differences are not only accepted but are encouraged as a means to enhance creativity and innovation. These leaders establish strong two-way communication with followers and are noted to be great listeners who pay close attention to what followers are saying. Also, they use delegation as a means of developing their followers (Avolio, 1999). A study of army personnel found that transformational leadership and

individualized consideration had a positive relationship to individual empowerment and motivation to achieve (Masi, 1997).

“Transactional leadership is contingent reinforcement. The leader and follower agree on what the follower needs to do to be rewarded or to avoid punishment” (Bass, 1985, p. 121). It is comprised of three factors considered altogether as second-order factors: contingent reward, management-by-exception active, and management-by-exception passive.

### Contingent Reward

“A bargain is struck. A contract is signed. An exchange is agreed upon. Leader and subordinate accept interconnected roles and responsibilities to reach designated goals. Directly or indirectly, leaders can provide rewards for progress toward such goals or for reaching them” (Bass, 1985, pp. 121-122). Contingent reward leadership refers to the constructive transactions of the leader that focus on clarifying role and task requirements, and that provide followers with physical or psychological rewards contingent on the completion of the contractual commitment (Antonakis et al., 2003). These leaders secure agreements on what needs to be done and promise rewards in exchange for carrying out the agreements satisfactorily. Contingent reward has been found to be reasonably successful, although not as effective as any of the factors of transformational leadership (Avolio, 1999). Path-Goal theory attempts to explain the mechanics of contingent reward and why it brings satisfaction to followers. Leaders set goals that serve as paths to successful actions (Bass, 1965). By clarifying the path and increasing opportunities for personal satisfaction along the way, these leaders increase the chances that followers will achieve their goals and reach the pay-off (House, 1971). The goal setting is not a cold transaction, but a warm and encouraging activity that followers perceive as ongoing reassurance of the esteem with which the leader regards them. In fact, this reassurance is a reward in and of itself that serves as

a baseline incentive for followers to continue their association with the leader and the organization (Bass, 1985). A study of rewards for acceptable performance, such as praise, recognition, and pay, found that not only did performance improve, but followers' expectations and aspirations were also enhanced (Keller & Szilagyi, 1976). Figure 2 illustrates the effects of transactional leadership on follower effort.

#### Management-by-Exception (active)

Management-by-exception is a corrective transaction and tends to be less effective than any of the previously discussed factors of leadership, especially when used in excess; however, in situations where risk is high, such as military combat or emergency response activity, it may be necessary and even preferred. Active management-by-exception refers to corrective transactions of the leader that vigilantly ensure that mistakes are avoided and standards are met (Avolio, 1999). Leaders who exhibit this factor focus on monitoring task execution and maintaining agreed upon performance levels. These leaders diligently search for circumstances that might lead to followers' mistakes and take immediate action to correct potential deficiencies (Tejeda et al., 2001). It is management as controller. "When the ship is on course, nothing needs to be done. The manager needs only watch to see if it veers off course" (Bass, 1985, p. 137). They offer feedback to followers that some threshold of unacceptable behavior is in danger of being crossed. Negative feedback offered as constructive criticism provides followers with needed advice on what not to do (Bass, 1985). A study of military combat settings revealed that both leaders and followers viewed corrective leadership in its active form as effective in building platoon readiness for combat (Bass & Avolio, 1997).



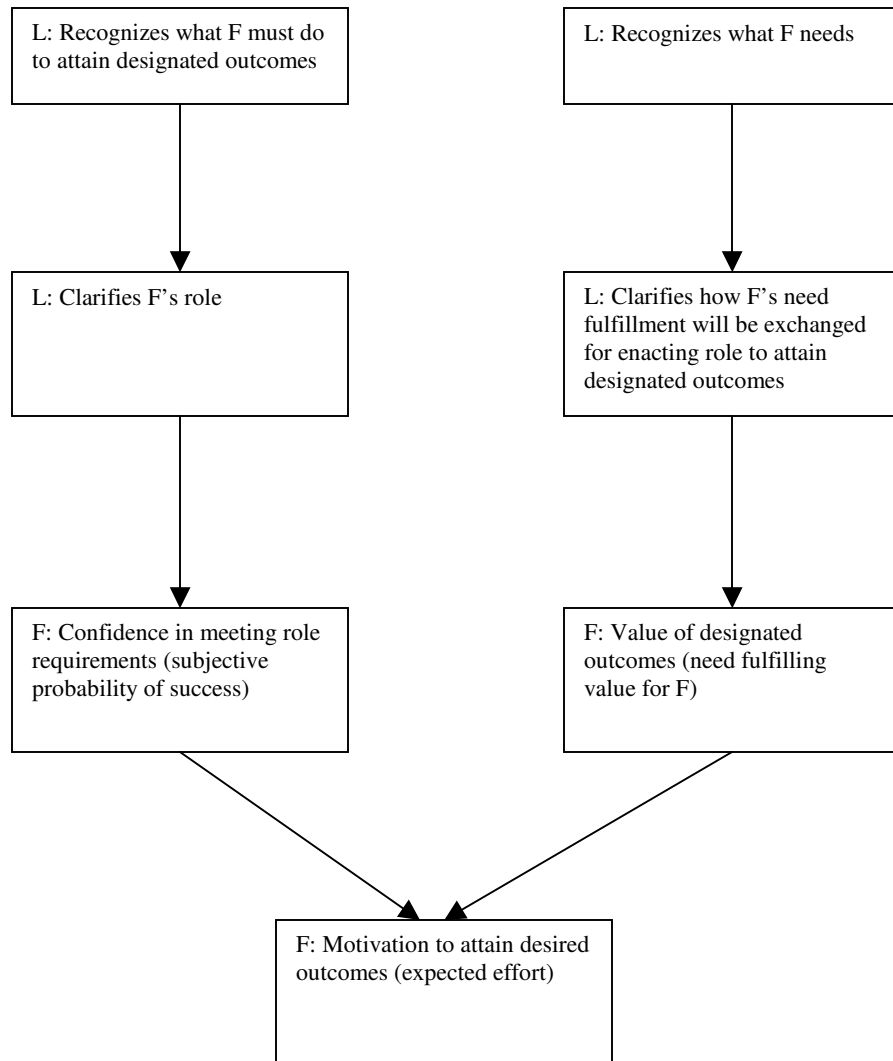


Figure 2: Transactional Leadership and Follower Effort

Note: L = leader; F = follower. From Bass (1985) *Leadership and performance beyond expectations*.

### Management-by-Exception (passive)

Passive management-by-exception refers to corrective transactions of the leader as interventions after mistakes have already been made or after noncompliance to standards has occurred (Antonakis et al., 2003). This kind of leader generally does not become involved with the work of followers until problems occur or something goes wrong that attracts the leader's attention. When followers' performance results in error and failure, the mechanism of corrective action is triggered that unleashes various levels of disapproval or reprimand or worse. This leader sits at the ready to handle the exceptions to the planned outcomes, using negative feedback from mild to severe to bring about correction to the course. There may be penalties, fines, or loss of position to followers who serve such leaders (Bass, 1985). A study of 101 followers in a large nonprofit organization discovered that contingent reprimand, disapproval, or penalization had no effect on performance. Furthermore, punishment was found to be counterproductive (Podsakoff, Todor, & Skov, 1982). Reprimands and threats may generate the "unintended effects on followers of hostility, apathy, anxiety, and loss of self-esteem. In turn, there will be a reduction in self-reinforced effort and interference with the efforts of followers to comply" (Bass, 1985, p.149).

The ninth and final factor in the Full-Range Leadership Theory is the nontransactional laissez-faire leadership factor.

### Laissez-faire Leadership

Nontransactional laissez-faire leadership refers to the absence of transactions with respect to leadership where the leader avoids making decisions, abdicates responsibility, and/or fails to use authority. These leaders are characterized by leadership inaction (Avolio, 1999). When faced with substandard performance, they may offer criticism in an attempt to correct the

situation, but often distort their feedback by making it more positive than it should be. They may go to great lengths to avoid discharging incompetent employees. They may discourage followers from taking initiative and offer minimum pressure to produce. Communication is nonexistent or severely curtailed. The laissez-faire leader withdraws when faced with deviations from expectations (Bass, 1985).

### Multifactor Leadership Questionnaire

The Multifactor Leadership Questionnaire (MLQ) was conceptually developed and empirically validated to reflect the dimensions of transformational and transactional leadership (Bass, 1985; Lowe et al., 1996). By combining a review of the literature with an open-ended survey of seventy executives, attributes of transformational and transactional leadership were developed. Factor analysis indicated five scales with acceptable reliability in the original study, which has since proceeded through numerous follow-up studies resulting in nine scales or factors as of this writing (Avolio, 1999; Bass, 1985; Lowe et al., 1996). The MLQ has been widely used and is considered the primary quantitative instrument to measure the transformational leadership construct (Lowe et al., 1996). As early as 1996 seventy-five research studies had been identified that examined the MLQ in a variety of organizational settings including manufacturing, the military, religious groups, and educational institutions (Lowe et al., 1996). Abundant research studies using the MLQ have shown transactional and transformational leadership to be far more effective than nontransactional and other styles of leadership (Avolio, 1999; Avolio & Bass, 1988, 1995; Bass, 1985, 1997; Bass, Avolio, & Atwater, 1996; Den Hartog, Van Muijen, & Koopman, 1997; Lowe et al., 1996; Tichy & Ulrich, 1984). Despite its recognized popularity, the MLQ is not without its critics. A number of studies seem to indicate that the factor structure of the MLQ may not always be stable. Other criticisms have focused on the discriminant

validity regarding the scales comprising transactional contingent reward leadership (Bycio et al., 1995; Hunt, 1991; Tepper & Percy, 1994; Yukl, 1998, 1999). Avolio (1999) argues that there may be higher-order and lower-order transactions that comprise contingent reward leadership that could help explain the issues surrounding discriminant validity. Regardless of its shortcomings, the weight of the research indicates that the current version of the MLQ is a valid and reliable instrument that can adequately measure the various components of the Full-Range Leadership Theory (Antonakis et al., 2003; Tejeda et al., 2001).

### Summary

The president as a transformational leader is an agent of change in a college or university. The transactional president works with the existing organizational culture; the transformational president changes it. The transactional president accepts and promotes the institution's rituals, stories, and role models; the transformational president invents, introduces, and advances new cultural forms and attributes. For the organization "the transformational leader changes the social warp and woof of reality" (Bass, 1985, p. 24).

Similarly, boards that are high on the trustee competencies described by the New Work Model would transform the culture of their respective institutions. They would understand organizational cultures and the constituencies that comprise them as well as their responsibility to preserve and advance their institutions. They would also be better at working together as groups to analyze and strategize innovative solutions for an increasingly competitive and rapidly changing higher education market.

The six competencies of the New Work Model blend well with the five factors of transformational leadership in the Full-Range Leadership Theory (see Table 3). Boards with high contextual competency and transformational presidents using idealized influence factors of

**Table 3. Common Themes between Trustee Competencies and Leadership Factors.**  
 Comparing the six trustee competencies of the New Work Model to the five transformational leadership factors of the Full-Range Leadership Theory.

Transformational Leadership Factors	Trustee Competencies	Common Themes
Idealized influence (attributed)	Contextual	Values, mission, higher-order ideals, campus culture
Idealized influence (behavioral)	- Contextual - Strategic	- Values, mission, higher-order ideals, campus culture - Shaping of institutional mission and strategies
Inspirational motivation	Interpersonal	Motivation, teamwork, cohesiveness, vision, optimism
Intellectual stimulation	- Educational - Analytical	- Analysis, well-informed, initiatives that inform - Analysis, creativity, multiple perspectives
Individualized consideration	Political	Two-way communication, listening to constituents

leadership would focus on higher-order ideals, values, and mission. Also, transformational presidents using the idealized influence behavioral factor would work well with boards high in the strategic competency because both focus on strategic planning and implementation. Boards high in the educational and analytical competencies and transformational presidents using the intellectual stimulation factor would encourage a mutual emphasis of thinking creatively in problem-solving. Transformational presidents using the inspirational motivation factor and boards high in the interpersonal competency would foster teamwork, optimism and vision. Boards high in the political competency and transformational presidents using individualized consideration would focus on assessing and meeting the needs of the various constituent groups associated with their institutions.

The New Work Model promotes improving trustee competencies. The Full-Range Leadership Theory encourages that presidents develop as transformational leaders. These theories suggest that colleges and universities engaged in either or both of the underlying constructs would be quick to adjust to new challenges and to overcome adversities. Institutions that are struggling to survive might be experiencing transactional or laissez-faire leadership and/or would have boards low in trustee competencies. Conversely, colleges and universities

that are stable or thriving might be advancing under the visionary leadership of a transformational president and/or a highly competent board of trustees.

The next chapter focuses on the methodology of the study, including the selection of financial performance indicators, the selection of research sites, the study sample, data collection methods, data analysis methods, and reliability and validity considerations.

## CHAPTER 3

### METHODOLOGY

This chapter will detail the development and design of the research methodology. This first section will provide a summary of the entire methodology and will be followed by sections that supply greater detail about the various components. Financial performance indicators of higher education institutions were used to measure their financial growth, stability, or decline over a five-year period in the history of the institutions included in this study. Determining if trustee competencies or executive leadership styles were associated or linked to the financial growth, stability, or decline of these institutions was the central goal of the study. While similar studies exist in the literature, this research uniquely pairs trustee competencies and presidential leadership styles with financial performance indicators. The New Work Model evolved from research that compared trustee competencies to financial performance indicators and found systematic and positive associations between trustee competencies and conventional financial indicators, concluding that the improvement of trustee competencies might over time improve financial position (Chait et al., 1993, 1996; Holland et al., 1989; Holland & Hester, 1999; Holland & Jackson, 1998; Taylor et al., 1996). Similarly, the Full-Range Leadership Theory has been tested using a variety of performance indicators, including profitability, growth, and productivity (Avolio, Jung, Murry, & Sivasubramaniam, 1996; Avolio, Waldman, & Einstein, 1998; Barling, Weber, & Kelloway, 1996; Baum et al., 1998; Cowen, 1990).

Using these studies as precedents, this research project compared both trustee competencies and executive leadership styles to financial performance indicators developed for

the United States Department of Education (ED) to evaluate institutions of higher education that participate in Title IV student assistance programs. ED contracted with KPMG Peat Marwick LLP (KPMG) to develop performance indicators that would enable the department to determine if institutions were financially responsible and able to carry out their duties under the Higher Education Act. The result of KPMG's work is now known as the Methodology for Regulatory Test of Financial Responsibility Using Financial Ratios (MRT) and was adopted for use in 1997 (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

This methodology will be referred to in this dissertation as the five-step MRT methodology. Using the scores that result from the MRT methodology, institutions can be classified in three categories in this study: (1) those gaining in financial health and identified as gainers, (2) those stable in financial health and identified as stabilizers, and (3) those declining in financial health and identified as decliners. Another goal of the study was to secure the participation of two institutions from each category. A primarily qualitative research design was developed to include separate and independent structured interviews on the campuses of these six institutions with three individuals: a trustee, the president, and one of the president's cabinet members. Furthermore, two quantitative instruments were used to collect data: the Board Self Assessment Questionnaire (BSAQ) for a selected group of trustees and the Multifactor Leadership Questionnaire (MLQ) for presidents and cabinet members. Using content analysis the interview data were organized and analyzed. Spreadsheets were employed for ease of sorting and processing interview data. The quantitative data were scored and organized according to the questionnaires' respective scoring instructions. Finally, issues of reliability and validity are discussed.



## Performance Indicators

MRT is based on the audited financial statements of all institutions participating in Title IV student assistance programs. All Title IV participants are required to file an audited annual statement. MRT uses financial information from these statements to create financial ratios that offer a capsulated view of key conditions affecting the fundamental elements of financial health. In addition, these ratios allow the comparison of institutions of various sizes from the smallest to the largest. Viewed together as a whole, these ratios provide an efficient means for assessing any institution's overall financial condition (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

Rating agencies, investors, accrediting bodies, accountants, and company managers in many industries use ratios from audited financial statements to assess institutional financial health and to compare basic financial performance among similar organizations. Since the 1970s KPMG has published *Ratio Analysis in Higher Education* as a tool for leaders in higher education to better understand and interpret their institutions' financial results. Financial ratio analysis provides a means of focusing on a few key elements that indicate how well an institution is performing. MRT uses ratios to measure the five fundamental elements of financial health: viability, profitability, liquidity, ability to borrow and capital resources. Viability is the ability of an institution to continue to achieve its operating objectives and fulfill its mission over the long term. Profitability for the nonprofit sector of higher education is defined as whether or not an institution lives within its means in an operating cycle. An institution that balances its budget is considered profitable. Liquidity is the ability of an institution to meet its short-term obligations with existing assets. Ability to borrow is defined as creditworthiness of an institution to assume additional debt. Capital resources are an institution's financial and physical capital base that

supports its operations. Three ratios were selected to satisfy these fundamentals: the Primary Reserve Ratio, the Equity Ratio, and the Net Income Ratio (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

#### Primary Reserve Ratio

The Primary Reserve Ratio is determined by dividing expendable net assets by total expenses. It is a measure of expendable resources in relation to operating size. Because total expenses represent actual obligations that an institution will likely have to meet again in the coming year, it is a better measure of operating size than total assets, revenue, or some other indicator. The relationship of expendable net assets to total expenses could be viewed as the length of time that an institution could continue to survive, given current operational needs, without additional revenue or support. For example, a Primary Reserve Ratio of 1.0 or greater indicates that the institution has sufficient expendable resources available to continue its operations for a full year without receiving any additional revenue and without selling off or borrowing against any of its infrastructure. Providing an assessment of an institution's relatively liquid wealth or margin against adversity, the Primary Reserve Ratio is a direct measure of an institution's viability and an indirect measure of its liquidity (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

#### Equity Ratio

The Equity Ratio is determined by dividing net assets (or equity) by total assets. Net assets represent the value of assets less claims against them by outside parties. Therefore, the ratio of equity to total assets is viewed as the proportion of an institution's assets shown on its balance sheets that the institution actually owns. Excessive debt will adversely affect the ratio, producing a lower ratio result. Little or no debt will have the opposite affect, influencing the

ratio in a positive direction. The ratio provides a useful assessment of an institution's capital resources and of its ability to borrow (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

### Net Income Ratio

The Net Income Ratio is determined by dividing net income by total revenue. It is defined as the excess of revenue over expenses compared to total revenue, and therefore, measures the profit or loss experienced by an institution. For nonprofit organizations it is the measure of whether or not an institution lived within its means during the financial cycle. Nonprofit colleges and universities must, at a minimum, break-even or generate surpluses over time in order to remain financially viable. The Net Income Ratio provides a direct measure of an institution's profitability or of its ability to balance its budget. Continued gains or losses measured by the ratio will affect over time all other fundamental elements of financial health (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

The three ratios taken together provide a sound basis for determining financial health of colleges and universities. The Primary Reserve Ratio is a measure of liquidity, the Equity Ratio is an indication of all resources at the institution's disposal, and the Net Income Ratio shows whether an institution operates with a balanced budget. Providing a direct measure of the fundamental elements of financial health, the three ratios provide insight into an institution's ability to fulfill its mission.

### Five-Step MRT Methodology

The goal of MRT is to establish scores for all Title IV institutions that can be rank-ordered to provide indications of financial strengths and weaknesses in colleges and universities. KPMG created a five-step methodology that starts with the above three ratios. Once these are

calculated, step two is to assign strength factors, which put the ratio results on a common scale and makes it arithmetically possible to weight and add the results of the three ratios together to arrive at a final composite score for each institution. KPMG developed strength factor tables for this purpose. Step three multiplies the strength factors by weighting percentages. KPMG and ED concluded that some ratios and the fundamental elements of financial health that they measure are more important than others. MRT through this weighting process places greater emphasis on the cumulative resources amassed by an institution and available to support its mission (Primary Reserve and Equity Ratios) than on its operating results (Net Income Ratio). The products created by multiplying the weighting percentages by the strength factors are added together to form a composite score in the fourth step of the methodology. Adding the three products together quantifies an assessment of an institution's overall financial condition with one number. Step five ranks institutions by final composite scores. The methodology confines scores to a range of financial health from negative one to positive three. The financially weakest institutions have a score of negative one and the healthiest have a score of three. MRT is designed to rank institutions by financial health. ED uses this approach, based upon the level of risk it chooses to tolerate, to determine whether higher education institutions exhibit a minimum level of financial health and thereby are deemed financially responsible to administer Title IV student assistance programs (*Methodology for regulatory test of financial responsibility using financial ratios*, 1997).

#### Selection of Study Sites

This study used MRT to classify institutions into three groups: gainers, stabilizers, and decliners. A college or university classified as a gainer exhibited an increase in its final composite score over the five years surveyed from 1997 to 2001. A stabilizer institution

revealed little or no change in its composite score over the five years while a decliner exhibited a decrease in its composite score. The research explored the levels of trustee competency and the styles of executive leadership for all three classifications of institutions in the study to determine if certain competencies and leadership styles were associated with gainers, stabilizers or decliners.

The study sites were confined to four-year, regionally accredited independent colleges of fewer than 4,000 students in the southeastern United States in order to control for variables of dissimilarity among institutions by type, size, and geography. Financial data used in calculating MRT financial ratios were collected from the National Center for Education Statistics IPEDS Peer Analysis System for 121 colleges and universities using the criteria above. The five-step MRT methodology was used to arrive at final composite scores for fiscal year 1997 and for fiscal year 2001 for each institution. While it is recognized that scores may vary from year to year, this study focused on the differences in scores over a five-year period as more useful in gauging the influence of trustee competencies and presidential leadership styles over time. The differences between the two sets of scores for all institutions were sorted to reveal a range from -2.16 to 2.28. Colleges and universities with differences greater than .30 were classified as gainers. Each of these institutions had increased their final MRT composite scores over the course of five years. Fifteen institutions fell within the gainer group. Those with differences ranging from -.10 to .10 were classified as stabilizers and exhibited little or no change in their final MRT composite scores. Forty-three institutions fell within the stabilizer group. Those with differences less than -.60 were classified as decliners. All of these institutions exhibited a decrease in their final MRT composite scores. Twenty-six institutions fell within the decliner group. Thirty-seven institutions fell outside of the established ranges.

Part of the study is examining the influence of presidential leadership style on financial performance indicators. Because presidential leadership is a central focus of this study, any institution at which the president had not served as president for four of the five years between 1997 and 2001 was eliminated. It was assumed that data from institutions whose presidents had served less than four years might be inconclusive. Because the principal researcher in this study is also a cabinet member at an independent college in South Carolina, it was decided to eliminate from the study all institutions in South Carolina due to potential sensitive topics that might arise in the interviews. It was assumed that presidents, cabinet members, and trustees of these institutions might feel awkward in disclosing intimate information about their colleges and universities to an administrator of a college in the same state. Also removed from the study were institutions with specialized missions, such as single gender institutions, historically black colleges and universities, military schools, and institutions that had adult education as their primary mission. Finally, institutions with fewer than 500 students in 2001, the last year of the study data, were eliminated because it was assumed that financial resources might be limited for most of the institutions in this category regardless of trustee competencies and presidential leadership styles. After removing the colleges and universities according to the criteria above, six institutions remained as gainers, twenty-three as stabilizers, and thirteen as decliners. The research design called for two institutions from each group to serve as study sites.

The stabilizers' differences in final MRT composite scores were nearly identical; therefore, any institution with a difference of zero in MRT composite scores would be suitable. The first two institutions contacted agreed to participate. The decliners were sorted so that the institutions with the largest decreases in final MRT composite scores were contacted first. The first two institutions contacted agreed to participate. The gainers were sorted so that institutions

with the largest increases in final MRT composite scores were contacted first and invited to participate in the study. The first three gainer institutions contacted declined to participate in the study. Through his assistant, the first president communicated that his institution had undergone significant work in the area of trustee governance in the previous year, and therefore, did not see a benefit from participating in the study. The second president declined because of his recent resignation and transition. The third president communicated that he was too busy. The fourth institution contacted agreed to participate. The fifth institution experienced the resignation of its president during the study time frame, and therefore, was eliminated. By the time the sixth gainer institution was considered, data had already been collected from the five participating institutions. The abundance of available data and the similarity in gainers and stabilizers led to the decision to not contact the sixth gainer institution and to proceed with the research using the data from the five participating colleges and universities, resulting in one gainer, two stabilizers, and two decliners in the study group.

The six institutions in the study are all regionally accredited, church-related colleges or universities located in four different southern states. All place a primary focus on the liberal arts. The average presidential tenure is 8.4 years. In 2001 all had enrollments of less than 4,000 undergraduate students, tuition charges averaged \$9,111, the average annual budget was \$16.9 million, and total assets averaged \$71.7 million. Table 4 displays the MRT scores for all institutions and compares scores for 1997 to scores for 2001. The gainer institution's 1997 final MRT composite scores was 2.40 compared to 2.72 in 2001, an increase of 0.32 in composite score, which reveals an improvement in financial health. For the stabilizer group their 1997 final MRT composite scores averaged 3.00 compared to the average of 3.00 for their 2001 scores, revealing no change in their composite scores and financial health. For the decliner group their

1997 final MRT composite scores averaged 3.00 compared to the average of 1.78 for their 2001 scores, a decrease of 1.22 in their composite scores, which reveals a deterioration of financial health.

Table 4: Differences in MRT Scores Comparing 1997 to 2001

Institutions	1997 MRT Score	2001 MRT Score	Difference
Gainer One	2.40	2.72	0.32
Stabilizer One	3.00	3.00	0.00
Stabilizer Two	3.00	3.00	0.00
Decliner One	3.00	1.36	- 1.64
Decliner Two	3.00	2.20	- 0.80

### Study Sample

At each of the five institutions, the president, a member of the president’s administration, and a seasoned trustee participated individually in three separate one-hour interviews. Structured interviews were used to gather information about trustee competence and presidential leadership style. The critical incident technique was used with these fifteen subjects (Chait et al., 1993; Flanagan, 1954). Each was asked to think of an experience, event, or situation that the trustees and president had recently come through. At the beginning of the interview, each subject was asked to give a brief account of the event he or she had in mind. Then, in the context of the event, each subject was asked to respond to a series of questions. Patton (1990) contends that questions typically need a context and that once some experience has been described, it is appropriate to ask about feeling, opinions, and interpretations with respect to the experience. “Opinions and feelings are likely to be more accurate and meaningful once the respondent has just verbally relived the experience” (Patton, 1990, p. 294).

About half of the questions were derived from the theoretical construct of the New Work Model of Chait, Holland, and Taylor (Chait et al., 1993). These were designed to explore the



strength of each of the six competencies in the model when applied to the institutions' trustees. The remaining questions were derived from the Full-Range Leadership Theory developed by Bass and Avolio (2002). These were designed to explore the nine factors of the theory across transformational, transactional, and nontransactional leadership processes. In addition to the structured interviews, the executive committees of the boards of trustees from all five institutions were asked to complete the Board Self-Assessment Questionnaire (BSAQ), an instrument developed from the New Work Model (Holland, 1994). The BSAQ was distributed to thirty-nine trustees. Twenty-seven questionnaires were returned. One was not useable because the participant skipped an entire page. The presidents and their cabinets were asked to complete the MultiFactor Leadership Questionnaire (MLQ), an instrument developed from the Full-Range Leadership Theory (Bass & Avolio, 2000). The leader form or self-rating form of the MLQ was distributed to the five presidents. Four were returned. The rater form of the MLQ was distributed to twenty-eight presidential cabinet members. Twenty-three questionnaires were returned. The BSAQ and the MLQ were not intended to provide statistically significant results in this study due to the small sample size; however, responses on both instruments provided further insight into trustee competencies and executive leadership styles and augmented the data from the structured interviews. Table 5 displays the participants and the methods of data collection used with each.

Table 5: Participants and Methods of Data Collection

Method	Total Trustees	Total Presidents	Total Cabinet Members
Structured interviews	5	5	5
BSAQ	26		
MLQ		4	23

To summarize, fifty-four people participated in the research: five presidents, twenty-three presidential cabinet members, and twenty-six trustees. Fifteen of the fifty-four people participated in structured interviews: five presidents, five presidential cabinet members, and five trustees. Twenty-six trustees completed the BSAQ and twenty-three cabinet members completed the MLQ. Four presidents completed the leader form of the MLQ.

#### Data Collection

Telephone conversations were held with each of the presidents of the five institutions in the study. First, appointments were scheduled for structured interviews with each president. Second, each president was asked to invite one cabinet member and one seasoned trustee to also participate in separate and independent structured interviews. All three interviews were scheduled on the same day on their respective campuses. Third, copies of the BSAQ and the MLQ were mailed in advance or were left with the president's assistant during each campus visit. The president's assistant was asked to mail the appropriate surveys to cabinet members and to the executive committee of the board of trustees. Included with each survey was a cover letter from the president, a cover letter from the researcher, and a self-addressed, stamped envelope for each participant to return his or her survey directly to the researcher. The cabinet members and trustees completed their questionnaires anonymously. All questionnaires were identified by institutional name. Finally, each president was asked to complete and return through the mail the leader form of the MLQ, a self-rating version of the MLQ for leaders. Four of five presidents completed and returned the leader form.

Most of the structured interviews were held on the campuses of the five institutions in the study. Three of the trustee interviews were held in their respective offices in their places of business. All fifteen interviewees consented to having the interviews recorded on audiotape. In

addition, the researcher made written notes. The interviews were limited to one hour for each. The critical incident technique was used in all interviews (Chait et al., 1993; Flanagan, 1954). All interviews were completed as planned and no deviations or irregularities were encountered.

### Data Analysis

Analysis of the interviews revealed the relationships and assumptions of the respondents' views of trustee competency and presidential leadership. Content analysis was employed to organize the substantive content of the interviews into either trustee competency data or presidential leadership data. Dividing the responses in each of these data sets into meaningful analytical units or categories further segmented the respondents' comments. A spreadsheet with four columns was created for each institution. Column one was used to code the interview comments according to New Work Model competencies. These were alpha codes as shown in Table 6. Column two was used to code the interview comments according to Full-Range Leadership Theory factors. These were numeric as shown in Table 7. Column three was used to code the comment by interviewee: T for trustee, P for president, and C for cabinet member. Column four was used to transcribe the comments verbatim from the audiotapes.

Table 6: Alpha Codes for Trustee Competencies

Alpha Codes	Trustee Competencies
A	Contextual competency
B	Educational competency
C	Interpersonal competency
D	Analytical competency
E	Political competency
F	Strategic competency

As each comment was transcribed, the researcher classified the comment based on whether it was a New Work Model competency or a Full-Range Leadership Theory factor. In

some cases, the comments were in both classifications. The appropriate letter or number was entered into the coding columns of the spreadsheet depending on the specific competency or

Table 7: Numeric Codes for Leadership Factors

Numeric Codes	Leadership Factors
1	Idealized influence (attributed)
2	Idealized influence (behavioral)
3	Inspirational motivation
4	Intellectual stimulation
5	Individualized consideration
6	Contingent reward
7	Management-by-exception (active)
8	Management-by-exception (passive)
9	Laissez-faire

factor revealed in the comment. Also, the appropriate interviewee code was entered in column three. If a comment was classified as irrelevant to the study, it was not transcribed. In order to classify each comment, the researcher had to become extremely familiar with definitions, words, and phrases associated with the six competencies of the New Work Model and the nine factors of the Full-Range Leadership Theory. The researcher developed and used a table of words and phrases for each theory that ensured consistency and improved efficiency of the classification process. Table 8 reveals the words and phrases used to classify comments pertaining to the New Work Model. Table 9 reveals the words and phrases used to classify comments pertaining to the Full-Range Leadership Theory.

All three interviews from each institution were transcribed in the same manner into a single spreadsheet. After each spreadsheet was complete with all interviews transcribed and coded, the data were sorted first by the alpha competency codes and second by numeric factor codes. The data sort resulted in grouping together all of the comments of the same classification regardless of who said them. For example, all contextual competency comments were coded with the alpha code of A. After the data sort, all of the A-coded contextual comments were at

the top of the sheet, followed by the B-coded educational competency comments, and so forth. The competency comments were followed by the factor comments in order of their numerical codes. Using the sorted spreadsheets the researcher was able to analyze the various competencies and leadership factors in use and to determine relative strengths for each. The sorted spreadsheets also made it easier to select quotes to illustrate the appropriate competency or factor in the discussion section.

Table 8: Words and Phrases Used in Classifying New Work Model Comments.

Competency Codes	Competencies	Words and Phrases
A	Contextual	Norms, campus culture, and tradition. Institutional mission, core values.
B	Educational	Trustee roles and responsibilities. Developmental and educational activities. Evaluating board performance, seeking stakeholder feedback.
C	Interpersonal	Board functioning as a group, kind of group dynamic. Inclusiveness, groom members for leadership positions. Setting goals for the board.
D	Analytical	Understanding and handling complex issues. Seek different points of view, accepting ambiguity. Cognitive approaches to issues.
E	Political	Relating to various groups of stakeholders, seek win/win. Healthy relationships and effective communication channels.
F	Strategic	Vision and futuristic thinking, examination of institutional priorities Identification of strategic priorities.

Quantitative data were collected from the Board Self-Assessment Questionnaires (BSAQ) returned by the trustees on the executive committees of the boards from each institution. Spreadsheets were created to serve as master scoring sheets for each institution. The respondents were identified by a code that linked them to their respective institutions. Responses to items were entered and then sorted by the scoring key of the BSAQ. Table 10 contains quantitative data from the BSAQ that was used to augment the qualitative trustee competency data.

Quantitative data were collected from the Multifactor Leadership Questionnaires (MLQ) returned by the presidents and cabinet members from each institution. Spreadsheets were created

Table 9: Words and Phrases Used in Classifying Full-Range Leadership Theory Comments.

Factor Codes	Factors	Words and Phrases
1	Idealized influence (attributed)	Goals, mission, higher-order ideals, vision Standards, high expectations, values, and ethics Persistence and determination of the leader Followers view leader as extremely capable or extraordinary
2	Idealized influence (behavioral)	Mission and vision are paramount Loyalty, trust, blind faith Risk-taking and personal sacrifice of the leader Followers view leader with awe and veneration
3	Inspirational motivation	Symbols, words, emotion Team spirit Optimism and enthusiasm of the leader as role-model Followers view leader as inspiring and persuasive
4	Intellectual stimulation	Rational, empirical, logic, analysis Cognitive creativity and challenge of the status quo Challenge of the leader to find new ways of doing things Followers view leader as epitome of thought and imagination
5	Individualized consideration	One-on-one contact, two-way communication Fate control, ownership, security Coaching and mentoring behaviors of the leader Followers view leader as noticing their needs
6	Contingent reward	Contract, exchange, physical or psychological rewards Focus of the leader on clarifying roles and tasks Followers view leader as fair and trustworthy
7	Mgmt-by-exception (active)	Monitoring task execution, searching for mistakes Focus of the leader on corrective transactions to avoid error Followers view leader as controlling and negative
8	Mgmt-by-exception (passive)	Noncompliance to standards, mistakes, negative feedback Focus of the leader on transactions to correct error Followers view leader as threatening and disapproving
9	Laissez-faire	Nonexistent communication, minimum pressure to produce Focus of the leader on decision avoidance Followers view leader as inactive

to serve as master scoring sheets for each institution. The respondents were identified by a code that linked them to their respective institutions. Responses to items were entered and then sorted by the scoring key of the MLQ. Table 11 contains quantitative data from the MLQ that was used to augment the qualitative leadership data.

Table 10. BSAQ Scores for Comparison Group and All Institutions in the Study

Competencies	Comparison Group n=200	Gainer 1 n=7	Stabilizer 1 n=7	Stabilizer 2 n=5	Decliner 1 n=2	Decliner 2 n=5
Contextual	.69	.71	.70	.62	.82	.94
Educational	.54	.53	.52	.44	.75	.74
Interpersonal	.64	.67	.69	.56	.68	.79
Analytical	.62	.71	.68	.59	.67	.77
Political	.65	.67	.72	.60	.71	.83
Strategic	.66	.78	.75	.64	.78	.84

Table 11. MLQ Scores for Comparison Group and All Institutions in the Study.

Comparison group scores represent the 50<sup>th</sup> percentile. The first score in each institutional column is self-rating by the president; the second score is the average score of ratings by the cabinet.

Leadership Factors	Comparison Group n=2080	Gainer 1 n=4	Stabilizer 1 n=6	Stabilizer 2 n=5	Decliner 1 n=3	Decliner 2 n=5
Idealized infl. (attributed)	2.7	3.0/3.9	3.3/3.5	3.5	2.8/3.4	3.0/3.8
Idealized infl. (behavioral)	2.8	4.0/3.9	3.5/2.9	3.3	3.5/3.3	3.5/3.9
Inspirational motivation	2.8	4.0/3.9	3.8/3.6	3.8	3.0/3.2	3.8/4.0
Intellectual stimulation	2.7	4.0/3.4	2.3/2.8	3.4	2.8/2.8	3.0/3.1
Individualized consid.	2.9	3.5/3.6	2.5/2.9	2.5	2.8/3.2	2.8/3.6
Contingent reward	2.3	2.5/3.6	3.5/2.7	3.3	3.0/3.2	3.0/3.5
Mgmt-by-excep (active)	1.7	1.3/1.4	1.0/1.3	1.5	2.3/1.8	0.8/1.2
Mgmt-by-excep (passive)	1.0	0.5/1.1	2.0/0.7	0.8	1.3/1.4	0.8/1.0
Laissez-faire	0.7	0.5/0.3	2.0/0.4	0.3	2.0/1.0	0.3/0.4

### Reliability and Validity Considerations

Reliability and validity are central topics of discussion in the context of quantitative research, but much more difficult to define and discuss in qualitative studies. Flick (2002, p. 218) states, “The problem of how to assess qualitative research has not yet been solved.” Patton (1990, p. 477) introduces the issue with the following comment:

There are no simple formulas or clear-cut rules about how to do a credible, high-quality analysis. The task is to do one’s best to make sense out of things. A qualitative analyst returns to the data over and over again to see if the constructs, categories, explanations, and interpretations make sense, if they really reflect the nature of the phenomena. Creativity, intellectual rigor, perseverance, insight –

these are the intangibles that go beyond the routine application of scientific procedures.

Patton (1990) suggests that the long-standing debate over how best to study and understand the world sometimes takes the form of qualitative versus quantitative methods or logical positivism versus phenomenology. The culture of positivism has embedded reliability and validity as the criteria against which the soundness of research is judged, and as such are concepts that arise from a positivist frame of reference, creating constant issues for qualitative researchers (Shaw & Gould, 2001).

Reliability is more comfortably associated with quantitative research where instruments produce the same results over multiple measurements. This assumes that methods of data generation can be standardized, neutral, and non-biased. The qualitative researcher will be unable to perform simple reliability tests because the data they generate will not take the form of a clearly standardized set of measurements (Mason, 1996). Nevertheless, qualitative researchers should be concerned with questions of reliability and accuracy in their methods of research by demonstrating that their “data generation and analysis have been not only appropriate to the research questions, but also thorough, careful, honest, and accurate” (Mason, 1996, p. 146).

This chapter outlines the research design. Although any number of design approaches could have been chosen for the study, including exclusively qualitative or exclusively quantitative, the combination of the two was chosen by the researcher to be the most appropriate. Other researchers could easily argue different designs to be just as appropriate. Chapter four provides an extensive analysis of the data about which the researcher has attempted to be both explicitly honest and meticulously accurate. In creating verbatim transcripts of the interviews, the researcher had at his disposal what Maxwell (1996, p. 95) calls “rich” data: “data that are detailed and complete enough that they provide a full and revealing picture of what is going on.”



From the wealth of material available and through the method of content analysis, the principles and constructs of the New Work Model and the Full-Range Leadership Theory emerged. Flick (2002, p. 220) asserts, “Reliability receives its importance as a criterion for assessing qualitative research only against the background of a specific theory of the issue under study and about the use of methods.” The challenge for the researcher included blending the various streams of thought from the interviewees, giving great care in selecting salient comments and quotes while avoiding verbosity and tedium. Also, the researcher had to be careful to exclude only the information that did not pertain to the theoretical underpinnings of the study.

Between reliability and validity the former is the least discussed in the literature and the more difficult concept to reconcile with qualitative methods (Flick, 2002). The concept of validity is more accepted in qualitative circles and more easily adapted. Kirk and Miller (1986, p. 21) view the issue of validity as “a question of whether the researcher sees what he or she thinks he or she sees.” Maxwell (1996, p. 86) asserts: “Validity is a goal rather than a product; it is never something that can be proven or taken for granted. Validity is also relative: it has to be assessed in relationship to the purposes and circumstances of the research, rather than being a context-independent property of methods or conclusions.” He defines validity as a straightforward, commonsense way to refer to the correctness of a description, conclusion, explanation, interpretation, or other sort of account. He concludes that an observer-independent standard to which we can compare our accounts to see if they are valid is not needed.

Validity in quantitative research is dependent upon careful instrument development to ensure that the instrument measures what it is supposed to measure. The focus is on the instrument: the rigorous construction of its items and the standardizing of its administration. Patton (1990, p. 14) states, “In qualitative inquiry the researcher is the instrument.” Therefore,

validity hinges on the skill and competence of the person doing the research. For this study the researcher drew upon a previous class project during his doctoral studies on understanding and developing structured interviews for qualitative research. A review of this material provided a foundation for further investigation that included reading numerous qualitative case studies and dissertations to develop an understanding of both the design and application of qualitative research. In addition, the researcher held interviews and focus groups on various topics with dozens of students at his institution in order to develop interviewing and listening skills. Many of these sessions were recorded on audiotape so that the researcher could better evaluate his strengths and weaknesses as an interviewer.

Patton (1990, p. 461) further addresses the issue of validity by asking, “What does the researcher bring to the study in terms of qualifications, experience, and perspective?” In this study the researcher brings over twenty-seven years of work experience in higher education, twenty-two of those in various management positions ranging from director level to the vice president level. During this tenure in higher education, the researcher has been a cabinet level administrator for fifteen years and at two different institutions and has not only worked closely with two presidents but has also been an observer of and participant in the governance process with two boards of trustees. In addition he has been a student of management, leadership, and human relations on a personal and professional level.

A second question is posed by Patton (1990), “What techniques and methods were used to ensure the integrity, validity, and accuracy of the findings?” The use of the critical incident technique is intended to improve validity. Patton (1990) contends that comments from an interviewee that are grounded in the context of an actual experience of the interviewee improve the accuracy and meaningfulness of the data. Maxwell (1996) argues that a primary threat to

validity is the inaccuracy or incompleteness of the data. “The audio or video recording of observations and interviews, and verbatim transcription of these recordings, largely solves this problem” (Maxwell, 1996, p. 89).

The use of the BSAQ and MLQ questionnaires provides what Patton (1990) calls “methods triangulation,” comparing data collected through some type of qualitative method with data collected through some kind of quantitative method. He encourages the triangulation of qualitative and quantitative data as a form of comparative analysis, viewing different operational measures of the same concept. Flick (2002) asserts that triangulation increases the scope, depth and consistency in methodological proceedings. Using multiple methods and comparison analysis as converging validity checks, enhances the quality and credibility of findings (Patton, 1990). Therefore, this study engages both structured interviews and quantitative instruments in an effort to improve validity. It is important to note, however, that methods triangulation does not automatically increase validity. Maxwell (1996, p. 94) contends, “. . . methods that are triangulated may have the same biases and sources of invalidity, thus providing only a false sense of security.” He specifically points out the self-report bias in interviews and questionnaires. The key is to try and understand what biases exist and then to find ways to deal with them. In this study the researcher recognizes that the presidents would likely have a self-report bias in both the interviews and in their completion of the MLQ. One attempt to control for this bias was the addition of cabinet member and trustee interviews, which gave other perspectives on the presidents’ leadership behaviors. Furthermore, asking the entire cabinet at each institution to complete the MLQ provided additional perspectives. Another self-report bias is likely with respect to the trustee interview and the questions that pertained to the board’s performance. To control for this, the entire executive committee of the board was asked to

complete the BSAQ, which resulted in several perspectives beyond that of the one trustee interviewed. Also, the structured interviews for the president and the cabinet member included questions related to trustee performance; thus, additional perspectives were obtained from individuals outside of the board.

Triangulation of qualitative data sources involves comparing and crosschecking the consistency of information derived at different times and different means within qualitative methods. Consistency in overall patterns of data from different sources contributes significantly to the overall credibility of findings (Patton, 1990). Therefore, to improve validity, this study included interviews with three different people on each campus in order to obtain three different perspectives on governance and leadership at each campus. The trustee at each campus commented on the board and its governance processes. These comments were triangulated or compared with comments by the president and the cabinet member about the board. The president at each campus commented on his leadership philosophy and practice. These comments were triangulated or compared with comments by the cabinet member and the trustee about the president's leadership.

Theory triangulation uses different theoretical perspectives to look at the same data (Patton, 1990). The New Work Model addresses the role of trustee governance in the performance of higher education institutions and postulates six competencies that may improve performance. The Full-Range Leadership Theory focuses on the role of the leader of an organization and suggests that transformational leaders, compared to transactional and nontransactional ones, may improve the performance of an organization. Chapter two reviews a considerable body of literature about both of these theories. The validity of this study is enhanced by a process approach that compares interview data with behaviors associated with the

respective theoretical constructs in order to identify aspects of these theories in the governance and leadership of these institutions. This study triangulates these two theories and a defined set of financial performance indicators as another means of improving validity.

The concept of triangulation encourages researchers to approach their research questions from different angles and to explore their issues in a multi-faceted way. “This does enhance validity, in the sense that it suggests that social phenomena are a little more than one-dimensional, and that your study has accordingly managed to grasp more than one of those dimensions” (Mason, 1996, p. 149). Triangulation, regardless of type, is a strategy for reducing systematic bias in the data and for improving the credibility and validity of qualitative research (Patton, 1990).

Validity can also be enhanced by the use of quasi-statistics, defined in Maxwell (1996, p. 95) as “the use of simple numerical results that can be readily derived from the data.” Quasi-statistics enable the researcher to assess the amount of evidence that bears on a particular interpretation or conclusion. In this study, an example would be the number of instances in interview comments that support the use of the contextual competency by trustees or the use of attributed idealized influence by the president. Tables 10 – 12 contain lists of quasi-statistics that offer support and enhance validity.

The researcher acknowledges that there often difficulties ensuring reliability and validity in qualitative research. The discussion above outlines both the issues at stake as well as the measures taken in this study to ensure that the data were reliable and valid. In the next chapter the data are presented and analyzed.

## CHAPTER 4

### RESULTS AND DISCUSSION

This chapter presents an in-depth review of the data and is presented in three major sections based on the classification of the institutions as gainers, stabilizers, and decliners. Each section begins with a general summary of the findings of trustee competencies and leadership factors for the institutions within that section. The institutions are identified by a system that labels them using their classification name followed by a number. For example, the institutions in the stabilizer classification are identified as stabilizer one and stabilizer two. There is no significance to their numerical order; rather the numbers were assigned simply as a naming convention to distinguish one from the other. The section summaries are followed by detailed and separate discussions of the institutions in their respective sections.

#### Summary of Gainer Findings

The gainer institution was engaging initiatives designed to stimulate recovery from traumatic events within the last decade for which previous leadership was responsible. Perhaps because of these initiatives the institution experienced an increase in the MRT composite score from 1997 to 2001. An analysis of the interview data from gainer one revealed a board that displays moderate use of the analytical competency. The other five competencies were in low use. Table 12 shows the frequency of comments from the interviews relative to trustee competencies. Gainer one comments that were representative of the analytical competency occurred more often than the other five competencies. In chapter three, Table 10 reveals BSAQ responses by seven trustees from gainer one. These competency scores are similar to the

comparison group with the exception of the analytical and strategic competencies that were noticeably higher.

Table 12. Counts of Trustee Competencies and Leadership Factors in Interview Data  
 Competencies are listed first and have an alpha code in column one. Leadership factors are listed last and have a numeric code in column one. The number in the institutional columns represents the raw count of occurrences for the competency/factor on each row.

Code	Comp/Factor	Gainer 1	Stabilizer 1	Stabilizer 2	Decliner 1	Decliner 2
A	Contextual	2	6	0	1	3
B	Educational	1	1	1	1	4
C	Interpersonal	2	5	1	2	1
D	Analytical	5	5	0	2	1
E	Political	1	2	1	2	8
F	Strategic	1	6	1	7	7
1	Idealized infl. (attributed)	8	10	10	1	2
2	Idealized infl. (behavioral)	9	6	5	3	9
3	Inspirational motivation	10	8	5	2	10
4	Intellectual stimulation	3	3	2	1	3
5	Individualized consid.	19	9	14	5	15
6	Contingent reward	2	1	2	13	2
7	Mgmt-by-excep. (active)	0	0	1	5	0
8	Mgmt-by-excep. (passive)	0	0	0	6	0
9	Laissez-faire	0	0	0	0	0

The president of gainer one utilizes all five transformational factors extensively. The interview data that follow are replete with evidence of their use by the president. Four of six cabinet members from gainer one completed the MLQ. In chapter three, Table 11 reveals the MLQ responses by institution of all cabinet members in the study. It is interesting to note that the cabinet members of gainer one generally scored their president higher in all of the transformational factors compared to the scores for all of the other presidents in the study. The litmus test that a transformational leader is at the helm has five components (See Figure 1): high levels of follower self-confidence, elevation of followers' vested interest in designated outcomes, transformation of organizational culture, heightened motivation of followers to attain designated outcomes, and follower performance beyond expectations. Gainer one passed this five-point test of transformational leadership based on the interview data and discussion that follow.

## Gainer One Discussion

The story of gainer one is a classic example of an organizational culture radically changed after the arrival of a transformational president. In less than six years gainer one went from preparing to close its doors to an institution that has doubled its enrollment and its annual budget. Most of the gains in enrollment have been in traditional residential students, which has necessitated building three new residence halls and renovating all the others. The president described the situation.

We've grown rapidly away from the threshold of bankruptcy. In fact, just before I was hired the independent auditors had basically told the board to find an exit strategy because they estimated that the college wouldn't be viable in another two years. So the board was trying to figure out whether or not to sell the college or try another president . . . The college was losing enrollment, deep in the red, terrible finances, terrible facilities, eighteen months away from accreditation reaffirmation visit that they were definitely one hundred percent going to fail . . . They made a bold decision to hire me. I'm an unconventional choice. They knew that and I knew that. I'm not an educator . . . I did a turnaround at a previous nonprofit organization. So, I was not hired for educational experience but my turnaround experience . . . They had to go through a radical educational process. Their learning curve with me was basically vertical so we fundamentally re-paradigmed the college. And as we did, everything surged at once.

Everywhere one looks on campus there are signs of growth and expansion. The new buildings huddle together forming a new campus expanding to the northern limits of the institution's property; however, the old campus has been renovated inside and out, and one does not easily discern where the old ends and the new begins. Facilities improvements are matched by an equal transformation in personnel, attitudes, and vision. The president described the change.

I can't express to you the difference. The morale was low to nonexistent . . . We have about 56% new faculty in five years. The morale is sky high. There's a dedication to excellence. There's a sense of vision. Our faculty say that they have to teach entirely different than they did five years ago because the quality of the students has improved so dramatically. In the new faculty hires, I pushed for excellence. When I got here, one of the reasons I told them, "You are not going



to pass this self-study unless we make radical changes” is that they had faculty that didn't even have master's degrees. The sense of urgency empowered me tremendously. They saw the urgency. I came on this campus and I lopped heads. They thought Attila the Hun had arrived. But instead of wounding the tree, it caused phenomenal growth. It was a pruning.

The trustee concurred that phenomenal change had taken place under this president.

From her point of view, the institution made an abrupt turnaround with little help from the board.

She recognized that the board had to approve many of the new initiatives of the president that made the growth possible, but that they were more like onlookers than participants. She shared her perspective.

When the president came here, he had a board that was moving in one direction and he determined that it needed to move in the opposite direction. And to do that with a board is challenging because sometimes boards are set in their ways. And they have expectations, like we've always done it this way and that's the way we're going to do it. So I think he's done a remarkable job in being able to work with the board . . . It is probably more challenging to change the direction, the culture of a college because you've got to change the culture of the professors and your staff. You've got to change the culture of your students. You've got to change the culture of your board . . . And I guess it's even further complicated when the college is connected to a church. But the campus culture has dramatically changed.

The trustee explained that not only had the institution changed, but that the board was changing as well, although not as quickly as everything else. The board that hired the president was small, only eight members. Today, the board numbers more than thirty. Even with this expansion the board has at least three groupings that are quite different and independent of one another. She commented:

I recognize that in the board, I don't want to use the word division, let's just say there are different mindsets and there's different expectations. And I think that there's a group that comes because they want to retain power that they had before the president got here, but they still want the results the president gets. They want his results but they want their old power returned. Then there's a group that comes because they are supposed to and that's all that they do. They're pleasant. They're nice . . . Then there's a third group that has been more recently introduced into the board and they're all worker bees. They know that the president has an

expectation of them that you will be involved. You will contribute. You will bring ideas. The worst thing for a board to have is for people to sit there during a meeting, keep their mouth shut, then as soon as they go out, they say, "Well, he should have done this or he didn't consider that." If there was ever a board that that might happen in, it would be this one.

This comment from the trustee indicates a board low in the interpersonal competency.

They have not worked well as a group and have subgroups operating sometimes at odds with one another. A sign that the interpersonal competency is improving is that newer additions to the board are engaged with the president in fulfilling his vision for the institution and that the former power base of the board has lost much of its ability to control the board. The trustee commented further:

Part of launching the campus in a new direction was really to deal with the limitations of the board. He has been able to educate them, bring them to different points and to seek input and I think that the input of the board that existed when he got here was not necessarily the input he needed in order to get the campus where it needs to go.

A major initiative of the president and one that is politically dangerous is to make significant revisions to the board's bylaws. His desire is to further dilute the former power base and to make the board more agile in decision-making and engagement. The trustee revealed the plans.

At this next board meeting we are actually going to be voting on major changes to the bylaws including what the board is responsible for and how it's comprised. This is something we had discussion on at the last board meeting. We have materials in front of us now, and individuals have the opportunity to ask any questions ahead of time. So then when it comes time to vote, I'm not really expecting there to be much of a problem. I have several questions, but I don't have any hesitancy about asking a question for fear of judgment. Sometimes in board settings, you can ask a question and sense that the question itself is judged before any of the facts. Don't bother me with the facts, my mind's made up kind of thing. I don't sense that at all.

This comment revealed some work on the analytical competency for this board, an ability to approach an issue from a broad institutional outlook and to actively seek and listen to different

points of view. The trustee pointed out that the board was becoming increasingly more involved in analysis of issues, but that this had not been the case in the past. Her view of the way it used to be was described as a “my head’s in the sand and what you can't see can't hurt you” approach. Now, analytical processes are handled more in the standing committees, which meet for half a day prior to board meetings. Although the board processes complex information well in this manner, it depends on the professional staff to search for the data necessary for decision-making. The trustee stated that the board is only aware of stakeholder opinion “from the fringe” meaning that the trustees do not seek direct feedback from the institution’s constituents. She stated that stakeholder feedback was often available; however, the president and his staff always provided it. This is evidence of low political competency. The trustee described how issues were typically handled.

It's really like attending a class. [The president] does an introduction and then he has his different vice presidents speak their perspectives as appropriate. In the introduction he talks about what has been accomplished, what the new needs are, what the planning process has entailed, and what the plan fundamentally is. By the time you go through all the materials, you have had the opportunity to ask all the questions, so when it comes to the time for voting, there's really not any unanswered issues. There are a lot of questions, but there's really no opposition.

This describes a board dependent on the senior administration to form and shape the issues for board consideration. But it also describes a board that exhibits strong cognitive skills to analyze the data and that maintains openness where people are free to question. The analytical is perhaps this board’s strongest competency. Interestingly, this analytical capacity and openness is leading the way to fundamental change in both the board’s structure as well as its members. The low interpersonal competency has been an inhibitor in the past and threatens to derail the board’s progress to become more inclusive and team-oriented as a group. The trustee spoke of

the upcoming bylaws discussion as a real barometer that will reveal how far this board has progressed as a group.

The old guard, the old power base, is disappearing. At every meeting it progressively gets less as they rotate off the board. And these upcoming bylaw changes will hasten the departure of the rest. If there's ever a topic that brings out contention, it could be this, but [the president] has waited a long time to bring it out. He has his successes now and you can't argue with success. There have been meetings where some of us have stood up and said that if you plan to continue on the board, you need to put your support in here financially and you need to put your man hours in here. There's really been an admonition from different ones on the board to the whole board to get with the program.

This board depends upon the president for leadership and direction. The president characterized the board's attitude as follows: "It doesn't matter what we do. The president will fix it. The president will take care of it." The president continued by describing his view of the board's decision-making process.

Their process seems to be more collegial. They kind of roll the ball around the room. They tend to consider the negatives more, I've noticed. It's a very informal process. It's not a systematic process. They don't ever make me feel like a hired hand. I've honored and respected the board and I have a good relationship them. I have a lot of Karma built up with the board, because I haven't made a major mistake yet. We've finished all the five years in the black. We increased our cash fund balance. We've built all these buildings. I treat them with respect and with honor but they have to be led somewhat, too. When I go into a board meeting, I have my homework done. They don't. I try to supply them with valid information but obviously it's biased around where I want them to go.

His remarks indicate low analytical competency when he describes their decision-making as "not a systematic process" and one in which they don't do their "homework." He indicates that "they have to be led somewhat," which further speaks to low educational and interpersonal competencies: educational because they perhaps do not have a clear idea of their role, and interpersonal in that they lack their own goals and achievements. The president has begun an intentional effort to educate the board about their roles as trustees. Currently there is no trustee orientation or new trustee manual of any kind. But that is changing, too. The trustee is

developing a program for new board members. The president has engaged her to search out models used by other boards and to gather information. Here is her perception of her role.

Part of what we've done is for me to . . . put together a plan so that somebody else doesn't have to go through the same experience I did. The desire is to have an orientation process, program and materials to bring somebody along. I'm putting that together and expect to be working with staff to finish it. We'll soon have a formalized program that will take the new board member through who we are and how we do our business.

As the trustee and this board continue this process, the educational competency will improve as they intentionally create opportunities for trustee education. Part of the educational competency is actively seeking feedback on the board's performance and periodically conducting assessment activities with respect to the board. This is also a part of the coming plan as stated by the trustee: "[There is] no formal assessment of the board's performance. We recognize that and with these bylaw changes we will eventually develop that, but it's hard for some of the old power base to think that they need to be evaluated. It will come, though."

The trustees offer no strategic initiatives of their own. The president commented, "They've given me a tremendous amount of liberty. They've basically taken the approach, if you can do it, do it but don't count on us for a lot of help." The contextual competency is also very low. The president's evaluation is that "they love the college and want to do the right things, but they are limited in vision." The trustee also commented on the limited vision of the board.

I think the board embraces the vision. I think the board is growing in its understanding of the vision and its contribution to the vision. I think it's important the board increase in its understanding of the vision and embracing it and the communication of it, accepting responsibility for it. I just don't think we have a leadership board. The president leads; the board follows.

This limited vision and low engagement of the mission of the college reveals the board's low contextual competency. The trustee feels that the mission of the college has changed under this president as well. Before this president, the mission was more along the lines of educating

pastors and others who were seeking professional careers in the sponsoring church. The president has promoted an expanding view of the mission, which the board embraces but seldom articulates. The trustee commented: “The mission has really changed because now there's a recognition of the need for a wider diversity of offerings. There's a greater emphasis on the liberal arts and professional majors. The president is the primary architect of this change and leads the charge.”

The president described an incident with the board that related to mission. At one point the board became concerned about the rapid expansion of the institution. “The escalation of the enrollment caught them off guard . . . to go from a thirteen million dollar annual budget to a twenty-six million dollar annual budget.” The president described them as frightened and uncertain about the future, revealing low strategic competency. The board suggested a no growth policy be initiated for a period of time, but the president responded using the mission of the institution as leverage. He pointed out that they had hired him to uphold the mission of the college, which included being a virtually open door institution. A no growth position would mean changing the mission by establishing some means to cap enrollment, probably grades or test scores. The president explained to them: “What that means is that when some kid who doesn't meet the qualifications calls you to ask you to lean on me and let him in, he's not getting in. Once we cap enrollment, he's not coming here. It was a sobering moment and they came around and affirmed the mission and backed off.” Not only does this incident reveal low strategic competency, it also exhibits low contextual competency related to mission. Their fears almost led them to abandon part of the institutional mission until the president used it as a lever to force them to view the issue from the perspective of mission.

The president exhibits all five factors of transformational leadership. The most frequently observed factors are behavioral idealized influence, inspirational motivation and individualized consideration. Behavioral idealized influence is revealed in the president's effective articulation of mission and vision and in the followers' clarity of focus and vested interest in the president's goals and vision. The trustee commented about the president: "He has these strong visioning and communication skills . . . There's one other characteristic that this president has going for him and that is that he is essentially fearless, and I believe that he strongly feels that he's identified the mission, so there's nothing that's a sacred cow." The cabinet member described the president's articulation of mission more dramatically: "It just comes out of him, frankly. I can't think of any meeting I have had with him for more than fifteen minutes that he didn't somehow allude to the mission. It just bubbles out. And he really wants us to become an institution of excellence, a liberal arts university that is Christ-centered that produces graduates who influence all walks of life."

It is apparent from these comments that the mission of the college fuels his vision for the institution's future. The president stated his position when he said that a leader should "have the vision clearly in mind and communicate it boldly with joyful enthusiasm." This focus on mission and vision is evidence of the president's use of the transformational leadership factor of behavioral idealized influence. One example shows how deeply the president's vision is embedded in the organization's culture. The president explained:

We remodeled an area of the campus that was completely decrepit. Now there's a colonnade, palm trees and other landscaping and a fountain in the middle of a beautiful plaza. Before we finished the project, several of us were just standing there and someone said, "Wouldn't a fountain look beautiful out there." And I said that it really would but that there wasn't enough money in the budget. One of the guys on the grounds crew asked, "What would a fountain cost?" We told him and he said, "I'll give the fountain." He's a day laborer, an hourly worker. That's how you know that the vision has caught hold.

His articulation of bold goals and high standards in which the followers have developed a vested interest is an indication of his use of attributed idealized influence. The president spoke of a recent incident that illustrates how pervasively his standards have saturated the campus. He related how they had adopted a construction standard that all finished concrete would be brushed for a consistent appearance throughout campus. Recently, he visited the construction site of the new baseball stadium. As he approached the site the Director of Maintenance met him. It was obvious that he was agitated about something. He shared with the president that the construction company had finished pouring the floor in the dugouts before he could tell them to use a brushed finish. He offered to tear it out and start over because it failed to meet the institution's construction standard. The president commented about the incident: "For him to catch that detail shows the endemic change in the culture. Before, they wouldn't have cared. Everything was decaying. The buildings were reprehensible. Now, there's a real sense of pride. There's a sense of vision." Both of the followers' responses above reveal their intense focus and vested interest in the leader's goals and standards, evidence of attributed idealized influence, and in the leader's vision, evidence of behavioral idealized influence. It is noteworthy that both of these examples issue from areas of the college that are not directly tied to the educational mission of the institution.

Inspirational motivation is another transformational leadership factor exhibited by the president. The cabinet member had been a department head at the college before the president was hired and had resigned his former position just before the president arrived. Therefore, he has a "before and after" perspective. He described the ability of the president in his use of words and images to inspire and motivate a discouraged faculty and staff.



There was no hope in the future. Everybody knew how bad the finances were. [The president] came in and sold a dream and sold a future and really all he had at the beginning was words. He's a great speaker. People wanted to believe, but I don't know that that many people believed at the first. I think there was a lot of skepticism. In fact, I'm sure there was. But he picked little wins and made them feel like big wins. He celebrated every win and celebrated it until they got the next win . . . He uses metaphors like I haven't heard. I think they are closer to discourses, by that I mean a very well thought out set of messages. His stories are memorable, usually funny . . . He will say, "O.K., we made this decision and that decision and it has worked out all right" and he uses those wins to build confidence in the followers at all levels.

This is a description of a leader using persuasive words, symbols, and images to motivate followers, an evidence of the inspirational motivation factor. The cabinet member pointed out that the president "looks at every event as a transformational moment to keep the organization turning and moving." He described how the president decided to build a new residence hall rather than renovate an old one. He didn't have enough money to build the residence hall he wanted, so he built half of one. The cabinet member stated: "That half a residence hall was a metaphor. That's the new university." In fact, when the president finished the residence hall the following year, he recounted an incident where he used the new construction as a symbol of things to come. He led the faculty out into the grassy space between the old buildings and the new one. Here are the president's own words of what happened next.

I pointed to that gorgeous new building and said, "This is where we're going." Then, I pointed toward those old decrepit buildings behind me and said, "That's where we've been and we're not going back. If you can't go forward into the new, into that future over there, then don't go." I had two resignations in my office that afternoon. They were clinging to the old for dear life and couldn't grasp the future. They, and there were others, were without hope and vision. They were a weight around our neck. Now, we have a second new dorm and a third one under construction. The administration building has been totally renovated and all of the old residence halls have been restored. The buildings are sound and beautiful. The grounds are attractive. The vision has become reality.

This use of symbols and language is consistent with the president across many audiences. He is a visionary who had no sooner established financial stability at the institution than he began promoting the next level of his vision.

We are moving to become a substantial university. We're adding between two to four graduate programs in the next couple of years. This and other growth will put us over 2,000 students and that's all we can handle at this site. At that time we'll have to consider developing other sites, multiple sites. The idea is to have multiple campuses, but only one president with provosts at all the other campuses. We could become a huge university, but with none of our campuses very large. That's the model we're considering

The cabinet member revealed how the president's visioning capacity not only includes the grander scheme as outlined in the comment above but also reaches to the more personal mission of the institution. The cabinet member stated: "If [the president] is with the groundskeepers, he might remind them of what things used to look like and how it's been transformed. And he'll remind them that the goal is not to just keep the grass mowed; the goal is to change this college and make it excellent for every student. He's always lifting your eyes up to the more global perspective."

The cabinet member related how the president's work ethic serves as a role model for all the staff, another aspect of inspirational motivation. He commented: "[The president's] own effort is such a monumental effort. He pours his own energy into this place. This college is in his blood." The trustee made a similar comment: "You always have the impression that he would not ask someone to do something he would not willingly do himself." The effects of this inspiration have reached beyond the campus to include alumni. The president related the following story:

Our constituency is finding a new pride in the college. There is pent up good will. They have wanted to feel good about their college and now they do. One man that came for a recent building dedication had not been on the campus in thirteen

years. He said, "I'm absolutely blown away." He said, "I'm going home and take my diploma out of the bottom drawer and hang it on the wall."

Individualized consideration is another transformational leadership factor liberally utilized by the president. It is seen in his interactions with the many constituent groups of the college. With regard to the board the president remarked, "I think the president's role is to be straightforward and honest and confrontive with the board and in as direct a way as possible without alienating future relationships." Although some members of the board appear to be uncertain about future directions for the college, most are grateful for the financial stability and growth the president has orchestrated. The trustee pointed out that for the group that was accustomed to power, "I think the president goes to great lengths to make sure they're O.K. with the issues coming to the table." These comments reflect individualized consideration and its focus on two-way communication with the board as well as the development and preservation of relationships. When asked how the president builds and sustains relationships, the trustee responded:

First, when the president is in someone's presence he is truly present. You've seen people, you know they're sitting beside you, but they're a million miles away. He is truly present. Secondly, I think that he has a genuine interest and ability to touch many, many, many types of people. He relates to everyone from the kid who dropped out of high school to the strongest PhDs to your business people. Third, he has a good system for following up and he has good staff to follow up with letters and phone calls. He is always in motion. It's not uncommon for me to get a phone call because he wants to bring something to my attention. Likewise, if I make a phone call to him, he will either take it or return the phone call. He's very accessible, approachable.

Accessibility and one-on-one contact are hallmarks of individualized consideration. The cabinet member reported feelings of security, ownership and fate control, all of which are indicators that followers are responding to individualized consideration. The cabinet member stated:

With me he is always asking about my career, my dreams . . . I'm forty-one years old. He told me a story about when he was in his early forties and what was going on in his life, some of the misdirection and dead ends. He encouraged me and wanted me to realize that my life was on a better track than I could imagine. That was like getting a raise because he was giving me currency. He was giving me value by asking how I was doing. I've seen him having lunch with the other VPs so I assume that he does the same for them as he does for me. We all feel very close to him. It's not buddy-buddy close. The lines are still there, but he genuinely does care.

It is especially noteworthy that the cabinet member equated the genuine concern and interest of the president in his personal professional development with “getting a raise” because “he was giving me currency” and “he was giving me value.” This is precisely what one would expect when a leader uses individualized consideration: followers feel valued and as a result self-image and feelings of security are enhanced.

When asked how the president treats people who make mistakes, the cabinet member responded that this was one of the president's greatest strengths. He indicated that the president was very firm, but always fair. The cabinet member continued, “I would say that failures are not fatal with him.” The cabinet member then related an example of a mistake that he and one of his directors made on a construction project that cost them three weeks of construction time and nearly cost them contributions to the project from a major donor. It was a major mistake. When they realized their error, they rallied very quickly. Several of the staff, including the cabinet member and the president, pulled together the necessary information to remedy the problem and ultimately the donor paid for the entire facility. The cabinet member quoted the president as the problem unfolded: “This mistake is irrelevant to me in the moment. What's important is to get the task done, to get what's needed, to get it completed. We'll talk about the mistake later.” About a week later, the president met with the cabinet member and looked into where the failure occurred, reviewing both systems and people, and suggested appropriate adjustments.

Throughout the process, people were respected and encouraged to use the mistake as a learning experience. The cabinet member referred to it as a mentoring experience. The president expressed his view.

With my executive staff, I protect the process of communication between each other. I don't allow it to get out of hand. I have a friend who is also a college president. I admire him and he's done an excellent job in many ways, but his philosophy of leadership at the top is adversarial advocacy. He believes that you get the dogs all in the yard, throw the bone in the middle of the yard and let them duke it out, and you'll see who the big dog is. I can't live that way. It's not worth it to me. There's a strength to that in that it tends to eliminate little dogs. This doesn't build the team relationship that I want. I believe in intentional consensus . . . I'm not owned by my VPs, but I do respect their input. I try to arrive at consensus if at all possible and I don't allow the advocacy in a staff meeting to get out of hand . . . We have the best leadership at the top of any college of any size anywhere. There's a real pride of ownership. There's a real pride of team. They all feel that they play for the Yankees. They always believe they can win.

The themes of communication, teamwork, consensus, respect, ownership and pride all speak to the president's use of individualized consideration with his staff. On communication, the president added:

I believe that the key issue in all relationships is communication. There really isn't another variable. I'll say, "I'm not trying to trick you. I'm not testing you. I actually want information. I don't know the answer to these things and I think you do or at least you have opinions. What I really want is to hear from you." I empower them to speak.

This kind of communication builds trust and confidence in followers that heightens their motivation to perform, in other words, transformational leadership through individualized consideration begetting performance beyond expectations. The president stated: "I really believe that the style of leadership that one puts in place, the style of thinking and talking and communicating, the way we're going to deal with one another with directness, yet with respect, that you begin to teach and model healthy communication and really demand respect for the process."

The president also uses individualized consideration with students. He hired a marketing firm as one of his first presidential acts to come in and determine campus opinion, giving the highest priority to student opinion. Focus groups were conducted with students, faculty, staff, administrators, and alumni. The president assigned greater weight to the priorities from student perspectives. For example, student opinion indicated that they felt that the first buildings to be built should be residence halls. This input caused the president to change his original plan. The president said, “We redirected our priorities . . . and we've gone in that direction with other things further down.” Indeed, all of the new buildings have been residence halls while existing academic and administrative spaces have been renovated. This indicates that students are the president’s priority and he has proved it by listening and responding to their concerns and desires for better living conditions on campus. In addition, he has implemented a student experience that places each freshman in a small group designed to help them with college life, but also to mentor and engage them on what it means to be a responsible member of the community. It also attempts to find out what they think and need.

The president gave the researcher a guided tour of the campus. Along the way, he spoke to everyone he saw and they spoke to him. Students called out his name and waved. Staff members were greeted warmly. He stopped a faculty member and made introductions. As the tour concluded, he said his goodbye in the campus café, leaving for his next appointment: filling in for a professor by teaching his class. As he walked toward the door at the other end of the café, he stopped at each table of students, greeted them, and engaged them in conversation. One could see his genuine care for the welfare of students, staff and faculty as well as their love and appreciation for him. He was clearly accessible and approachable, more evidence of individualized consideration.

It appears that this level of individualized consideration has opened lines of communication between the president and the campus community that are used frequently. The cabinet member mentioned another aspect of strong two-way communication on campus: “Just the other day [the president] had open microphone in chapel and invited the students to ask him anything. He'll do that a few times every semester. I've heard him in faculty meetings open it up and ask them if there were any issues he wasn't thinking of or if there was anything they wanted to ask him.” By seeking and considering campus opinion, the president is using individualized consideration. One result is an organizational culture filled with stakeholders who are confident, secure, and vested in the president’s vision. The cabinet member related an occasion when the president asked the faculty to give him three years to turn the campus around after which they would receive raises. The cabinet member recalled: “He actually under promised and over delivered because it was under two years. Plus, they got a bigger raise than they expected and were teaching fewer hours . . . He let the faculty know he was really serious about education here.” This action also communicated the president’s considerable concern for their welfare as employees of the college. It also shows use of the contingent reward transactional leadership factor. A contract of sorts was struck between the president and the faculty. Because the president was able to deliver his side of the bargain in exchange for their patience over a specified time period, the president earned trust among the followers, an outcome of the use of contingent reward.

The president also uses the transformational leadership factor of intellectual stimulation. Here is how he described the decision-making process of his cabinet.

You have to know what's going on. You have to be able to interpret the data, and for that I'm a big believer in team engagement. I don't interpret data alone. I try to bring my team in. I have a very tight circle of vice presidents and I'm very upfront with them . . . We have a great, great team effort in decision-making that I

really enjoy with my vice presidents. It's really effective. We make good decisions. If we have a big, tough decision, we may spend a day brainstorming and role-playing outcomes after we've gathered all the information. Everybody makes valid input . . . We rehearse the alternatives and it's very empowering to me. It makes me feel thoroughly equipped. It speaks to the ability and capacity of the team.

The cabinet member expanded on the president's leadership of the team in decision-making.

He uses hat metaphors. He'll say, "Put on your green hat. All ideas go on the table. Don't say anything negative about it. Offer any possible idea, any possible solution, no matter how weird it is. Don't let money be an issue. What are all possible ways we could handle this situation?" And then he'll say, "Put on your black hat. What are all the negatives here, any possible negatives? What about press coverage or the board reaction?"

These comments indicate considerable usage of intellectual stimulation. He fosters a rational approach laced with cognitive creativity and analytic skills, marks of intellectual stimulation. The cabinet member gave a personal example of how he and another vice president were stimulated to think through and solve a potentially divisive issue.

The president walked by and saw the two of us in a heated discussion, and when I say heated, it wasn't heated in volume, but in intensity and he knows us well enough to know that something was up. He came up to us and asked if something was between us and if we were able to resolve it. We told him about our three previous discussions and how we kept coming to an impasse. He then asked us to join him in his office. It was happenstance that he saw us together, but as soon as he assessed there was an issue; he stopped what he was doing to help us . . . When the other vice president and I were struggling with the issue, it had all the makings of a win/lose situation. It was either him or me. We just couldn't see a way around the mountain.

Note that the cabinet member believes that the president "knows us well enough to know that something was up." This indicates a president who genuinely understands and cares for his cabinet members to the extent that he will interrupt his plans to help them resolve an issue. This use of individualized consideration triggered his involvement, but it is also his use of intellectual



stimulation that turned a conflict into an opportunity to benefit the people involved and ultimately the entire campus. The cabinet member described what happened next.

We had three quick meetings. He wanted us to come back with reports on our progress. After each meeting we would report out to him and then he would review them and then sit down with us and synthesize our findings before we went on to the next meeting . . . Nobody was holding back and he wasn't afraid of that sparring. It was very open. It didn't feel like we were risking anything . . . He said, "You're both hard charging. You're both entrepreneurial, but you're on the same team." His normal method of operation is to take the time to get everything out when there's an issue, to get it all on the table. I didn't have the sense that he was trying to make the pain go away or the stress go away. We were problem-solving and creating as a team.

The cabinet member continued by explaining that the solution to the issue was to assign ultimate responsibility for the issue to one vice president, but then to create an opportunity for the other vice president to contribute. This was done through the formation of a task force or master planning committee focusing around the issue.

It was win/win because he elevated the issue to a more global position. He said, "You're both feeling the passion for this institution that I want" and he said, "It doesn't bother me that you are bumping into each other." He did not deny it or tell us to retreat to our corners, but he started a dialogue about the future. A greater partnership has come out of it between me and my department and the other VP and his department. Everybody is on the same page now and we are unified . . . The president turned it into a win/win by first making a decision that placed the responsibility with me, but secondly, it gave the other VP a voice by way of a master planning committee on which he and several of his staff would have seats. Also, he took each of us to lunch separately afterwards and went through it and made sure we were O.K. And then a few weeks later, took us out again to make sure we were feeling fine.

Here we have evidence of both intellectual stimulation and individualized consideration. The way the president crafted a solution that engaged both vice presidents reveals his ability to stimulate creative thinking and innovation. It also revealed the president's concern for his cabinet members in his efforts to make sure they "were feeling fine." This individual consideration gets high marks from the cabinet member.

I felt proud that we had stumbled into this issue and he validated us for catching this early in the process. He'll listen to you and then he'll say, "Let me say back to you in my words what you've just said to see if I understand, and if this isn't what you're saying, then help me understand." He does this to a fault . . . It's had an impact on me so that I am a more authentic leader, so that I lead from my own perspective, from the center of who I am, from my values.

The cabinet member pointed out that the president used the solution that they mutually created as a way to draw the entire cabinet into more open lines of communication.

The president called a summit with the cabinet and spent two hours in a positive and firm way that the VPs have got to talk more. It was a synergistic approach. He drew little blood vessels and talked about occlusions. Oh, I can still see him drawing on the board. But you know, he never let any of the other VPs know that we had this problem. He didn't tell them that me and this guy had bumped into each other and clashed. He always talked about it in terms of this great planning opportunity, a great move for us. He moved past the incident to the greater purpose. Something came out of it that was needed but not been seen before the incident occurred.

Intellectual stimulation results in capturing the attention of followers in a way that helps them focus on role clarity and on enhancing role acceptance. This leads to an elevation in followers' vested interest in successful outcomes for the organization. Note also the continued theme of individualized consideration in the comment by the cabinet member that the president "never let any of the other VPs know that we had this problem."

In concluding this section about the president's use of transformational leadership factors, the discussion turns again to his use of behavioral idealized influence. Evidence of this factor is seen in followers' expression of reverence for the leader. They hold the leader in awe and offer their faith, loyalty and trust. The cabinet member, in somewhat of an overstatement of veneration for the president, commented:

I think he's moved into Mother Teresa status. When he walks into a room there's a presence. Literally, when he shows up in a room it's like all the past wins come in the room with him and there's such positive aura, respect, confidence from the followers.

He continued by contrasting once more the change in the culture of the organization, which he attributed to the leadership of the president. His comments provide an appropriate summary of the effects of the transformational leader: a transformed culture led by an influential, inspiring, stimulating, and caring leader.

The space between each person is filled with faith and trust, whereas before, the space between us was filled with negativity and skepticism. Everything was gloom and doom. Everybody was looking for something negative. Now everybody looks for something positive. The negatives now are actually the anomalies and they're easy to get past because you know that tomorrow there will be three more wins, so what's a little bump in the road today . . . You're going to look good if you just hang in there. You're going to end up looking like a hero at the end of the day . . . This guy is the epitome of a transformational leader in every way. He's on a mission. He's headed somewhere and you're thrilled to be a part of the team. I can't find the words to describe the difference one man makes.

To sum, Gainer one was under extreme financial duress with insolvency looming when the current president took office. Its board appeared to be low in all six trustee competencies. Gainer one has been transformed under the new president who displays strong transformational leadership attributes. The board has made some improvement, but still exhibits low trustee competencies. His use of attributed and behavioral idealized influence has projected his goals and vision upon all elements of the college, including students, faculty, staff and trustees. The president has used inspirational motivation to persuade followers to engage in activities that fulfill the mission of the college. Individualized consideration is the greatest strength of this president. Its use lifts followers' sense of being valued and sense ownership. Followers experience higher levels of self-confidence, elevated vested interest in designated outcomes, a transformed organizational culture, heightened motivation to attain designated outcomes, and a desire to perform beyond minimal expectations.

## Summary of Stabilizer Findings

Both stabilizer institutions have enjoyed a prolonged period of organizational and financial stability. An analysis of the interview data from stabilizer one revealed the exercise of five of the six trustee competencies while the interview data from stabilizer two disclosed low usage of all six competencies. Table 12 shows the frequency of comments from the interviews relative to trustee competencies. The number of stabilizer one comments that were representative of the contextual and strategic competencies occurred more often than the other four competencies. The number of stabilizer two comments that were representative of trustee competencies were extremely low for all six competencies. In chapter three, Table 10 shows BSAQ responses by seven trustees from stabilizer one and by five trustees from stabilizer two. Both stabilizer institutions have competency scores similar to the comparison group with stabilizer one noticeably higher in the strategic and political competencies over the comparison group, while stabilizer two was considerably higher in the strategic and analytical.

The interview data reveal that the president of stabilizer one primarily utilizes four transformational leadership factors: attributed idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The president of stabilizer two uses all five transformational factors, using individualized consideration and attributed idealized influence most widely. Table 12 also shows the frequency of comments from the interviews relative to leadership factors. The stabilizer one and stabilizer two comments that were representative of attributed idealized influence and individualized consideration occurred more often than the other leadership factors.

In chapter three, Table 11 shows MLQ responses by six cabinet members from stabilizer one and by five cabinet members from stabilizer two. MLQ responses for stabilizer one reveal

that its cabinet members scored the president highest in all five transformational factors. Their perception of the president is that he is a transformational leader. All five of the transformational factor scores either equal or exceed the 50<sup>th</sup> percentile of the comparison group with inspirational motivation receiving the highest score. MLQ responses for stabilizer two reveal that its cabinet members scored the president highest in four transformational factors and in one transactional factor. Their perception of the president is that he is primarily a transformational leader. Inspirational motivation received the highest score followed by attributed idealized influence. The four highest transformational factor scores exceed the 50<sup>th</sup> percentile of the comparison group. Only individualized consideration was below the 50<sup>th</sup> percentile. Both stabilizer institutions passed the five-point test of transformational leadership (see Figure 1) based on the interview data and the discussion that follow.

#### Stabilizer One Discussion

Although not as dramatic as gainer one, the story of stabilizer one is nevertheless a transformational one. Prior to the arrival of the current president, stabilizer one prided itself in decades of consecutive balanced budgets and a relatively strong and growing endowment. Some described it as stagnating. The president related his view of the situation: “My predecessor retired mentally and emotionally about six years before he retired physically. Just to have somebody to come in and articulate a mission and a vision for the place and to be excited about what was going on was really key to motivating the faculty and staff as well as the board.” In fact the transformational leadership factors that this president uses most frequently are attributed and behavioral idealized influence, a persistent emphasis on goals and high standards through the articulation of the mission and vision statements of the college. He has used these leadership factors effectively during his tenure to create conditions for campus change and transformation.

His focus on the mission and vision of the institution is firmly embedded in the culture of the organization and was reflected in recurring themes throughout the interviews. The trustee described the president's arrival and first actions.

He went around and interviewed all his trustees and talked to them about where they wanted the school to go, what they wanted. And then he appointed these Blue Ribbon Committees to come up with some suggestions. He changed some things, like the mission statement. At many of the meetings you're in, he'll quote the mission and the vision. Those two things you hear constantly.

Actually, the interview with the trustee had barely gotten underway when he quoted the vision statement for the college, an indication that the board has absorbed the president's vision and made it their own. The trustee stated: "The president did a very effective job of selling [his vision] to the trustees. This is not only the goal of the administration, but it's a goal of the trustees. You talk to them a few minutes and you'll see that they've bought into this." At this point the trustee quoted the vision statement again, which positions the college as a leading academic institution in its region. He then related how the president used the vision to convince the trustees to launch into a \$30 million capital campaign to build a library after having already spent \$36 million in renovations and new construction within the previous five years.

From a leadership point of view, getting everybody on board to build a new library was quite an accomplishment. After we built the residence halls, the professors wanted a library, something for the academic side and rightfully so . . . There's a lot of people out there saying with the Internet and computers, "Do you really need a library?" In the beginning I kind of questioned it myself. I use the Internet a lot. We've got a college up there that has good capacity as far as the Internet goes. Everybody's got access. Why do we need to spend millions on a library? I thought from my standpoint this is the most effective selling job our president has done since he's been here, but the base of it was selling the trustees on [the vision of the college]. The president has embedded the vision in these trustees. They believe it. He tied the library directly to the vision. We went around the room and asked each trustee on the committee why he wanted a library and just about every one of them said something similar to the vision statement.

This statement reveals the president's ability to articulate his goals and standards, a key ingredient in attributed idealized influence, but it also reveals the board's use of contextual competency. The trustee comfortably articulated both the mission statement and the vision statement of the institution on several occasions throughout the interview. His statement that "the president has embedded the vision in these trustees" indicates a general understanding and use by the trustees of institutional values, mission and vision. During his interview the president also referred to the mission and vision statements frequently and credits the process he used to develop them as part of the reason the campus community has accepted them.

When I came here one of the first things I did was to name a task force to look at the mission statement and I chaired that task force. It was a cross-constituent group, so we had trustees, faculty, administrators, students, graduates of the college who met almost weekly over a six-month period looking at data about us, about other institutions and out of that we crafted the current mission statement. Really, there's hardly a public presentation I make that I somehow don't speak about the mission of the institution.

The trustee used the capital campaign to build a library as his critical incident, the president discussed a \$23 million bond issue for campus renovations as his critical incident, and the cabinet member related a critical incident about developing a new tenure policy. All three interviewees referenced high standards as central to their respective critical incidents, evidence of attributed idealized influence. The president's persistence in pursuing high standards and the followers' (the cabinet member and the trustee) view of the president as extremely capable also reveal the attributed idealized influence factor. All three interviewees articulated the mission and vision statements of the college more than once, referring to them as integral to their respective incidents. This focus on mission and vision as paramount within the organization is evidence of behavioral idealized influence, producing clarity and focus in followers and a vested interest in the president's goals. All three incidents also involved considerable risks, another evidence of

behavioral idealized influence. The bond issue carried the risk of long-term debt. The library capital campaign exposed the risk of not reaching the goal and therefore, the potential failure to build the facility. The tenure policy revision was a serious political risk to a relatively new president. Leaders who use idealized influence factors tend to push followers toward higher-order ideals and risk-taking actions to reach those ideals. The trustees have not been exempt from the president's persistence and determination to achieve his mission and vision.

The president described the board of trustees prior to his arrival. As the interview progressed it became apparent that he had exerted considerable influence over the board across all six competencies of the New Work Model. For example, the interpersonal competency was extremely low in this board in the past. He stated:

For twenty-five years this board had the same chairman, a very prominent individual in this community. Typically, the opinion was that whatever he wanted, we did. If he wanted to go in a particular direction, seldom did people oppose him. Certainly not in public, but I would imagine that very few would have chosen to oppose him in private. He stepped down as chairman before I got here but remained on the board for a few years.

Boards that are low in the interpersonal competency tend to not work well as a group and are often dominated by small groups or strong personalities. When the president began discussions about using a bond issue to make major renovations to the campus, he was naturally concerned about the former chair and his influence; however, the president was careful not to place the former chair on any of the committees engaged in the initial planning. Also, he was concerned that this group of trustees that had been inhibited for so long might not speak their minds in the board's various group settings. He commented.

It's taken awhile for my board to get to a point in being open and asking questions . . . [The former chairman] was not a part of these conversations so in some ways it was very freeing for some people not to have that dominant personality present, but they also had not matured to the point that they had enough confidence in themselves to be critical and thoughtful about these issues.



The president described the critical incident of the bond issue and three strategies he employed to encourage full participation by trustees that in time have helped this board to develop high interpersonal competency. First, he and his staff brainstormed numerous scenarios with respect to how the discussions around the bond issue might develop. From this he developed a list of questions that “should be asked,” as he put it. As the discussions developed, if board members didn’t ask enough questions or ask the right questions, he would introduce questions from his list to encourage participation. Second, he brought in a consulting firm that specializes in bond issues for building projects in higher education to provide the expertise that he felt was missing on the board and to add topics to the discussion that would not otherwise be introduced. Third, he encouraged the board to add several new board members, notably educators and planners, who were quite different from the typical businessperson that had always served on the board. These strategies helped the board become “critical and thoughtful about these issues” and changed the group dynamic to one of openness and inclusiveness. The trustee described quite a different board operating today compared to ones in the past.

At one time we had almost all business folks on the trustees. And I liked that because they were used to making decisions . . . But it's a good working group. We've got a good mix of trustees, I think. We openly discuss things very, very much. There's a lot of give and take.

He then related an incident involving an old colonial style house adjacent to the campus that had been given to the college. The former owners had been active in the life of the college and often entertained students in their home over several decades; thus, many of the college’s constituents had sentimental attachment to the house, including some of the board members. The house was in disrepair and a considerable sum of money would have been required to restore it. Someone in the community approached the trustee expressing an interest in buying the house, so

the trustee as chairman of building and grounds suggested to the board that the college sell it. He added that he “couldn’t see how the house would help the college educate students” and therefore, could not justify spending money on it. This focus on the educational mission of the institution is yet another indicator of the strong use by this board of the contextual competency. Also, the reaction of the board to his proposal reveals how the board has developed and is using the interpersonal competency. He indicated that an animated debate erupted. He jokingly said, "I thought they were going to kick me off the board." In the end the house was renovated and became the alumni house, a center for social events and fund-raising activities among the alums of the college. This use of the house connected the project to the educational mission of the institution through the development of ongoing and additional financial support from alums.

This incident as well as the development of the capital campaign for the library reveals use of the analytical and strategic competencies. The trustee spoke of the complexity of building libraries today where the focus is on more than just books and periodicals. They recognized their lack of ability to analyze this project well and understood that they needed help. He described how they brought in a consultant who specializes in the construction of libraries and who would help them in the planning of the project and in the selection of an architect. The trustee commented on the planning process in the building and grounds committee that he chairs.

We try to go in there prepared and give them information. I allow whatever time is necessary for everybody to speak. I usually go around the room and if anybody hasn't said anything, I'll ask them their views or comments. When we come out of something like this, we're pretty much all together on it. That's true for the whole board, too.

This comment reveals both the interpersonal and analytical competencies at work. Discussion is not stifled, but opened up. People are not excluded, but are drawn into active participation. Also, the reference to being prepared and sharing information combined with the

acquisition of a consultant suggests the use of the analytical competency and the ability of the board to handle complex issues and to accommodate different points of view.

From the testimony of both the president and the trustee, the board in the past had never had to consider the upsides and downsides of their decisions. The previous chairman and his inner circle of trustees did this in private. The board committees rarely did any real work or analysis. The chairman presented issues mainly to the full board and with his bias on how he wanted the vote to go. The board always rubber-stamped his decisions. The current president has encouraged the board to develop a mind of its own. His approach to the notion of taking on twenty-three million dollars of debt through a bond issue illustrates how he has helped the board improve its interpersonal, analytical and strategic competencies. He described how the project developed.

When I came here the institution was very proud of the fact that they had always balanced the budget. Part of the reason for this is that the institution rarely carried any debt. This is a very debt adverse board. They don't like to borrow money. But when I came on the scene it was very clear to me that we had several deferred maintenance issues that we had to address. The question became: how do we address the numerous facilities issues on campus and be able to attract and retain students that we want?

The president felt that he had a group of trustees that were willing to forego facilities improvement in order to stay out of debt. He reduced the issue to its strategic essence by helping the trustees see that deteriorating and unattractive facilities were a distinct disadvantage to recruiting and retention, which would ultimately inhibit tuition and auxiliary revenue streams. The president felt that borrowing the money was the most logical way to proceed because of numerous fund raising activities during the first few years of his presidency. In a first phase of improvements, ten million dollars worth of renovation had already occurred and all of that money had been raised. From a strategic point of view, failure to make additional improvements

might imperil the financial stability of the college. By positioning the needed facilities improvements as strategic initiatives, he was able to help the board think analytically and strategically. The president commented:

And I also knew that in addition to not having the money, we didn't have the expertise on our staff or really within the board to understand how bond issues work nor to design and oversee the designing and construction of these residence halls. I got the building and grounds committee to allow me to bring a consulting firm on campus to talk to us about how all this works and once they heard what those people had to say, I think they became convinced that really it was a stewardship issue for us, that in the climate where you could borrow money at very low rates of interest, that not to take advantage of opportunities like that to further the mission of the institution, to provide the quality experience that we feel like we want to deliver to our students, would be irresponsible on their part.

This comment exhibits a consistent pattern by this president of using outside consultants and experts to provide information and help with collection and analysis of data. During the interview two other uses of consultants were mentioned. It is also interesting to note that the trustee used a consultant when his committee faced the task of building a new library. This board may not have exercised the analytical competency in the past, but they are learning how to use outside consultants to assist them in the very critical task of analysis that informs effective decision-making. This comment also reveals how the president also drew the mission of the institution into the discussion, requiring the trustees to engage the contextual competency along with the analytical and strategic. The president's view of the importance of residential life in the small liberal arts college helped drive the board in its use of the contextual and strategic competencies.

One of the things that I became aware of is that leading private liberal arts colleges around the south, and really anywhere, have a high percentage of residential students on their campuses. We were only at fifty percent at the start of this conversation. There are many ingredients that go into making an institution premier, but one of them it seems to me that's indisputable is a large residential population, so that was one of the key factors from a missional standpoint that we used. I took the building and grounds committee on a tour of the residence halls

so they could see the condition. I even took one trustee with me on a trip to visit another institution that had done this kind of thing and had beautiful residence halls. I would say that vision and mission were very much integral to the move to do this.

The mission of the institution was central in the analytical process. Note that the president also used active, first-hand analysis of the situation by leading the building and grounds committee on a tour of the residence halls. If a quality educational experience is a part of the mission of the college, but the residential life component is substandard, the president felt that they could not make claims of quality. Thus, the contextual dimension provided a foundation for analytical and strategic decision-making. In addition, the process of working through this issue continued to require the board to engage the interpersonal competency that had been developing in them since the hiring of the current president. A comment by the trustee reveals both the analytical and interpersonal competencies at work.

If there's anything coming up that's big, you're going to know about it before you get to the meeting. The president is going to e-mail you about it. They've got every opportunity to read and discuss the issues. The executive committee gets together before a board meeting to make sure that we have everything we need to answer any possible question and that board members have been given full information. We also try to anticipate anything coming up that we haven't thought of.

The political competency was not less noticeable than the contextual, interpersonal, analytical, and strategic; however, the trustee did point out that stakeholders were consulted and that the board listened to constituency feedback. The president often appoints students and faculty to ad hoc committees of the board. The trustee related that the norm for the board is to hear directly from stakeholders rather than just read reports that contain constituency feedback.

The president is very good at including all these groups like having two students in there to talk with the architects on the library. The architects will be here for four days to talk to the various groups to determine the design of the library. And he has included on there people from the library. He's got some of his cabinet

members on there. He's got some professors. He's got students, some trustees. On the ad hoc committee for the library, we had several alumni on it.

The educational competency is quite low for the board of stabilizer one. There is no orientation for new board members. Trustees learn their roles mostly through observation and other informal means. The board does not formally evaluate its performance; however, the president indicated that this was changing: "Right now I'm engaged in a conversation with the board about looking at how it operates and doing an evaluation of itself in hopes that we will make some changes in the bylaws and come up with a way of operating that I think is more in keeping with what they need to do to fulfill their responsibilities." The president's actions have transformed the way this board works. Whereas prior to the president's arrival, this board appeared to be low in all six competencies, now it exhibits high levels of competency in four, moderate levels in one, and work has begun on developing number six. The board has been transformed from a poorly functioning group dominated by a few members to a highly interactive, diverse team focused on strategies that enhance the mission and vision of the college.

Not only has the board been transformed, but also the organizational culture has change dramatically. When asked to describe the changes in the college under his leadership, the president responded:

We've changed the academic calendar, the core curriculum, the tenure policy, and the evaluation policy. We've implemented an honor code. We've done thirty plus million dollars worth of facilities renovation and new construction. Virtually everybody has been impacted by these. We've added twelve to fifteen new faculty members. Enrollment has been stable and had some growth. Added a third new board members. Not long ago a faculty member sent out an e-mail to everyone on campus that she understood that the trustees had renamed the college the "Change College." It was humorous but rooted in all that was happening around here. I think in general people have been very supportive of what we've done. They recognize that this is our moment to make our mark and we don't want to lose it.

From this comment and from the previous discussion above, it is apparent that this president is a transformational leader as evidenced by the change in the college culture. The cabinet member added to the list of changes.

We put in place a new semester academic calendar. We adopted the four-one-four. The interim term is a great success. We weren't sending anyone abroad until we developed the interim term. We sent nine students that first year. We had about one hundred students abroad this past January. We have a new core curriculum in place. Our retention rate has improved greatly. We've gone to division three in athletics. Physically, programmatically and in terms of the personnel who were here, it is a very different place than it was in 1996 before the president got here. The students are different, stronger at least on quantitative assessment measures. It is not at all uncommon to hear our faculty members say, "I can do things in the class now that I couldn't do three years ago or five years ago." The attitude between the faculty and the administration is very healthy. On a scale from one to ten, I would rate it an eight or a nine.

The transformational leadership factor observed most often in the president is attributed idealized influence. His high standards and strong personal locus of control were even evident before he was hired. The trustee related an event during the presidential interview process that reveals the president's higher order ideals and his desire to shape the future of the college. The college has been the beneficiary of a rather large foundation in the local area for decades and as a result, the foundation has maintained a certain level of control over the institution and its leaders.

The trustee commented:

The president is a lot stronger leader than we had previously. While we still need the foundation and there are foundation members on our board of trustees, the president told us before he came that if we wanted a president to rubber stamp the foundation, then he wasn't the president for the job. He's worked with the foundation very well. They're not adversaries by any stretch of the imagination. He's probably gotten as much out of them as anybody has. He's certainly not a puppet, of anybody really. He's such a strong person that I think they just respect that. I'm sure there are things that they disagree with and I'm sure that they probably, well, I know that they've given up control. But there's no resentment there.

The president has been able to influence followers, including the board and the foundation, to develop a vested interest in his goals for the college, which is evidence of his use of attributed idealized influence. The board is clearly focused on the president's goals as they have developed around the mission and vision statements. The cabinet member pointed to this emphasis on clarity of institutional direction as one of the president's earliest initiatives.

The president made it known as early as his inauguration speech that there were expectations that we were not meeting in terms of getting to where the institution needed to be positioned. He was using a phrase at that time that the college was "hidden behind a veil of anonymity" and that the only way to rip away that veil was to take some of these steps. And then as the mission and vision statements were articulated and endorsed by the various constituents of the college, these are the things we have to do. He was very clear at faculty meetings, at opening of school meetings, at board meetings, that this was important work that had to be accomplished in order to realize those goals.

The president's focus on goals and high expectations as defined by the mission and vision statements is persistent and pervasive. All issues and decisions are evaluated in the light of mission and vision. The cabinet member stated:

The way I have always perceived how he measures success is: Are we making progress toward the goals we've set for ourselves in our mission and vision statements? If we can honestly say that this [decision] is a positive step toward that goal, then it's a positive step for everybody. If it's not pulling us toward the vision, then why are we talking about it? Ultimately, that is the calculus.

The president keeps the mission and vision before the followers. He constantly uses them as reference points in speeches and public forums. He also holds everyone accountable in sustaining the mission and achieving the vision. He gave the following example:

One of the things we do is that we have an opening of the school year, the only time that everybody comes together at the same time. The primary focus of that is my state of the college address. I try to reflect on where we are and anticipate what's going to happen in the year ahead. And it's in that setting that I always articulate the mission and the vision of the institution and how that's evolving and what we need to do to get where we're going. I think that has been important to give people a sense of where we're heading.



The comment above is verified by the cabinet member's perception of the president's ability to articulate his goals and hold followers accountable. The cabinet member gave another example of the president's communication strategy relative to vision.

Whether it's in a faculty meeting or the opening of school addressing the entire community or any public setting, he is extremely articulate and he is always deliberate about discussing whatever issue is at hand in terms of the vision statement of the college. [He will say], "This is why we need to do this. This is a painful decision that we have to make; however, if we move in this direction the consequence would be that it moves us closer to what we have said we want to do in our vision statement." I think the consistency in terms of how he approaches those issues has given him enormous standing, not only on campus but in the community as a whole.

In his discussion of a critical incident, the cabinet member described the revision of the tenure system and the development of a faculty evaluation system. Both of these initiatives were tedious and were met with considerable concern by the faculty and even significant opposition by some. As the chief academic officer of the college, the cabinet member felt compelled to tackle these contentious issues because they were fundamentally rooted in the mission and vision of the college. He stated:

If we're going to attain that mission statement which is tied to a vision statement, you can't get there without a faculty evaluation system and a tenure system that will tenure practically anybody. So we felt that we were responding very directly to the mission statement and the vision statement in that sense by putting in place more rigorous procedures that made sure that the faculty met the standards.

This comment reveals that the cabinet member has adopted the president's goals and standards at a level that motivated him to begin these very difficult and potentially disastrous initiatives. The process was negotiated and completed successfully and the key to this success, according to the cabinet member, was a persistent focus on the mission and vision of the college.

The president also uses the inspirational motivation factor of transformational leadership and in two primary ways: persuasive speaking ability and the example of his work ethic. The

trustee commented on the president's speech making: "He's an excellent speaker . . . You just feel like anything he says, he's got his heart in it. But there's just not much you wouldn't do for the guy. He's very likable. There ought to be something bad I could say about the guy but I just don't know it." This statement reveals the aspect of inspirational motivation that uses emotional appeal and persuasive words to get followers to perform beyond the minimal expectations. The cabinet member was even more expressive about the president's use of emotional appeal: "He can move a room when he speaks. He is very effective." Although the president is an effective speaker, perhaps his strongest use of inspirational motivation is in the example he lives before the followers. The trustee commented:

He's a hard worker . . . About the only thing bad the trustees can say about him is that he doesn't have any hobbies. He doesn't play golf. He doesn't do anything like that. He devotes so much of his time to the college. He's involved in everything. Anything you ask him to do, he'll do. He headed up the United Way last year. He's president of the Rotary Club. When you see someone who does what he does, the amount of work, the amount of volunteer work that he does, you know, you want to get in there and do it yourself. He leads by example. His staff wants to please him. They want to make him look good. I think the trustees are that way, too.

The strong work ethic and example of the president inspires others to follow his example and elevates their interest in the leader's desired outcomes and their probabilities of success. The cabinet member summarized his view of the president's example.

I think all of the faculty and staff recognize that he puts in very long hours. If he is not in the office, he is on the road raising money for the college, representing the college at a meeting or some function. He just doesn't leave. In fact, I happen to know that the trustees have admonished him a few times about not taking enough personal time for his family. He will tell you, "This college is my hobby. This is what I do." And maybe that's the hallmark of a really great president. I suspect that if you look at other presidents at other institutions who bring the kind of energy to their places that this president has brought here, I'll bet they probably view themselves in the same way. They don't tinker with motorcycles on the weekend. The college is their home. The president is energized by what he does and that energy then flows back into the campus.

The combination of attributed idealized influence and inspirational motivation that join together the president's goals and high standards with his strong work ethic are perhaps the primary contributors to the transformation of the organization's culture.

Two other factors of transformational leadership are evident: intellectual stimulation and individualized consideration. The cabinet member stated: "He will take it upon himself to pursue goals that he knows the trustees may not understand, but they can ultimately support if it's presented to them properly. The bond issue is an example of that." This comment reveals that the president does not depend on emotional appeal as the only way to sway opinions toward his goals. He uses intellect and rationality as means of achievement. On obtaining cooperation to approve the bond issue, the president described his use of intellectual stimulation.

Bring people together who are key in making a decision, or who will be impacted or influenced by the decision. Lay out what the issues are and then entrust them with the responsibilities of working out the solution rather than assuming that you know the answer yourself or running the risk of imposing that answer on the organization that's not prepared to accept it. So, you can gain the buy-in that you need and maybe even come up with a better answer than you would have come up with yourself if you really involve the key players from the beginning and invite them to really help craft what the solution will be . . . Giving the work to the people to do is an important ingredient in leadership.

The president is describing the way transformational leaders can engage followers around issues so that they use their analytical skills to solve problems and make decisions. This cognitive creativity can often lead to mutually satisfying conclusions. The bond issue is an example of how the president challenged the board to think in a way that was different from past patterns and to reach consensus. The president commented:

I tried not to be the one to do the convincing. I wanted the board to convince each other and so really what I tried to do with those trustees who came to express concern to me was to say, "I really think that you need to talk to your colleagues on the board about this." We did talk at great length about what the bond issue would allow us to do and benefits we would derive from it. The principle of leadership that I used the most through this process was to be as transparent as

possible, to make sure that I had no hidden agendas here, to lay out on the table all the information, to be certain that everyone was as fully informed as possible about these matters . . . So, I guess the key was transparency and also creating the spaces where very open conversation could occur about the matter and to encourage their dialogue about it.

The president uses individualized consideration to make sure that all stakeholders are informed and engaged in moving the college forward. He described his view.

In a complex organization like a higher education institution, your greatest enemy is time because it doesn't afford you the ability to be as engaged with the many constituents groups as you'd like. You have to be thoughtful in finding ways to maintain those relationships. Being visible is certainly the key to that, so I go to all faculty meetings and make a report. Secondly, once a month I have a lunch with faculty members that are randomly chosen from the departments around campus and so eight to ten get together for what I call an "agendaless" lunch. I provide the food and we'll talk about whatever they want to talk about and they can ask be anything they want. Thirdly, something I do for all the faculty and staff at the institution, I contact them personally by phone on their birthdays. I make it a point to communicate a birthday greeting.

This level of two-way communication and one-on-one contact with followers is a classic example of individualized consideration. The cabinet member commented on the president's openness and accessibility with the faculty.

He is a regular presence at every faculty meeting. He uses that opportunity to congratulate faculty members for some accomplishment or to remind the faculty about members who are ill or suffering some hardship . . . He spent the first year here visiting privately with every faculty member in his or her office. I think that built some credibility, him walking in and asking, "What do you see as the two or three greatest challenges before the college?" And then listening. I know that there are those who call him up and want to talk about something, and he'll take them to breakfast or something like that. He's always available, always accessible.

This level of accessibility is a hallmark of individualized consideration. It generally improves relationships by helping followers develop a sense of ownership and fate control. The president also extends a high level of contact with students. The president stated:

With the students, what I try to do is to have two informal gatherings with them each month, a dinner and an afternoon reception. People coordinate this for me

but the students are chosen by group, so I'll have the baseball team, the nursing students. I don't even determine who they are . . . I want to be with them and hear what their thoughts and concerns are. And also, like today, after the faculty meeting I'll go over to the cafeteria, go through the line, get my tray and sit down with some students. I'll each lunch with them and hear what's on their minds.

The president keeps communication lines open with the trustees as well. He describes it: “With the trustees I try every six weeks to two months to have some written communication to them on board related matters, like the budget. For those that don't live here, I try to visit them once a year for a one-on-one, face-to-face meeting.” The cabinet member added his view to the president’s use of individualized consideration.

He knows all the grounds crew folks by name and housekeepers. If you walk across campus with him and a man is mowing the lawn, he will know that man's name. He will speak to him. I've never walked across campus when he didn't know the people working out there and when he didn't speak to them. When we have the opening of school activity, one of the things he's started doing is inviting all the staff of the dining hall and all the staff of grounds and operations. He has them all stand up in front of the group, has them introduce themselves and tell about what they do, where they work on campus, what building and whatever, and he ensures that they get a lot of recognition as a part of that process. It gains capital with everybody, but it's not calculated. He would not say that he is doing it to gain capital. I don't think he looks at it that way at all. These people make this a pleasant place for us to work every day and we need to thank them for that.

The cabinet member regards the president as a mentor for many on campus, especially the students. He stated: “He has lunch in the dining hall once or twice a week and hangs out with the students, knows a lot of their names. I think there is a lot of regard for him among the students. He'll listen to them.” Also, the president is very alert to those of the college community who may be experiencing difficulty. The cabinet member added, “Anyone associated with the campus, if he knows that they've been ill, he'll call them.”

To sum, stabilizer one existed comfortably as a financially strong institution prior to the hiring of the current president. Its board was low in all six trustee competencies. Stabilizer one has been transformed under the new president who displays strong transformational leadership

attributes. The board has changed its modus operandi primarily due to the president's transformational activity and now exhibits high competency in at least four of six competencies. His use of attributed idealized influence has projected his goals and high standards upon all elements of the college, including students, faculty, staff and trustees. The president has used inspirational motivation to persuade followers to engage in activities that fulfill the mission and vision of the college. Intellectual stimulation is central to the president's problem-solving and decision-making strategies. Individualized consideration lifts followers' sense of being valued and sense of fate control. Followers experience higher levels of self-confidence, elevated vested interest in designated outcomes, a transformed organizational culture, heightened motivation to attain designated outcomes, and a desire to perform beyond minimal expectations.

#### Stabilizer Two Discussion

Stabilizer two is different from all the other institutions in this study because it has had the same president for more than a decade and has experienced robust and continuous growth in finances, physical plant, and enrollment over those years. The transformation of this institution is both dramatic and long-range. The president described the institution, as it was when he assumed office.

Because of a lot of the conservative decision-making in the earlier period, the school was dying by degrees, an inch at a time. I became president after a period where we had been in trouble. We had lost enrollment four years in a row. Giving had been down four years in a row. We had had a couple of deficit budgets in the early 80s. We were really struggling and so I came in with a very healthy appreciation for how hard the job was.

Today the institution is larger by thirty-five acres upon which fifteen major building projects have been completed. Because the university has grown mostly in the area of traditional students, many of the new buildings are residence halls. All of the original structures that survive today have been thoroughly renovated. Enrollment has grown from less than 1000 to

nearly 4000 since 1986, the year the president assumed office. Stabilizer two has had an average increase of 150 students per year for fifteen consecutive years. Eighty new faculty have been hired during this period of growth and many new academic programs have been added. When asked what philosophy guided his leadership through this period of growth, the president commented:

I get credit a lot of times for a bolder leadership style than I really have. I'm described as having had a great vision, being a kind of risk-taking, forward-looking, a sort of fast-moving president. But I don't think I've ever pushed for a decision that if it had all fallen apart, if the worst had happened, we couldn't have survived. Putting it all on the line is saying, "We're going to make this decision and if it doesn't work out, we're toast." I have kind of a damage control model. What's the worst thing that can happen? If it should happen, can we absorb the blow? Can we tolerate the damage? I do not really roll the dice. The more severe the consequences the better the odds need to be. If the consequences aren't terribly severe, then the odds don't have to be particularly good. But if the consequences are terribly severe, the odds have to be terrific. Decision-makers are always weighing those things.

Emerging from this statement is the president's use of the transformational leadership factor of intellectual stimulation. His approach is rational and analytic. Intellectual stimulation is revealed further as the president continued discussing his leadership style.

It's been more of a problem-solving approach than it has been a visionary approach. Let's figure out what the problems are. If you solve the problems, then you find yourself getting better. We have never set a big goal out there. My cabinet retreat is almost always about where are we weak that we can become better. Where are our deficiencies? What did we not do well this year? That sounds like a really negative, backwards approach, but no. We identified the areas we didn't perform well and tried to do better.

He described his cabinet's annual planning retreat as a problem-solving, idea-generating meeting where many perspectives are sought when solving problems, a strong indication of intellectual stimulation at work.

One year we identified our instrumental music program. We had had a great choral program, but we had a lousy band program. So, we decided to make our band program something we don't have to apologize for. What's our weakest

curricular area? Let's try to improve it. We've done this every year [at the retreat]. It's been extremely successful because it keeps you focused on how you need to improve. What happens is that after a few years of success, schools tend to get complacent emphasizing their strengths. But for us, it's always looking at raising the level of the worst. It's plugging the holes. How have we been able to maintain this intensity? We don't let ourselves look at the best we have. We make ourselves go look at the worst. It's hard to have a sense of urgency when you're winning. I know some people are dreamers and visionaries and keep their focus on some distant goal. I'm not like that. It's easier to sustain success over a long period of time if you can measure it in small, incremental steps.

Focusing on problems that may be limiting the progress of the organization is another evidence of intellectual stimulation. His use of intellectual stimulation engages the key components of this factor: arousal in followers of problem awareness, stimulation of followers in problem conceptualization and comprehension, and utilization of logic, analysis, and creativity in finding solutions to problems. The president views his problem-solving approach as the key to the growth and success the institution has enjoyed over the years. He stated:

I think we've simply tried to do it a little better every day. I've really not had a big game plan. I haven't had a five-year plan, a ten-year plan. I'm bad at long-range planning. I had no concept when I became president that this is how we would look or what we would be. If you more or less took what has happened in the last ten years and instead of looking back on it, laid it out as a proposal or a goal or even a dream, I don't believe you would get anybody to sign on for that. You wouldn't get me to. If that had been the deal offered to me, I wouldn't have even discussed it. I couldn't have handled the pressure . . . I would have just sat down and cried. It's just too daunting. The idea that I might have . . . years ago envisioned all this and set us out on a plan to get here, that's just a fantasy. That just didn't happen. I never had the vision for it. I never would have been willing to commit to it. I'm not enough of a risk-taker.

It appears that the focus on problem solving and the use of intellectual stimulation have played a crucial role in the transformational change in stabilizer two. The cabinet member described the president's process of problem-solving and how inclusive it is of all cabinet members.

At our annual cabinet retreat sometimes he throws out four or five themes that we have to discuss. We'll know in advance and he'll ask us to brainstorm. What are



the advantages of going this direction? What are all the alternatives we could pursue? He'll ask for our input. Of course, he and the board have the final say, but he wants to hear from us and what we think. He'll go around the room and ask each of us what we think about something. He won't let you sit there and not say anything. He'll ask, "What would you do?"

The cabinet member is the chief enrollment officer of stabilizer two. He offers his view of the president for whom he has worked for fourteen years.

The number one question I get from schools that visit is "Why have we grown?" A lot of schools have caring faculty. A lot of schools have nice facilities. What makes us different? I think it starts with the president. What makes us different is his way of communicating to the students that he cares, to go to bat for them.

The cabinet member gave a tangible example of this caring. He described how the president liberally tips any of his university's students who work as waiters or waitresses when they happen to wait on him. The cabinet member commented:

He likes to reward students who are working hard. One of my staff used to work as a waiter when he was enrolled here and he told me, "I got my first twenty spot from the president," which was probably twice as much as the meal was. He communicates that kind of care a lot of ways. I've seen the way he dialogues with the students and their parents and there's great passion there to make sure they're taken care of. I think that holds all of us accountable when you have a president that sets that kind of standard.

These comments are evidence of individualized consideration, the transformational leadership factor that emphasizes noticing and caring for the individual needs of followers. The cabinet member continued:

His heart is to serve students, to be a personal president even to the point when he's building a new building and he's selling it to the board, he's already gotten the students' input. For example, for one of the buildings we built, he created a small replica and had students come in to look it over. He asked them what they wanted. Did they want more room here? Did they want more room there? So, he gets that kind of information from the students and uses that to design some of the building around students' wishes. When we built the student union, he polled each dorm and asked them to tell him if they could have ten things in that building, what would those ten things be? He really seeks to know what students want and feel. He feels that the institution should adjust to the students and their needs rather

than the student having to adjust to the institution. We call it taking care of business because our business is taking care of students.

The trustee commented on the president's ability to understand the needs of followers and to respond when he said: "He's able to identify what the needs are. He talks to a lot of people. He has an open e-mail set up and he gets a lot of feedback from students and staff. And since he was on the faculty once, he empathizes with them and tries to satisfy their longings as well." The president commented on his time as a faculty member at the university: "During the time that I was on the faculty, I saw opportunities lost because things were never perfect. There is always a reason not to do something, especially at a small school that's struggling. There are always risks. If you develop sort of an institutional style that says, "Yes, but," then you never move forward." One area in which the university has moved forward is in the lowering of the student/faculty ratio. The cabinet member stated that the president made this a priority and achieved significant progress on this front over great obstacles.

We've lowered our student/faculty ratio down to 17:1 from 22:1 just a few years ago. That came out of faculty dialogue. I think it's a major commitment to hear and respond to what the faculty are saying. And when you consider we've been growing by 150 new students each year for the last several years, to lower the ratio takes a significant commitment as opposed to just keeping up.

By listening and responding to "faculty dialogue" the president proved that he understood their needs by taking action to help meet those needs. The cabinet member indicated that the president makes it a priority to learn about the needs of students and faculty, another evidence of individualized consideration, and described how he obtains their feedback.

He has "Ask the President" forums each year with the students and faculty, two separate forums. They send in written questions and then he picks the top twenty-five and answers them in an open forum for each group. There are two or three locations on campus where there are boxes that say "Ask the President." This is always done in the spring so that before he goes into the May board meeting he has heard from the students and faculty.

This is not just an annual event because the Ask-the-President boxes are available to students and faculty all year long. The boxes are cleared once per week. The president reads all of the questions and either answers them directly or refers them to one of the cabinet who is asked to respond. When referring questions to the cabinet members, the president sends e-mails to the originators of the questions in order to explain who will be responding to their questions and why. The annual forums, weekly responses to questions, and sending individual e-mails as described above reveal the president's concern and care for followers, a strong indication of the use of individualized consideration.

Other indicators of individualized consideration include the message from the president at every faculty meeting. He often uses this time to publicize major gifts to the university, to announce faculty sabbaticals, and to recognize faculty achievements. The trustee made a comment that reveals individualized consideration as a part of the president's transformational leadership style. The trustee said, "He really knows how to treat people." He then went on to describe how the president will place flowers and fruit in the hotel rooms of trustees when they come to town for board meetings or will send flowers for anniversaries, special occasions, and funerals.

Another comment by the trustee exhibits an additional aspect of individualized consideration, namely, the ability of the president to shower praise on followers. When asked how the president gets people to perform beyond minimal expectations, the trustee responded, "Part of that is that he let's you know what he's expecting and another part of that is that when they come up and do the job, he gives them praise." The cabinet member also reflected the president's use of praise for followers: "We all work hard. If you ask the average Joe out there, we're real busy every week. He really shows his appreciation. He does it publicly and privately.

He places high value on what we do.” The cabinet member also pointed out the caring nature of the president for followers when things do not always work out as planned.

If he really believes in somebody and they have a slip up or make a mistake, he'll go to bat for you and that builds a sense of loyalty over the years. You know you're not going to be hung out to dry. He believes in a high sense of loyalty both directions. You bust it for me and I'll bust it for you. That's just down-to-earth working relationships that really matter. I've seen that happen so many times when he goes to the deck for people that he believes have shown potential or will show again. In leadership that's important.

Another factor of transformational leadership used by the president is attributed idealized influence. This is particularly noticed in his high standards and his desire to improve himself and his university. The trustee commented:

He's been to Harvard several times for these presidential sabbaticals. And this last time he told me that his wife asked him why he wanted to go back to school again when everything is going so great. He told me that he wanted to keep on learning how he could be a better president, so it's a continuous process with him. Each step he takes, he's trying to improve on the last one. You take a look at the buildings and where he started and you'll see a progressive development in quality . . . You look at the curriculum and you'll see the same thing. You'd hardly recognize the faculty today compared to the one he inherited when he became president. It's constant evaluation. It's constant improvement. He recognizes that in order to have a first class university you're going to have to have people with first class talent and ability.

Attributed idealized influence is often revealed by the leader's articulation of high expectations from followers. The cabinet member also commented on the president's focus on quality and high standards.

He has a high attention to detail. He can tell you how many bricks are going up each day on that building site out there and whether they're behind or ahead. His attention to detail amazes me, his ability to analyze it down to the core of the things that matter most and hold people accountable. He's defined himself as a micromanager, which means he likes to have his hands in a lot of areas, but it really takes a gifted person to be able to have his hands in a lot of areas. He's a very knowledgeable, well-rounded individual. He wants to make the university attractive to the consumers. All these buildings are a testimony to his quest for excellence.

The president's words revealed not only his standard for excellence, but also his vision for the future, evidence of the use of behavioral idealized influence. He stated:

I think there's a lot of us who believe that we can be a lot better than we are. We can become something extraordinary. I think there's a shared sense of destiny. I don't think very many people, especially at the leadership level, believe that we're finished yet at becoming, evolving. I certainly don't. I don't know how long I'll be president, but I believe if we have the opportunity to look back at 2004 it would represent the point in a trajectory. It certainly would not represent the final picture, having arrived. I don't have a sense at all that we're there yet. It's exciting for people. They love to be in a "can do" place where things are possible.

Some would look enviously at all that has been accomplished at stabilizer two during the president's tenure. In fact, one would expect that with stability would come a desire to take it easy, but this president states, "We can be a lot better than we are." His words reveal idealized influence, both attributed and behavioral, the former by his emphasis on higher order ideals and the latter by stressing distant and visionary goals. The president continued the discussion of his vision of the future.

It's like a young teenager. You don't know exactly what he'll become, how he'll look, what he's going to be like, what he'll be capable of. But you know that a thirteen year old is a moving point along a trajectory. You know that he is going to become something different from what he is now. That he is still at some point in a developmental sequence in which there are a lot of unwritten chapters. That's how I feel about the institution. I think that's how a lot of people feel around here. When the last page is written, we don't know for sure, but we know that this is not it.

The president challenged the faculty to step up to his and their expectations of what the university could become. Both high standards and a vision for the future are contained in these words:

I told the faculty when I became president, "Don't leave here to go to that kind of school that you want. Stay here and let's make this into that kind of place." A lot of people feel that way. If they invest themselves here, this university can meet their professional needs by becoming more than it is currently. I think that is really a shared feeling about this institution.

The trustee described the president's way of visioning the future. He stated: "He brings a lot of people into town and we'll have a big celebration when we dedicate a building. He'll finish one project and at the same time cast the vision for a greater project. He does this all the time. So if you'll look back at his pattern, he keeps casting the vision." The president exhibited his ability to quickly seize opportunities that have implications for the future when he described a critical incident that involved the sudden opportunity to purchase fifteen acres of land adjacent to the university. This incident reveals the president's use of behavioral idealized influence. He approached the landowner to ask him to sell the university a small portion of his property that would enable the university to complete a planned project. The president continued:

He signaled to me that he might be willing to sell the whole thing. I saw my role as president to make it happen, to make sure we took advantage of this opportunity by whatever means were necessary. I really feel that the CEO's role in an institution like this one is not just to point the way but to keep the energy for change alive while the resources are found or while all the pieces fall into place. There are these windows of opportunity for schools of all different kinds. Things aren't always conveniently timed, but if a school waits until all the pieces are obviously in place to move forward, it just doesn't move forward very much.

Risk taking for the sake of mission is a part of behavioral idealized influence, even when the risky action can only be vaguely related to the mission. "To keep the energy for change alive" is the language of a transformational leader purposefully transforming the organizational culture, but not always knowing what that change might be. The president further commented on the critical incident involving the sudden opportunity to acquire more property.

I think the president's role is to keep the ball in play, so to speak, until something good happens. In this particular case, the deal killer was the money. We didn't have the money. With the lack of an apparent need for the property, the mind set was: "What do we need it for? Do we have to have this property? Do we have to have it?" "No we don't." "What are we going to do with it?" "We don't know." "Why do we need it?" "I don't know. We really don't need it." "Well, since we don't have the money and we really don't need it, why are we buying it?" This is the way boards think. We had an opportunity to sort of break out of this pattern of only buying that little piece of land we had to have for immediate purposes and

to think more strategically and say, “This deal can be made now and we need to make it and we'll know later looking back what it was good for. This is just an investment in the future.”

When asked how he convinced the board to take the risk and somehow find a way to buy the property, the president responded:

I don't really know how I convinced them. I've always tried to make my case privately to the board members I consider to be critical to the rest of the board. I started with them. I remember saying to them, “I'm going to bring this deal to the board at the next meeting, so I want you to make sure you understand it before I get there with it.” Sometimes not to decide is to die. There are those who say you shouldn't ever spend a dollar you don't have to spend. Well, that's foolish. It's the dollars you don't have to spend that have the potential of really doing something for you.

Followers of leaders who use attributed idealized influence often view the leader as confident, powerful, and possessing extraordinary capabilities. The trustee commented: “In my opinion he's one of the most well rounded persons I've ever seen in my life. I mean he can do most anything well. We are very fortunate to have this president. To me he is the most complete person for the job.” Follower response to attributed idealized influence also includes the assumption that the leader always knows the right thing to do. The trustee revealed his view of how the president gets the board to act.

He's always bringing us a complete package on a project. It's rarely modified. There's not much to critique when everything's been planned out perfectly. It's hard to find a crack in it . . . All he does is speak, and they listen. They believe. They're converted. They're ready to go. He's a great communicator. He has an incredible ability to communicate. Whatever he's got to sell them, he just pours on the charm. As long as he's smiling and communicating, he can knock them over the head and they wouldn't know it. I think he's developed himself into a charm machine. He's real positive and upbeat. He's able to paint a picture of what he's doing and what he's thinking about. He's able to help people do things that they don't necessarily want to do.

Followers respond with blind trust and faith in the leader who uses behavioral idealized influence. This president has a long history of using idealized influence with faculty, staff, and board members. The cabinet member commented:

I think he's a great communicator. I think he has passion and I think he's committed. A lot of people have passion but don't have the commitment to go with it. A lot of presidents can speak well and can communicate the direction they're going, but to get out there and to mobilize people and to commit to working that hard yourself is something else again. He leads by example. It's all about caring enough to make sure it's done right.

Using behavioral idealized influence, the leader is willing to share the risks with followers, causing them to emulate the leader's sacrificial behavior and commitment to the mission. The cabinet member's statement is classic follower response to behavioral idealized influence. The above comments reveal the president's use of attributed and behavioral idealized influence in both his comments and actions as well as in followers' responses to his leadership.

As the interviews at stabilizer two unfolded, it became apparent that the board was very low in trustee competencies. Statements above reveal a low interpersonal competency for this board, such as, when the trustee stated that the president "speaks" and the board is "ready to go." The president corroborated this view when he said, "There are about four or five people on that board that set the tone for all the rest of them." This indicates that this board may not work well as a team; rather they may allow a small group to control board activity and decision-making. The trustee added this comment, "The board has a team spirit as the president's team, not so much as a board, but as his team." The trustee made a most enlightening comment about the nature of the board and its relationship with the president.

The board was more involved before he became president. I was on the board four years before this president [came to office]. The board now doesn't function as independently as it could, but it's because we have such great trust in the president. Early on we were very active in oversight of the campus. But as time went along, the president got his staff more involved. Before, we used to have



crisis discussions, you know, enrollment's down, the budget's having major problems. The difference is like day and night. There are not many problems that really come to the board now . . . Everything's pretty well run, thought out, presented. It's more or less "yes" or "no." The board doesn't work much on details . . . We're kind of cheerleaders for him to keep going. Things are going good.

This comment reveals low interpersonal and analytical competencies because of the significant disengagement of the board in both working as a group and in analysis. It also shows that the board is depending on the president for strategic initiatives, indicating low strategic competency.

The president commented:

This is a real veteran board. The core board members have been together for a long time, by that I mean, there are seven or eight board members that have been on the board throughout my presidency. They really have a feeling that it's all working well. Why upset the apple cart? There had been a tendency earlier to turn it over a lot. I had four different chairmen in the first eight years of my presidency. Now, the current chair has been chair for ten years. They really quit turning it over. It's been interesting for me to watch.

On the contextual dimension, the board doesn't use the mission, values, and traditions of the institution to guide decision-making as much as it uses the president's view of mission, values, and tradition. On the educational dimension, the board provides no trustee training and does not seek feedback on its performance. On the political dimension, the board does not directly seek feedback from stakeholders, but depends on the president and his staff to do this.

The trustee was aware of this kind of activity when he said:

We hear from students and faculty mostly through the president. Occasionally, we'll have some key students or key faculty members or department heads come to the meetings. You don't see a building built now unless it's been through details with the staff to identify what they want. Now they may not always get what they want, but you'll have their input. There's a lot of input from the faculty and staff.

To sum, the trustees have become followers of the president. As his tenure lengthens and his successes increase, the board has loosened its grip on the governance of the institution and

slipped more and more into the background. One gets the sense that the trustees know that they are the ultimate governing body of the university, but one also gets the sense that they would never seriously challenge the president in any of his plans, that is, until one of his plans goes sour. Over the lengthy tenure of this transformational president, gainer one has been transformed beyond recognition. His use of attributed idealized influence has projected his goals and high standards upon all elements of the college, including students, faculty, staff and trustees. The president has used inspirational motivation to persuade followers to engage in activities that fulfill the mission of the college and he has engaged attributed idealized influence to shape a vision for the future that includes even greater expectations. His use of individualized consideration lifts followers' sense of being valued and sense ownership. Followers experience higher levels of self-confidence, elevated vested interest in designated outcomes, a transformed organizational culture, heightened motivation to attain designated outcomes, and a desire to perform beyond minimal expectations.

#### Summary of Decliner Findings

Both decliner institutions were engaging initiatives designed to stimulate recovery from traumatic events within the last decade for which previous leadership was responsible. Despite these initiatives both institutions experienced decline in performance indicators from 1997 to 2001. An analysis of the interview data from decliner one revealed the exercise of two of the six trustee competencies with the strategic competency being noticeably stronger. The interview data from decliner two disclosed the exercise of four of the six competencies with the political and the strategic competencies considerably more visible. Table 12 shows the frequency of comments from the interviews relative to trustee competencies. The number of decliner one comments that were representative of the strategic competency occurred more often than the

other five competencies. The number of decliner two comments that were representative of the political and strategic competencies occurred more often than the other four competencies. In chapter three, Table 10 shows BSAQ responses by two trustees from decliner one and by five trustees from decliner two. Decliner one has competency scores similar to the comparison group with noticeably higher contextual, educational, and strategic competences over the comparison group. Decliner two has considerably higher scores on all six competencies relative to the comparison group and to the other four institutions in the study.

The interview data reveal that the president of decliner one primarily utilizes two transactional leadership factors, contingent reward and passive management-by-exception, and the transformational factors of behavioral idealized influence and individualized consideration. The president of decliner two primarily uses three of five transformational factors, using individualized consideration and inspirational motivation most widely. Table 12 also shows the frequency of comments from the interviews relative to leadership factors. The decliner one comments that were representative of contingent reward and passive management-by-exception occurred more often than the other leadership factors. The decliner two comments that were representative of individualized consideration and inspirational motivation occurred more often than the other leadership factors.

In chapter three, Table 11 shows MLQ responses by three cabinet members from decliner one and by five cabinet members from decliner two. MLQ responses for decliner one reveal that its cabinet members scored the president highest in four of five transformational factors and one transactional factor. Their perception of the president is that he is a transformational leader. All five of the transformational factor scores exceed the 50<sup>th</sup> percentile of the comparison group with attributed idealized influence receiving the highest score. MLQ responses for decliner two

reveal that its cabinet members scored the president highest in all five transformational factors and in one transactional factor. Their perception of the president is that he is primarily a transformational leader. Inspirational motivation received the highest score followed by behavioral idealized influence. All five transformational factor scores exceed the 50<sup>th</sup> percentile of the comparison group. Decliner one failed the five-point test of transformational leadership (see Figure 1) based on the interview data and the discussion that follow, whereas, decliner two passed the five-point test.

### Decliner One Discussion

The critical incident described by the trustee from decliner one related to the construction of a new student activity center. He had served on the board off and on since 1979 and was quite familiar with numerous financial crises in the college's past. The new building was one of the first initiatives of the current president after assuming his position. The trustee described the situation like this:

For the past twenty years or so [the student center] has been a much needed facility, but there have been others things that prior administrations thought should take precedence and they were good moves as well. But the student activity center was needed at the time the president was hired. When he came in he had to deal with the financial crisis he inherited and the institution had to borrow long-term money for the first time in its history, the first time at considerable magnitude. So, it was a bold move at that time to suggest the building of the student center, but the need was there and we have to applaud the president for stepping up to the plate. Although it had been discussed for years, he was the driving force . . . We needed something more to help the college attract and keep the students and that was one of the most needed things at the time in the life of the college.

Part of the reason the president was able to implement this initiative during financially critical times was at least partially due to the fact that the board saw it as an essential strategic move to improve recruitment and bolster retention. When pressed about other reasons from the trustees' point of view for building the center, the only strongly articulated position was

strategic. Even after discussing the completion of the facility, the trustee continued to speak in strategic terms.

The students are real pleased with the building. It's boosted morale. Also, it's done the same in the community. It's kind of a drawing card for the college. Athletic events are held there and various tournaments, civic events, so it's really been a great addition.

This discussion of strategic issues reveals clear usage of the strategic competency by this board, which relates to the shaping of a direction that secures the future of the institution. This trustee felt that the new facility would both attract and retain students and thus stabilize or increase revenues. What is missing in the discussion of a project of this magnitude is the analytical competency that would be exhibited in board activity that dissected and analyzed complex issues such as the financial and other implications of a building project on this scale. When asked about how the board arrived at the decision to support the president and build this facility, even without a major donor, the trustee responded:

From the reports that management presented at each of our board meetings, we became involved initially. We were also involved in approving the project. We also became involved in the fund raising to service the debt . . . It was somewhat of a risk to do this without having a major donor up front, but financing was not a real problem.

When further pressed about those who might have expressed concerns about the project, the trustee indicated that no one raised a concern about the need for more analysis or for consideration of long-term implications.

I don't think there was a lot of consideration of the upsides and downsides of the decision among the trustees. A lot of us felt we had to do it, but we didn't know which direction it might carry us. We just took that chance. It's a much-needed thing so let's go for it . . . For those who did have concerns there was very little said about it. It was just things like, "I hope we're doing the right thing." We felt really good about the president and his leadership and we were going to help him make it work. But for the most part there was very little resistance. Of course, I may qualify that by saying when you have newcomers to your trustees, they're not

that familiar with what's going on, so they just sit on the sideline and see what happens. But we didn't have any problems getting everybody to go along.

This comment disclosed the actions of a board that failed to use cognitive skills to understand the implications of its actions; therefore, this board appears to be low in the analytical competency. This comment also led to a discussion about board membership and how board members were prepared to serve. From the above statement it appeared that new board members were not being educated on board practices; however, the trustee described a process that revealed this board using the educational competency.

Trustees of a small church-related college are a diverse group. You have some ministers, some educators; you have some business people and some that are not that familiar with the history. There is an orientation for new board members, a one-day event. They visit the campus. They're informed on some of the history, the role of a board member. They do some of that before they accept it, but you have to do more than that. The visit to the campus really helps them.

The educational competency is revealed in boards that proactively educate their members in the work of trusteeship in higher education. It appeared that despite the new board member orientation, new trustees were not engaging quickly and that even with instruction about board practice and membership, there were those who did not have a clear understanding of the board's business. These statements indicate minimal usage of the educational competency. Thus, with only strategic and educational competencies noticeably in use, the board of a financially strapped institution approved the building of a multimillion-dollar facility.

In addition to the missing analytical competency, other statements indicated a void in the board's usage of the other three competencies. With regard to the political competency that focuses on feedback from an institution's constituents, the trustee commented, "The president sought the views of the stakeholders, faculty, students, alumni and so forth. The board wasn't really that concerned about it. We felt real confident in his leadership." With respect to

interpersonal competency and the board working well as a group, the trustee stated, “I think we have to give the president the credit. I didn’t see a lot of trustee involvement. I did see some . . . I think the trustees had some affect on the giving and helped them lead into it.” This comment reveals a board that acts in unity but not necessarily with an understanding of good group dynamics that involve open discussions with diverse points of view. One other statement reveals low contextual competency: “The president has a much greater vision than we do as trustees.” Here is an example of a board with low concern for mission and vision, but as previously mentioned, high concern for strategy. Furthermore, in other statements, strategy was the focus.

Enrollment is really key. We've got to get that enrollment up. Then, we have to deal with our finances . . . The reputation of the college in the community has always been good, but we now have more competition in this business. The programs we offer are good for the type community we're in, especially the teacher-training program. It serves this community very well.

The above comment emanated from a discussion of the challenges facing the college in the next decade and primarily focused on strategic issues – enrollment, finances, endowment, reputation, competition, and academic programs.

The critical incident described by the president and the cabinet member of decliner one related to a serious budget shortfall that resulted in a twelve percent reduction of the annual budget. The cabinet member pointed out, “This was a budget we had already taken all the meat off of, so we were working with bones anyway.” Income and expenses were reviewed and major adjustments were made, but in the end, a balanced budget was only achieved by letting six employees go. The institution has a history of financial difficulty, as the cabinet member further explained:

Now this school has been in a shortfall of money probably since its coming into existence, but this was a rather critical stage because we had expected to have a growth in enrollment and instead we went down by about a hundred and some odd students. Along with our borrowing practices this incident put us in a tough

spot. We were at the limit of what we could borrow to operate. It was an extremely critical time.

This incident is an example of the president's use of the transactional management-by-exception leadership factor. His comments reveal that the passive form of this factor contributed at some level to the crisis. It is a classic case of the leader taking corrective action after mistakes have already been made, evidence of passive management-by-exception. Here are his comments:

We had just completed a new facility. The funding was in place, but some of the major donors bailed out at the last minute because their financial fortunes were not producing as they had been when they made their initial commitments, so we had to use short-term financing to pay the contractors to complete the facility. Then, frankly, we discovered some things after an administrator in the finance and administration area resigned that we didn't know before. I don't believe he was withholding information. We simply didn't realize the seriousness of some of the information he was providing us until after he left and I began to deal directly with those numbers.

Here the president reveals that he had not been following the financial numbers very closely nor had he understood the serious implications in the numbers. He went on to describe the next part of the crisis as a significant decline in enrollment. The previous three years the college had experienced modest increases in enrollment and anticipated another good year. His next comment reveals the same passive management-by-exception behavior already described above. Just as he had not been attentive to details on the financial side, he had not considered potential challenges in enrollment management, especially with new employees who were still learning aspects of their positions.

Frankly, our numbers looked stronger than they had in prior years so the preliminary reports we had been given periodically all seemed to be pretty optimistic. What we didn't understand was that we had new leaders in the external program office and in the admissions office and so the data they were using to make their forecasts were data prepared by their predecessors and they didn't interpret it as well as their predecessor might have.



The transactional leader using the passive management-by-exception factor generally does not become involved with the work of followers until problems occur or something goes wrong that attracts the leader's attention. When failure occurs, the leader engages a corrective mechanism to adjust the course and get the organization back on track. This is exactly what the president of decliner one did. Here is his philosophy of how to deal with a failure within the organization:

I think you can deal with a situation like this in one of three ways. You can first, ignore it and hope that even though you may add to your short-term debt, you'll find a way to deal with it down the line and that way you don't ruffle any feathers. But I think you're magnifying the problem that you're going to face later. Secondly, you can allow your staff to provide the suggestions and the impetus to bring forth the necessary changes. Or third, you can assume the leadership you're being paid to assume and move the process forward quickly and announce to the community the urgency and need that's inherent and basically place the catalyst for change on your own shoulders. Of course, you involve your staff . . . and make the external decisions that are necessary to adjust their areas, but basically you assume the philosophy that the buck stops here and that's what we chose to do. We would have had an \$800,000 budget shortfall in December had we not made these decisions. As it turned out, we met budget.

These comments reflect that there were conditions that the president allowed to develop for which he had some indication that more attention was perhaps needed. For example, his comment about the resignation of the financial administrator and not realizing "the seriousness of some of the information he was providing us until after he left" indicates that the president was not deeply involved in assessing the proper financial indicators. Furthermore, it was only after the administrator left that the president "began to deal directly with those numbers."

Another indication of passive management-by-exception is the comment related to new leaders in the admissions area that did not interpret the enrollment predictors correctly. With new personnel in critical positions, the president could have been more engaged in reviewing the recruiting effort, which might have led him to see the potential crisis, and therefore, he could

have taken corrective action earlier that might have created a more positive result. To assume that new personnel have a grasp of complex issues that have direct bearing on financial solvency is a clear indication of passive management-by-exception.

Although the president of decliner one came to his position with a strong sense of mission and often referred to it in the interview, the institution is essentially the same as when he came. He has not been able to incorporate the mission into his leadership style in a way that might transform the culture that would lead employees to perform beyond expectations. For example, his behaviors throughout the critical incident he cited were grounded in his sense of institutional mission, reflecting the leadership factor of idealized influence; however, little evidence exists that followers have a vested interest in the president's goals or that they hold him in awe (see Figure 1). Comments from the interviews indicate that the campus at large has not been transformed in a manner that would build confidence and elevate followers' probabilities of success. A comment from the cabinet member about the president illustrates this:

He has had to make some really tough calls over the last few years to keep this boat afloat. Faculty . . . have really tried to ride him hard. Tough decisions have not endeared him to the faculty, but I think they respect him. He knows what he's doing and he's doing a good job. The president is not loved by this faculty, but they respect him. The faculty here has always been mildly angry.

This comment reveals confidence in the president by the cabinet member when he states that the president "knows what he's doing and he's doing a good job," but it also indicates that the faculty has a lack of confidence in the president. Even more revealing is the statement that the faculty has "always been mildly angry," indicating that little has changed in faculty opinions and actions since the installation of this president. There is no doubt that the president has committed himself to the institutional mission. He commented: "First, the CEOs loyalty is to the institution, not necessarily to every individual and you can't really lead unless you keep that in

mind. Second, the mission is the mission of the CEO. Unless I internalize that mission and utilize it in every decision, then who else is going to.” This reads well; however, it appears that he has not yet been able to utilize and articulate his passion for the mission in a way that changes the culture of the organization.

During the budget balancing process, the president stated, “We sat around that table for two days and went line by line through every budget page . . . We kept our institutional mission statement on the table and referred to that almost on every line item.” This and further comments indicate that this president is heavily invested in the mission of the institution.

The fear, of course, is that you can cut less painfully sometimes programs that may not be internally viewed as the most important, but they are the ones most closely tied to the institutional mission, so if you simply make changes on the basis of convenience or internal perception without tying it to the overall mission of the institution then your changes are seldom going to be the ones that need to be made.

Cutting personnel was the last resort in the process. Vacant positions were not filled and a call was issued to those who might want to retire early. No one stepped forward. Personnel cuts were then considered and the president described the process as follows:

We allowed each administrator to talk about positions they thought they could merge. These guys work together closely. They're a good team. They have a lot of collegiality. The important thing though was that through that process we gained most of the position cuts. These were painful decisions. I made the call on the last three when we reached an impasse. I think I got pretty gruff at the last. I really came on pretty strong. I don't think that was wrong. I think I should have done that three hours earlier to finalize this process. If I had put my weight on the table a little earlier, it wouldn't have gone as long.

The latter part of the above comment is further evidence of the passive management-by-exception factor. Only when the team reached an impasse, what could be observed as a failure of sorts, did the president engage corrective action and dictate terms; however, his view is that the administration has “a renewed sense of confidence that their voice matters and their positions

matter and that they really are leaders of the institution.” It very well could be that this president is in the early stages of using idealized influence around the mission of the institution to create organizational change that will eventually lead to exceptional institutional performance and the fulfillment of institutional mission, but as of now, it only seems to resonate with the president’s cabinet.

The president stressed the value of the institution over the individuals that make up the institution, which is an indication of the contingent reward transactional factor. It is clear that he views employees from a transactional point of view as contractually obligated to fulfill the mission of the institution, rather than working from a transformational position of leadership where followers go beyond expectations and contractual arrangements. He was transparent with his employees through two campus-wide forums, but failed to inspire them or motivate them to sacrificial concessions for the sake of the mission. He also attempted to use individualized consideration as a transformational leadership factor, but again failed to engage employees to move to higher order ideals or higher levels of commitment. He comments:

There are all sorts of ways to deliver bad news. The best way is face-to-face and interactive. It's hard to paint me as a demon if I'm answering their questions and trying to accommodate their concerns. One of the first things I did was to establish . . . forums where I would go in with a presentation to give them all the facts . . . and then they could just hammer me with whatever questions they wanted. The key to that was transparency. The more that people can see of the circumstances, then the more they understand the reasons the decisions were made. They may not agree with the decisions that were made, but at least they could understand the process by which they were made. In this incident we stayed for almost two hours that day so that they could ask any question that they wanted. Everybody had a chance to vent. Everybody had a chance to make their case. Everybody had a chance to ask their questions.

He encouraged tough questions. In fact, prior to the first forum with respect to the budget shortfall, the president visited with a number of faculty and staff to encourage them to speak up and put sensitive issues on the floor. He sees value in allowing people to vent their frustrations

while at the same time giving him the opportunity to address them. Comments from a cabinet member confirm this.

The president is open to the staff to come to him. He's that way all the time. In the meetings they were permitted to ask him any questions they wanted to ask and he handled most of them himself. There were some good questions. I know a lot of people went in and out of his office during that time. Throughout the whole time he tried to keep a spirit of openness. He told the truth and I think most of the people believed him and us.

The president felt that he had fostered a spirit of openness during a very difficult time in the life of the college. His desire was to be accessible both by encouraging people to drop by his office as well as being visible around campus. He further commented:

I think there is a feeling of openness here and the meeting was certainly open. I always make myself available to faculty and staff with an open door policy. But after that meeting I made myself particularly available and there were some who came by. I also did some managing by walking around, spending time walking through the academic areas, holding conversations and giving folks a chance to say what was on their minds. There were lots of opportunities for people to speak with me.

It was important to the president to follow the personnel severances with another forum with employees to give them the opportunity to further express their concerns and to ask questions about the process and events. The cabinet member expressed it this way:

Head-on is the way [the president] handles everything . . . The morale around campus was edgy, but then two weeks after the people were let go, we had another meeting of the entire faculty and staff. The president showed them the wisdom of the decisions and how much better things were now that these decisions had been made and that he had confidence in the revised budget. I think the president handled the whole thing magnificently.

Despite the open forums and the spirit of open disclosure, the president failed to dissolve doubts. For instance, the six individuals who were let go saw their positions absorbed into six other existing positions. The merging of two jobs into one meant that one person stayed and the other person was let go. The selection was not based on seniority, but on who was judged to have the

greatest ability to handle both positions. This was explained in the follow-up forum after the severances occurred. It was also explained this way to the individuals being let go. Regarding this process the cabinet member observed:

It was strained because a lot of those who were let go had been here a long time. Some people are going to say that we let them go to save more money. That was not the case. We chose the best one who could do those two jobs. The day came when the six people were let go. Upon the advice of our attorney, one person who was in a sensitive position was accompanied by her supervisor while she packed up her office and was escorted to her car. It got around campus that all of us had done that and people were upset because it appeared to them to be disrespectful and untrusting of these people who had served the institution faithfully. But only that one was treated that way and there was nothing disrespectful about it. We simply had to take precautions.

This comment reveals that there were those who did not believe the president's explanation, revealing a level of distrust and disbelief in the actions being taken. Couple this with the general assumption around campus that the people being let go had been mistreated and a greater degree of mistrust is exposed. Admittedly, anytime personnel are laid off, the remaining employees are likely to be fearful. The fact that people had to be laid off at all probably lowered followers' confidence in the leadership of the college. Regardless, the president's attempts at using the transformational factors of idealized influence and individualized consideration were undermined by actions that caused people personal pain. The notion that protecting institutional mission is more important than preserving jobs is not likely to be accepted when motives are questioned and individuals are hurt. Also, the selection of the most qualified individual between two individuals is a subjective process and not equated with fairness in the light of seniority considerations; therefore, although the open forums were designed to provide individual consideration for the remaining employees, the fact that people lost their jobs and thus were not considered as valuable to the institutions as others perhaps created doubt on the part of those remaining that they might not be valued at some point in the future.

Low trustee competencies and transactional leadership factors in the president may be contributing to this institution's continuing financial crises and perhaps affected the declining performance indicators used in this study. An apparent disconnect exists between the board and the president. Whereas the president spoke often of institutional mission, the trustee never acknowledged the mission or the president's focus on the mission. Rather, he made one comment: "The president has a much greater vision than we do as trustees," which indicates that mission is low on the list of trustee priorities. When speaking of the critical incident with respect to the financial crisis, the president said, "I wanted the institution's mission and goals and strategic plan to remain unhurt through the process." With these and other emphases on mission, one would think that the board would have an articulate view of the mission and stronger contextual competency. Also, with all of the discussion on strategic initiatives from the trustee, one would expect more emphasis on strategy by the president.

To sum, decliner one is viewed to have a board focused mainly on the strategic competency, minimally on the educational competency, and virtually no focus on the remaining four competencies. The president of decliner one aspires to use the transformational factors of idealized influence and individualized consideration, yet the followers are not motivated to move beyond expected performance perhaps because of the president's usage of transactional leadership factors: contingent reward and passive management-by-exception. These as well as other factors may be contributing to the declining performance indicators.

#### Decliner Two Discussion

The study of decliner two contrasts dramatically with decliner one. While both experienced a decline in their MRT composite scores from 1997 to 2001, the similarities end there. Decliner one is experiencing decreasing enrollments, is struggling financially, is governed

by a board low in trustee competencies, and is led by a president who is clearly a transactional leader whose primary style is passive management-by-exception. Decliner two is experiencing enrollment growth, is thriving financially, is governed by a board high in trustee competencies, and is led by a president who is clearly a transformational leader whose primary styles are individualized consideration, inspirational motivation and idealized influence.

The mark of a transformational leader is the transforming of the organizational culture. The decliner two president, the cabinet member, and the trustee spoke volumes about the change in the campus culture. The trustee began the discussion around organizational change in his description of the following critical incident:

My incident really was about the resignation of the former president of the college . . . The board saw the need for a lot of change. There was a lot of discontent, so the board formed a strategic planning committee and I was on that committee. Anyway, we then went to a whole lot more trouble than just doing strategic planning. We went further than we had ever gone in the past with this kind of thing. We interviewed every trustee. We interviewed every faculty member, every person in the administration and senior staff, and I think in the support staff, a representative number of students, alumni, and townspeople, which took a long time . . . We listened to a lot of criticisms. We took that and developed a strategic plan. A whole lot of it had to do with the type of leadership the people felt like we needed and from that came the selection of the current president.

These comments not only revealed the search for a different kind of leader than the institution had previously experienced, it also exhibited a board using both the political and strategic competencies. In fact, throughout the trustee interview, themes kept recurring around constituent issues, revealing the strength of the political competency that led this board to consult often and communicate directly with all stakeholder groups. For example, the trustee contrasted current actions of the board with respect to constituents and compared it to past behaviors by the board.

I think that we had not listened to people very well in the past. First of all, we weren't asking. Most of the stakeholders were not involved. The community was not asked to be a part. Students certainly were not asked. Most of the people on campus probably were not. The strategic plan planning process was so intense



and we went to great lengths to include everybody who wanted to be included . . . People were ready for it. It was sorely needed. It wasn't an overnight change, but it was amazing how quickly the morale changed and listening was a huge piece of that. Now, we are very inclusive of everybody. We have students who sit in on the budget process. The committees are open to students. Faculty sit on every committee. Everything is very open.

Very quickly in the interview it became apparent that organizational change had occurred on this campus and a board high in political competency led the way. What began as strategic planning and presidential search processes using stakeholder feedback has become a way of life on this campus. The selection of a president with transformational leadership qualities accentuated and hastened the change process. His use of the individualized consideration factor was obvious in his choice of a critical incident.

All through the interview process for the presidency here I talked about participatory governance and what that meant. Everybody bought into it. Everybody agreed, "Boy, that sounds good." Until I said to the board, "That means I want students participating in board of trustee meetings. I want students on the board committees, on the finance committee." That took people back and it was a time that I really had to convince the board that you hired me for participatory governance. Our major clientele are our students. If we are truly participatory, students will sit on board of trustee meetings.

Individualized consideration thrives on two-way communication between the leader and the followers. The leader is compelled to use this communication to discover the needs of followers and once discovered, the leader acts to meet those needs. This goes beyond transactional leadership because the leader strives to meet not just the monetary needs of followers, but higher order needs and desires. When objections began to be raised on this campus about engaging students at a level of inclusion that teamed students with the board, the president revealed his desire that all constituents, especially students, should have an opportunity to express their needs and concerns.

One board member asked me, "What do students bring to the table?" And the answer was not obvious to a lot people. They were waiting for me to answer, so I

said, "They bring their tuition to the table and they bring their cares and concerns. This is their home. This is their house. This is where they live." Now, before the board meeting starts . . . I require all the board members to arrive at noon and eat in the cafeteria. And I ask them to go out and sit among the students. Talk with them. Ask what's going. Ask what's good. Ask what we need to be working on. It's really opened up an atmosphere of trust and communication, primarily for board members. Board members before were these guys in suits who came on campus periodically and made decisions that affected our lives. Now, I think there's a feeling that they're making decisions that we're involved with and we know who they are.

The trustee talked about this practice very favorably and expressed satisfaction from the board's point of view. He stated, "When we meet, we eat in the cafeteria and we sit with students. We don't just congregate to ourselves like we did before. We sit with them. And again, I'm amazed at how comfortable they are talking to us." This is additional evidence of a transformed culture.

The change process revealed high competency in the interpersonal area. In the early stages of the strategic planning process, the trustee stated, "There was a lot of give and take in accommodating different views. During the planning process no group tried to dominate." This comment reveals aspects of the interpersonal competency; however, the president described his first board at the college as low in skills necessary to work well as a group.

There was a tremendous lack of trust between a handful of board members and the administration and that lack of trust contributed to some behind-the-door decisions. And there were only a handful of board members who were controlling all the decisions. It included the board chair who had a strong power base.

A board characterized by a small group of members controlling the governance process and working so independently that they appear to be a separate entity rather than a part of the institution is a board low in the interpersonal dimension. The trustee confirmed the president's view of the board then and now, citing considerable change in the way the board now handles business.

If there are cliques now, I don't know about them. That probably was true my first year on the board. But that's not true now. Everybody works well together.

And today we still have lots of issues, but we're so open. The board knows about them. Everybody on campus knows about them. There are no surprises and it seems to be working very well.

The interview with the cabinet member echoed descriptions given by the president and the trustee of the closed and controlled nature of the campus in prior years. This cabinet member was one of the first senior staff hires at the beginning of the president's tenure.

When I got here people were afraid to dream. They may not get what they want now, but they're not afraid to dream any more . . . People aren't afraid to hope. People aren't afraid to complain. People feel like that if they have an idea that is a good idea or complain about something that's not working right, whatever it is, they have an opportunity to be heard.

The contrast in the campus culture of the previous administration and the current one is quite noticeable on campus. This researcher accompanied the president to the cafeteria for lunch. In route the president spoke with each person he saw along the way, calling him or her by name, enjoying playful banter, or asking about some previous concern. It was obvious that the president was quite approachable by students, faculty, and staff and that they enjoyed his company. These actions were quite similar to the behaviors of the president of gainer one, clearly a transformational leader. The trustee of decliner two related it like this:

The president stays close to the faculty, staff, and students. You may have noticed that as I came in, classes were changing and the students feel free to come in [to the president's suite] and get a cup of coffee. He knows them all by name. I don't know how he does it, but he does, and it's extremely impressive to them.

This behavior on the part of the president indicates extensive use of the individualized consideration factor of transformational leadership, where the leader fosters one-on-one contact with followers and keeps open two-way communication. As a result followers develop a sense of ownership, fate control, and security that elevates their vested interest in designated outcomes. Prolonged usage of individualized consideration and the resulting changes in followers can transform the organization's culture such that followers' performance exceeds expectations. The

several comments below verify that indeed this is the case on the campus of decliner two. The cabinet member referred to the president this way:

He's always there to listen. His door is always open. He intentionally gets here early in the morning and makes the first pot of coffee. That way, the maintenance people, the grounds people, they can stop in and take coffee when there's nobody else around and they have him all to themselves. For the most part, people here go beyond what's expected of them . . . Regarding staff, despite the fact that we are understaffed, people cheerfully do their jobs here and go above and beyond. The people in the cafeteria feel like they're feeding their kids sometimes. The ladies that clean feel like they're taking care of their kids. The grounds staff takes care of this place like it was their own. People feel an ownership here, that this is theirs. There's a sense of pride.

Further comments by the cabinet member speak to the genuine nature of the president's individualized consideration behavior:

And I know there are times at 11:00 at night students go over to his house and he and his wife stop whatever they're doing or they wake up and answer the door and they're there for a couple of hours with them . . . If he's going to get up at 11:30 at night, and he's not a spring chicken, and stay up for a couple of hours to listen to a student who has a problem or an issue or just needs to be heard, how you can complain about this or that . . . Word gets around that he's living an example. He never forgets that everything he does speaks volumes to everybody else, but it's easy for him because the example is how he is. It's not something you can do twenty-four hours a day, seven days a week, 365 days a year if you don't believe it. It's definitely something you can't fake.

The president is constantly hosting activities for the students, even in his home. He and his wife entertain and organize two or three events each semester ranging from Super Bowl parties to pumpkin carving contests. The cabinet member continued:

He has freshmen dinners at his house for all the freshmen classes [each year] in small groups. He has senior dinners for all the graduating seniors . . . He always asks the seniors what we do well. What do we need to do better? What would you like to see changed? He always notes that information and brings it back to the senior staff or wherever he needs to take it. We fine tune things based on that. We're not really as sophisticated as a lot of places in terms of our database of information, but because we're small and because of the kind of president we have, we're able to get a lot of feedback directly and make modifications and adjustments based on that feedback.

The president's example appeals to higher ideals and principles that followers are urged to assimilate into their own behaviors. Staff and faculty have begun to see beyond the mere transactions of exchanging their labor for compensation. The cabinet member expressed it vividly.

How many people go to work everyday, and while money is certainly important to all of us, that's all that matters. But you kind of really buy into the fact that here you're making a difference that will last. And I know that all colleges, especially small privates say similar things, but you feel it's real here. It's not just a slogan. It's not just something to be said for a marketing purpose . . . The way he does it is that he makes us feel like we are making a difference . . . because we're involved in an institution that changes lives and opens eyes and minds and opportunities. And that is pretty special . . . And we're given a special trust to be involved with something that's not involved with making money. It's involved with making a difference and every one of us is a key contributor whether it's the custodian who's making sure the buildings are clean, the groundskeeper who's mowing the lawn or working a flower bed . . . the RA who's there when a student needs somebody to counsel or talk to or just to listen. Every one of us feels like we bring something that's special, that no matter what it is, we're doing something that's making a difference.

In the president's own words students are the number one constituent group that needs a voice. He personally feels the responsibility to help them find their voices and use them wisely.

There are too many people in charge of higher education that have forgotten that the reason we exist is for students. I came from an institution where students were always secondary. Student opinions were secondary. One of the things we've done here is include the students. There are no secrets from students. An example is that when our budget was set, we had an open forum at night where we invite the students and hand them a copy of the budget. We had a lot of students there, and part of the draw was forty pizzas, but we give them a budget. I'm not sure they always understand it, but they get a copy and they can ask anything they want . . . We've gotten burned a few times. Sometimes kids don't know how to behave. But it's better to have students contributing even though they may make mistakes, than not have their contributions. If I miss your view as a student, for example, if the cafeteria food is not good and I have to eat their nineteen times a week, if the heat in your residence hall doesn't work, if we are not providing a service we promised to provide, we need to hear that. There needs to be a forum for that.

The president attributes at least some of their enrollment growth to the transformation in hearing student voices. The student body has grown by forty percent over six years. He feels that students appreciate being valued and that they will flock to an institution that values them. The president commented:

I think students know that they are valued here. They know that people care about them. My door is seldom closed, and there's times I'd like to close the door. I have a hard time working sometimes, but the reason that I have twenty-two different types of tea, hot chocolate, coffee, it's all there for the kids. And we will go through four or five five-gallon jugs of water every day making coffee and tea. Kids know that if they come in and get something, they have to wave. Mondays and Fridays we also have fourteen dozen donuts, bagels, muffins. You get one of those you have to stop by and say hello. I think kids know that somebody cares about them. My wife and I know every student by name . . . They feel valued.

The president described how the college had struggled through the years. It had not balanced its budget in the decade of the nineties nor had it met its annual fund-raising objectives, but it had completed two successful capital campaigns. Because of the stress on operations, budgets were being cut. When the president arrived, the highest paid faculty member on campus was a full professor who had been at the institution for twenty-two years making \$38,000 annually. He now makes \$72,000 annually. The president orchestrated a way to create a stream of income from earnings of the endowment to support faculty salaries. He commented, "We've gone from a sort of survival mode to a healthy mode with balanced budgets." The growth, the openness, and the value attributed to people have perhaps changed the campus dramatically. The president stated it this way:

This campus culture has changed. There's a lot more trust now. This faculty have been through some tough times and many of them have been here a long time and have weathered a lot of storms. This place almost closed. Enrollment at one point dropped to around 400. People were cut. Budgets were cut. Faculty didn't trust administration. Faculty didn't trust faculty. I think now that there's more trust between the faculty and administration than there is from faculty to faculty.

The cabinet member views the organizational change in more dynamic terms, speaking to a sharp contrast between the way things used to be and the ways things are today. He recalled negative incidents with respect to the previous administration, including the change in the institution's mascot and nickname without appropriate collaboration with students, faculty, and alumni. Also, the previous president changed athletic participation from NAIA to NCAA (Division II) by executive decision with little input from coaches and constituents. He was described as "very close to the vest in the way he operated" and "it was his way or the highway." The cabinet member described the campus climate back then.

It was secretive. It was private. It was fearful. It was without hopes and dreams . . . Contrast that to this president. He's open . . . He shares information. He's not private or secretive about it. He will try to let people understand his thought process or his priority, like the way he went about it or what he was thinking in this situation . . . He listens to different perspectives. He's actively involved. Every decision he makes, he will consider everything he's heard or seen and the people trust that. When I say the people, it's all the people cause all the people are important to the president and they all feel important. It's the faculty. It's the students. It's the professional support staff. It's the alumni. It's the trustees . . . Basically, he always listens. It's open and it's owned. There's an ownership. One of his tenets is that you never do anything that affects someone or some group unless you talk to them first, ask for feedback, and know they've been heard.

This president's use of individualized consideration has elevated the value of persons, especially the institution's stakeholders, to a point where it has become a new campus ideology.

Although individualized consideration is the president's dominant transformational leadership factor, idealized influence, both attributed and behavioral, is also quite visible. On the attributed side, the president articulates the mission with energy and eloquence.

Well, there are really two aspects of our mission. We have now what I call the heart of our mission. It's the backbone of the mission. It's on the back of our business cards. It's out here on the wall of this building in our foyer area . . . Under that there are four different statements . . . One is academic, one is social development, one is spiritual, and one is student life. So, if anyone ever questions our notion of student inclusion, I just take them back to the mission statement. This is why we're here.

Keeping the campus and its constituents focused on the mission is vital to this president's way of doing business. He sees it has his responsibility to communicate it and to hold the campus accountable to its high standard, evidence of attributed idealized influence. He continues:

I think a president has two major jobs. One is to keep the mission alive for everybody and the other is to be the head cheerleader of the campus. Every decision we make has to circle around to the mission and sometimes I use it to start to debate on what might be important. On a small Christian college campus, the mission is your driver.

The above comment reveals the use of behavioral idealized influence, making mission and vision paramount for the organization. The cabinet member spoke of the mission statement on the wall of the administration building and how it reminded him everyday about the reason the college exists. He commented: "Everything comes back to that. We're here for the students. The students come first and everything derives from how it impacts the students." This contrasts sharply with the previous administration. The trustee spoke of how it used to be compared to how it is now with respect to mission. His comments reveal that the board is now high in the contextual competency.

In the past the board hadn't really made decisions with the mission in mind. I would say that was not something we brought up. [The president] has had some influence on keeping the board focused on mission, articulating it more clearly . . . We want to keep what we have going. And I think the board in general now is more focused on mission. We bring it up. The mission statement is available to us in board meetings and committee meetings. It is a very real part of our deliberation.

The mission is communicated to new board members in an orientation session. An annual board retreat also allows for opportunities to revisit the mission and assess the board's performance in fulfilling the mission. The trustee commented that the board tries "to do a good job of letting [new board members] know what we expect of them." He also stated, "We don't want the new people coming on feeling like new kids on the block. We want them to feel a part of us from the



beginning.” These activities and words speak to moderate use of the educational and interpersonal competencies; however, neither was a major theme in any of the interviews.

The president inspires followers, including trustees, to invest themselves in the institution. All constituents and stakeholders appear to have been influenced by the president’s ability to communicate inspirationally. The cabinet member pointed out that the president was “very good with words and he takes words and crafts images so that everybody can see.” This is the language of inspirational motivation. In his first year the president created a campaign to build pride back into the organization, using acronyms, buttons, slogans and other communication tools. The campus and community media were engaged to support the campaign and keep it in front of the public. He pushed his campaign everywhere he spoke, whether it was at the Rotary Club or with alumni groups or in faculty meetings. Any opportunity became a pulpit from which he proclaimed the mission of the institution and pride in a vision of the present and the future.

He followed that campaign with a second that focused around the word promise and its double meaning, first as their commitment to all constituents and second as their potential. A third campaign will flow out of the second by capitalizing on the notion of keeping promises. It will focus on values. The president intentionally tailored the first two campaigns to focus on growth, which the college has experienced. He commented, “We had to grow. We had to get confidence in ourselves again. We had to reestablish ourselves.” But the third emphasizes values over growth. “I think you have to create something that is more long-range . . . Continuity is tremendously important.” He believes that a focus on values will create that continuity. After a few years focusing around values, the president believes that the college will have a stronger base from which to consider growth strategies again.

He is a role model and uses emotion and persuasive words and symbols to create images of success and accomplishment. The cabinet member is the chief financial officer of decliner two and acknowledged that as an accountant, he tended to be more task-oriented and less emotional, yet he felt swayed by the president's ability to emote.

You've heard of positive mental attitude and positive thinking. He epitomizes that. He inspires people. You know, I'm one of the dark clouds in the group. But he even inspires people like me to believe that things are possible, that I normally would not accept. So, I'm a kind of litmus test for him. If I can believe in him, other people are going to believe in him. But his major thing is that he believes in what he's doing and he keeps that belief going and he makes everybody, especially students, feel important. He just inspires others around him.

The trustee also spoke of the inspirational qualities of the president and how it affects him personally. These words reveal a near reverence or veneration of the president, an indication of behavioral idealized influence.

He's been here several years now and I have yet to find anything that we hoped to have in a president that we don't have. And in fact, he probably surpasses what we hoped to have. He's excellent. I may be making this sound like it's almost too good to be true, but we really are in one of those times . . . If he comes and asks me to do something, I find it very difficult to say no. I just have that much respect for him. I want to do it.

The cabinet member clearly sees this same response when he commented about the way the president inspires the board to take risks based more on their trust in him than on logic or analysis.

At various times, at least from my perspective as the financial officer, the president has had to ask the trustees to do something on faith, to make this commitment, to make that commitment. And they do it eagerly and willingly, which is not something I've seen in trustees. Normally, it's grudgingly or "No", especially if it's something you know they're not normally comfortable with from the beginning. But because he has nurtured relationships, people value that. He inspires them to be involved, to do things, to make things happen, to do more than they thought they could.

Decliner two is a transformed institution. The campus climate and culture have changed during six years of the current president's leadership. He uses individualized consideration to meet followers' needs and inspirational motivation to influence followers through words, symbols and images. His use of idealized influence keeps the mission in focus while at the same generating blind trust and deep loyalty in followers through artful communication techniques. No evidence surfaced of his use of intellectual stimulation.

The impetus for this organizational change came from the board as they exercised both the strategic and political competencies. Due to the president's strong use of attributed and behavioral idealized influence, the board has developed its contextual competency. Moderate usages of the educational and interpersonal competencies were also noted. No evidence surfaced of the analytical competency. This discussion around decliner two began with the development of a strategic plan. Perhaps the strategic is this board's strongest competency, which is revealed in this board's determination to shape the future of the institution by hiring the kind of president who would inspire and lead the organization to a secure future. The board's exercise of the strategic competency opened the door to a different sort of leadership. Working collaboratively with a transformational president, the campus has undergone cultural change. The trustee said this about the strategic thinking of the board:

The [strategic] plans in the past, probably very few people know about them. But if people don't know about it and don't know what your plan is, how can they understand what you're doing? Is it really a plan? It was there so we could say we had a plan. It was on the shelf in case anyone came to look at it. That's not the case now. We review at every board meeting where we are on our plan and how far have we gotten and sometimes it needs to be adjusted mid-stream, so we do that . . . We want to see the issues coming. We want to stay ahead of them and make things go as smoothly as possible.

To sum, decliner two had experienced some financial difficulty prior to the arrival of the current president. Its board appeared to be low in all six trustee competencies. Decliner two has

been transformed under the new president who displays strong transformational leadership attributes. The board has made noticeable improvement and now exhibits moderate to high trustee competencies in the political, strategic, educational, and contextual dimensions. His use of behavioral idealized influence has projected his vision upon all elements of the college, including students, faculty, staff and trustees. The president has used inspirational motivation to persuade followers to engage in activities that fulfill the mission of the college. Individualized consideration is the greatest strength of this president. Its use lifts followers' sense of being valued and sense ownership. Followers experience higher levels of self-confidence, elevated vested interest in designated outcomes, a transformed organizational culture, heightened motivation to attain designated outcomes, and a desire to perform beyond minimal expectations.

Because decliner two is in the decliner category, on the surface it appears that trustee competency and transformational leadership factors are not associated with financial performance indicators. The presidents of gainer one, stabilizer one, stabilizer two, and decliner two are transformational leaders. Only decliner one has a transactional president. While performance indicators of decliner one seem to be associated with a board low in competencies and a president that is transactional, decliner two has quite the opposite, both a highly competent board and a transformational president. Table 13 provides summary data of trustee competencies and presidential leadership factors for the three classifications of institutions in the study: gainer, stabilizer, and decliner. It displays data from the BASQ scores and the MLQ scores as well as showing averages of the counts of the number of comments pertaining to trustee competencies and leadership factors. Chapter five will draw conclusions and will offer further explanation of the conundrum presented by the disparate data of the decliner institutions as well as offer general conclusions and recommendations emanating from the study as a whole.

**Table 13: Summary of Trustee Competencies and Leadership Factors**

BSAQ score columns contain the averages by institutional classification of the trustee competency scores displayed in Table 10. MLQ score columns contain the averages by institutional classification of the cabinet members' leadership factor scores displayed in Table 11. Comment count columns contain the averages by institutional classification of the counts of competency and leadership comments displayed in Table 12.

	Gainer		Stabilizers		Decliners	
Competencies	BSAQ Score	Comment Count	BSAQ Score	Comment Count	BSAQ Score	Comment Count
Contextual	0.71	2	0.66	3	0.88	2
Educational	0.53	1	0.48	1	0.75	3
Interpersonal	0.67	2	0.63	3	0.74	2
Analytical	0.71	5	0.64	3	0.72	2
Political	0.67	1	0.66	2	0.77	5
Strategic	0.78	1	0.70	4	0.81	7
Leadership Style	MLQ Score	Comment Count	MLQ Score	Comment Count	MLQ Score	Comment Count
Transformational	3.74	49	3.22	36	3.43	26
Transactional	2.03	2	1.72	2	2.02	13
Nontransactional	0.30	0	0.35	0	0.70	0

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

Most nonprofit organizations are concerned about financial stability and strength. Colleges and universities are no exception. Their leaders would be especially interested in improving financial performance indicators that might guarantee stable and improving financial positions. Chait, Holland, and Taylor (Chait et al., 1996, p. 143) note:

It is difficult, if not impossible, in a complex institution to determine a clear cause-and-effect relationship between acts of leadership and institutional outcomes. In a large black box that encompasses all of the ground between inputs and outputs, causality becomes virtually obscured.

This study did not attempt to determine cause and effect; rather it explored relationships, associations, and linkages between trustee competency and executive leadership styles in the context of institutional financial performance indicators. This research sought to determine if specific trustee competencies and/or leadership styles in presidents are linked to financial strength in institutions.

An analysis of the data in this study suggest that transformational leadership styles in presidents appear to exert greater influence over financial performance indicators than trustee competencies. The data did not support a relationship between trustee competencies and performance indicators. With respect to leadership, the research indicated that presidents who used transformational leadership styles also tended to lead institutions that have stable or increasing financial performance and that the one president who used transactional leadership styles led an institution with declining financial performance indicators.

## Summary of Trustee Competency Findings

Three of the five institutions in this study have boards with low levels of trustee competence: gainer one, stabilizer two, and decliner one. It is important to note that there is one institution from each of the financial performance categories with a low competency board. This would appear to indicate that the level of trustee competence exhibited by a board of trustees has little bearing on financial performance indicators. The two remaining institutions, stabilizer one and decliner two, have boards that display moderate to high competencies. Again, because one is a stabilizer and the other is a decliner, it would appear that trustee competency and financial performance indicators are not related. Furthermore, the two institutions that have experienced the most dramatic growth in enrollments, personnel, physical plant, and finances are gainer one and stabilizer two, the two institutions with the lowest levels of trustee competence exhibited by their boards. Research question number one asks: Do the gainers and the stabilizers exhibit higher levels of trustee competence than the decliners? The findings above would answer the question with some ambiguity identifying some institutions that do and some that do not.

There are many possible explanations for these results. Perhaps there is simply little relationship between trustee competencies and financial performance indicators. It is also possible that a study of a larger number of institutions might show patterns from which one could draw stronger associations between competencies and performance indicators. Regional differences or the kinds of colleges and universities studied could have had an impact on the findings.

Another possible explanation of these findings is that this study explored financial performance in the context of both trustee competency and executive leadership styles. Prior research on trustee competency has been confined to a view of trustee competency and its

association with financial performance indicators and has given less focus to the influence that presidents may bring to the equation. For example, stabilizer one has a board that exhibits moderate to high trustee competence. If one compared the level of trustee competence to performance indicators, a conclusion could be reached that trustee competencies and performance indicators are positively associated. By bringing the president's role into the study, one would realize that the board is currently operating at a moderate to high level of trustee competence because the president stimulated trustee involvement and growth. The president has articulated a new and clear mission and vision that the board has adopted and is using in its decision-making, evidence of the contextual competency in use today, compared to little or no use of this dimension prior to this president. The data reveal that the same could be said for the interpersonal, analytical, and strategic competencies for this institution. This study does not refute that trustee competence and financial performance are associated; rather, it simply displays data that do not support any association. Furthermore, this research brings presidential leadership into focus as one way that boards are stimulated to develop and improve their competence.

Yet another intriguing finding in this complex relationship between trustees and presidents is that presidents who use transformational leadership factors and are subsequently successful in leading their institutions to stronger positions in enrollment, quality, and financial resources may influence their boards to disengage, and therefore, actually reduce the level of trustee competence. For example, the data reveal that the trustees of stabilizer two are less engaged in the governance of the institution than they were at the beginning the president's tenure. It was also apparent from the interview data that the board of stabilizer two operated with the lowest trustee competencies compared to all other institutions in the study. As stabilizer



two's transformational president continues to be successful, it appears that the board of trustees is content to stay on the sideline, allowing the president to have incredible power and latitude. As noted by Chait, Holland, and Taylor (1993), presidents can play an important role in either encouraging or undermining effective board functioning. They further note "there are multiple actors linked by complex interactions that produce multiple effects, all difficult to measure" (Chait et al., 1996, p. 137).

The immediate discussion above relates to the notion that independent colleges are likely to be more entrepreneurial than their public counterparts, and therefore, more likely to attract transformational leaders to their presidencies (Bass, 1985). The president of stabilizer two is a clearly transformational leader in an entrepreneurial setting and operates much like a corporate CEO. The setting at gainer one is also entrepreneurial with a transformational president. The disengagement of the board at gainer one has granted the president considerable freedom to lead. Unlike the president of stabilizer two, the president of gainer one is attempting to energize the board, which in turn may increase the level of trustee competence over time. Gainer one and stabilizer two have experienced the most dramatic improvements in enrollments, revenues, and physical plant. Both are entrepreneurial settings whose campus cultures have dramatically changed under the tenure of their respective transformational presidents.

Stabilizer one and decliner two offer slightly different perspectives on the same theme. Led by transformational presidents who are attempting to encourage their boards to achieve higher levels of engagement, the interview data revealed that as a result of this encouragement, both boards are increasing in their levels of trustee competence. Both of these presidents wield great influence on their respective campuses and could probably operate with more freedom and latitude, but their philosophical bent is to lead in cooperation with the board, not despite or

without the board. Again, both of these boards appear to have exhibited low trustee competence before the current presidents assumed their positions. Now, both display moderate to high trustee competence primarily because of the encouragement emanating from the transformational leadership styles of their respective presidents.

#### Summary of Executive Leadership Findings

Presidents may exert levels of influence that create growth or decline in some institutions regardless of levels of trustee competence. Decliner one is the only one of the five institutions in the study that has a president who primarily displays transactional leadership behaviors.

Proponents of transformational leadership who believe that transactional leadership is less effective than transformational leadership might use the finding above to support their position; however, the four remaining institutions in the study have presidents who primarily exhibit transformational leadership factors including decliner two. There is one institution from each of the financial performance categories with a transformational leader. This would appear to indicate that transformational leaders may influence financial performance indicators because three of the four institutions with gaining or stable performance indicators have presidents who display transformational leadership factors; however, the presence of decliner two within the transformational leadership group brings this claim into question.

The president of decliner two is clearly transformational, displaying multiple factors of transformational leadership. Evidence exists that indicate a significant change in the campus culture, including the frequent occurrence of follower performance that goes beyond minimal expectations. This is in sharp contrast to decliner one where the president is primarily a transactional leader where little of the organizational culture has changed. The campus continues to operate under financial duress.

Perhaps there is no connection between presidential leadership style and financial performance indicators. Viewing these two decliner institutions would seem to indicate such a conclusion; however, further investigation into how each institution achieved declining performance indicators may offer additional explanations. Decliner one suffered a serious decrease in the primary reserve ratio due to a reduction in over half of its unrestricted assets, which caused the ratio to move from 2.13 in 1997 to .09 in 2001. Decliner two also experienced a decline in the primary reserve ratio from 3.31 to 2.36 even though its unrestricted assets increased by three million dollars. The ratio declined because of a 71 percent increase in total expenses resulting from mostly increases in faculty and staff salaries, an action tied directly to the individualized consideration factor of transformational leadership. The other factor that negatively impacted decliner two was a failure to balance its budget causing the net income ratio to drop from .41 to -.37, again brought on by the increase in expenses. Decliner one also failed to balance its budget and saw its net income ratio decline from .28 to -.12. The changes in these two ratios were the primary reasons for the decline in the MRT composite scores that caused both of these institutions to be placed in the decliner category.

The one significant difference in performance indicators between these two institutions is the equity ratio. Decliner one suffered substantial losses to assets resulting in an equity ratio of .60 in 2001, down from .78 in 1997. Decliner two, however, actually doubled its net assets, which were in the fifty millions of dollars in 1997 to over one hundred million dollars in 2001. Therefore, one explanation of why decliner two is in the decliner category despite having a transformational leader is that decliner two is possibly in the middle of a transformation that has first created a greater drain on institutional reserves and second, increased budgetary expenses. A tangible evidence of the president's use of individualized consideration is the increase in

salaries for college employees, especially the faculty. This factor coupled with the inspirational motivation factor is changing the organizational culture in a very positive way because people are being valued and rewarded monetarily. The immediate downside of this action is an increase in expenses causing the primary reserve ratio and the net income ratio to fall dramatically. If an organization can sustain the cultural change that leads followers to exceed performance expectations, income may catch up with expenses, creating balanced budgets and subsequently improving ratios. It appears to be a risky strategy, but in light of the success of other transformed cultures, such a strategy may pay off in the long term.

The president and board of decliner two appear to be willing to take short-term losses in order to achieve long-term gains. There are indications that this is beginning to happen. With the fall class of 2002, decliner two reached its enrollment goal that filled the institution to capacity and maximized the revenue stream from student sources. Also, giving to the annual fund has steadily increased. Both of these factors taken together combined with some operating budget cuts led to a balanced budget for fiscal year 2003. Decliner one is on track to balance fiscal year 2004 and has already presented a proposed budget for 2005 that is balanced. The net income ratio will respond favorably to balanced budgets by yielding a positive strength factor. In addition the 2001 primary reserve ratio of decliner two was positive at 2.36, but because expenses had increased dramatically, it had declined since 1997; however, even with the decline, 2.36 is a favorable ratio and when combined with a stable equity ratio and a positive net income ratio, decliner two will experience an increasing MRT composite score allowing it to reach gainer status. It is clear that the organizational culture of decliner two has been transformed from a negative, closed environment to an optimistic, positive one where followers' performance consistently exceed expectations, resulting in financial growth, among other things. It is

intriguing that the transformational leadership factors that initially brought about cultural change first impacted its financial performance indicators negatively, but current and subsequent financial growth will undoubtedly improve the performance indicators.

If decliner two is removed from the decliner category based on the discussion above and placed among the institutions that are gainers and stabilizers, it would appear that certain trustee competencies develop in conjunction with comparable leadership factors for the gainers and stabilizers, while this is not the case for decliners. This would address research question two: Are there specific competencies in trustees and explicit leadership factors in presidents that interact more in gainers and stabilizers compared to decliners? The president of decliner one uses transactional leadership factors. As discussed earlier, the institution's culture remains unchanged, including the low competency levels of its board. In contrast, all of the other presidents in the study are transformational leaders and have witnessed significant changes in campus culture on their respective campuses. The presidents of gainer one and stabilizer two have not stimulated their boards to develop trustee competencies, although the president of gainer one is beginning to take initiatives that will stimulate his board to greater involvement; therefore, corresponding trustee competencies are not observed. The leadership profiles of these two presidents are very similar in that both emphasize the individualized consideration leadership factor more than all the others, followed by the attributed idealized influence factor. By contrast, the president of stabilizer one exhibits high use of both the attributed and behavioral idealized factors and has encouraged a greater degree of involvement by his board. Not surprisingly, the board of stabilizer one exhibits considerable development and use of the contextual and strategic competencies. There are common themes associated with idealized influence and the contextual and strategic competencies, including mission, vision, values, and

identification of institutional priorities (see Tables 3, 8 and 9). Similarly, the president of decliner two has also encouraged greater participation of his board. He is high in his usage of the individualized consideration factor, which corresponds favorably with his board's significant development and use of the political competency. There are common themes associated with individualized consideration and the political competency, including healthy relationships and open communication channels with constituents and seeking win/win resolutions to problems and issues (see Tables 3, 8 and 9).

Again, if decliner two is removed from the decliner category based on the discussion above and placed among the institutions that are gainers and stabilizers, it would appear that there is an association between transformational leadership factors and institutions with gaining or stable performance indicators. This would address research question three: Do the presidents of gainers and stabilizers use more transformational factors in their leadership styles than the decliners? All of the institutions among the gainers and the stabilizers have presidents with transformational leadership styles and each president uses all five of the transformational factors, emphasizing some more than others. Although the president of decliner one aspires to use individualized consideration and idealized influence, he continues to primarily use transactional leadership factors.

### Conclusions and Recommendations

Conclusion 1. In contrast to the literature, the data did not support a relationship between trustee competencies and performance indicators. Recommendation: Future research could replicate this study with an expanded sample size across a wider range of institutions on a national scale, public and private, large and small.

Conclusion 2. Transformational leadership factors exhibited by presidents appear to have a positive association with financial performance indicators. Recommendation: Presidents could review the five transformational leadership factors and intentionally adapt the transformational leadership factors with which they are most comfortable. Boards could seek presidential candidates who exhibit transformational leadership styles. Further qualitative research might explore the downsides associated with hiring transformational leaders, such as their risk-taking behaviors.

Conclusion 3. The data did not support the notion that there is any combination of competencies in trustees and leadership factors in presidents that may influence financial performance indicators more than others. Recommendation: Further research that is broader in scope and quantitative in nature might reveal associations between combinations of trustee competency, presidential transformational leadership, and financial performance indicators.

Conclusion 4. Under the influence of a successful transformational president, trustees may have a tendency to disengage and reduce their levels of competency, especially if not encouraged to do so by the president. Recommendation: Further research could investigate the risks involved when boards exhibit low competence and disengagement. Studies could also explore more fully the results that emanate from institutions that have highly engaged and competent boards working with a transformational president.

Conclusion 5. Highly competent boards may develop in the wake of transformational presidents who believe that greater board engagement is essential to long-range success. Recommendation: Further research could explore how trustees and presidents influence each other with regard to New Work Model competencies and Full-Range Leadership Theory factors. Studies could explore whether or not highly competent boards influence transactional presidents

to adapt transformational factors and whether or not transformational presidents influence trustees to develop higher levels of competence.

Conclusion 6. Institutions contemplating initiatives to implement transformational change should understand that such a move is not without some risk. Recommendation: Further research could investigate the levels of risk associated with transformational change as well as the risk-taking behaviors of transformational presidents.

Conclusion 7. The influence of trustee competencies in institutions of higher education could be more related to other financial performance indicators other than the ones used in this study. Recommendation: Studies could explore other ways of measuring financial stability and progress in higher education institutions and create research designs that would look for associations between these additional indicators and trustee competence.

### Implications

Trustee competence has been shown to be associated with financial performance indicators (Chait et al., 1993, 1996). This study did not confirm this association. The literature reveals that most boards of trustees in higher education are under performing, drifting along with habitual patterns of behavior established over years of doing business the way it has always been done (Chait et al., 1993, 1996). This study was no exception in that prior to the arrival of their current presidents, all five of these boards fit the above description. Three of the five remain disengaged (gainer one, stabilizer two, and decliner one) across different ranges of success and financial stability. The final two are more engaged but only as a result of the influence of their respective presidents. The implication is that as these two boards develop, a clear association between trustee competencies and performance indicators may emerge.



Cohen and March (1986) conclude that the talents and behaviors of presidents of American colleges and universities have only modest impact on the institutions they govern. Furthermore, Cameron and Ulrich (1986) contend that specific presidential leadership behaviors are not critical to the survival and stability of public higher education institutions. Although presidential leadership may be limited in large, public institutions, the implication in this dissertation is that in smaller, independent colleges and universities, presidents, especially those who use a transformational leadership style, wield substantial influence over the direction and general health of their institutions. The findings of this study fit more closely with the body of literature that supports the concept that leaders strongly influence organizational outcomes (Avolio, 1999; Avolio & Bass, 1988, 2002; Bass, 1985; Bass & Avolio, 1998, 1994; Chaffee et al., 1988; Drucker, 1990a; Duderstadt, 2001; Fisher & Koch, 1996; Peck, 1984).

The president of decliner one uses a transactional leadership style and the institution is virtually the same today, as it was when the current president assumed office: under extreme financial duress and limited in financial resources. Although it is only one institution among many who have transactional leaders, in this case at least the leadership style appears to be associated with declining financial performance indicators. In contrast, the case of decliner two may reveal the effect of change upon a struggling institution when a transformational leader takes charge. The presidents of decliner one and decliner two assumed office at about the same time. At the outset of their presidencies, both men were leading institutions that had experienced years of declining enrollments and dwindling financial resources. In short, they were struggling for survival. Today, these two institutions bear little resemblance to one another. Decliner one has undergone little positive change, and in fact, experienced declining financial performance during the five years reviewed in this study; but decliner two's campus culture has been

dramatically transformed into a place of positive energy and vision for the future while at the same time improving its financial position by balancing its budget and completing a successful capital campaign. Although other factors may be involved in the events that have created a startling contrast between decliner one and two, the most observable difference revealed in this study is the kind of presidential leadership in place, transactional at decliner one and transformational at decliner two. Under the transactional leadership of its president, decliner one seems likely to remain in the decliner category in the foreseeable future. Decliner two, on the other hand, under the transformational leadership of its president is likely to break into the gainer category due to balanced budgets and growing assets.

Stabilizer one is the only institution in the study that had a strong financial position when the current president assumed office. Furthermore, after six years in office, this president has managed to maintain the financial stability of the institution as indicated by a constant MRT composite score over the five-year period reviewed in this research. His transformational leadership style has created considerable change at the institution, including improvements to morale, vision, and physical plant. It is likely that decliner two with its solid financial position and clear vision for the future will remain in the stabilizer category.

Stabilizer two has experienced the greatest sustained growth of enrollments and finances of all the institutions in the study. When the current president assumed office, the institution was struggling with unstable enrollments and minimal financial resources. The institution has experienced the transformational leadership of the current president during his lengthy tenure and has witnessed dramatic change in its organizational culture, including high morale, a student body four times larger and a subsequent expanding tuition revenue stream, an enlarged campus,

an improved physical plant, and greater financial resources. It is likely that stabilizer two with its growing financial base will remain in the stabilizer category.

Gainer one is perhaps the most dramatic case of a transformed culture. It was acknowledged that the institution was on the brink of bankruptcy when the trustees hired the current president because of his turnaround experience. Under his transformational leadership style, the institution has indeed turned around and does not resemble the college of six years ago. Today, it is characterized as financially healthy due to increasing revenue streams from an enrollment that has doubled and from capital gifts. Because the MRT composite score has not yet peaked at the maximum score, gainer one is likely to remain in the gainer category for a bit longer and eventually will move into the stabilizer category.

In conclusion, both the New Work Model and the Full-Range Leadership Theory speak the language of change to the higher education community. Chait, Holland, and Taylor (1996, p. 152) argue that for boards to be successful, they “must create a climate conducive to change.” They encourage boards to experiment, retaining what works well, modifying what works reasonably well, and discarding what does not work. Cameron and Ulrich (1986) contend that transformational leaders will be necessary for the survival of colleges and universities in a rapidly changing, complex, and highly competitive environment. Transforming the culture of their organizations is one goal of transformational leaders.

Looking back over this research, one cannot help but wonder what will happen as each of these institutions change presidents in the coming years. Decliner one needs a transformation that will propel it away from the financial crises of its past and set it on a course toward financial stability. Stabilizer two appears to be extremely vulnerable, despite its many successes, because the president holds so much power and because the board is so thoroughly disengaged.

Stabilizer one and decliner two with their engaged and competent boards, along with gainer one and its developing board, perhaps have the greatest hopes for continued success because competent boards may engage at a level that will sustain the institutions' transformed cultures as they navigate the treacherous waters of presidential searches.

An implication of this study is that institutions with transformational presidents may experience organizational change over time that may lead followers' performance to go beyond expectations, resulting in the achievement of designated outcomes and the fulfillment of mission and vision. Furthermore, they may be able to better sustain a transformed culture, as presidents come and go, if the board is more engaged around developing and maintaining trustee competence. Another implication is that presidents of independent colleges and universities may have a greater degree of influence over the financial health of their institutions than trustees. A further implication is that institutions with presidents who display transformational leadership may experience greater financial stability compared to those with transactional leaders. One final implication is that transformational presidents tend to lead institutions that have stable or increasing financial performance.

In the light of these implications, it seems fitting to close this dissertation by repeating the words of the trustee and of the cabinet member of gainer one as they summed up the transformation of their campus. The trustee commented:

It is probably more challenging to change the direction, the culture of a college because you've got to change the culture of the professors and your staff. You've got to change the culture of your students. You've got to change the culture of your board . . . I think the board embraces the vision. I think the board is growing in its understanding of the vision and its contribution to the vision. I think it's important the board increase in its understanding of the vision and embracing it and the communication of it, accepting responsibility for it.

As the cabinet member spoke, one could sense that he spoke these words about the entire college community, including the board:

The space between each person is filled with faith and trust, whereas before, the space between us was filled with negativity and skepticism. Everything was gloom and doom. Everybody was looking for something negative. Now everybody looks for something positive . . . This guy is the epitome of a transformational leader in every way. He's on a mission. He's headed somewhere and you're thrilled to be a part of the team. I can't find the words to describe the difference one man makes.

## REFERENCES

- AGB statement on institutional governance*. (1998). Washington, DC: Association of Governing Boards of Universities and Colleges.
- Agle, B. R. (1993). *Charismatic chief executive officers: Are they more effective? An empirical test of charismatic leadership theory*. Unpublished doctoral dissertation, University of Washington.
- Alderfer, C. P. (1986). The invisible director on corporate boards. *Harvard Business Review*, 64(6), 38-52.
- Alton, B. T. (1982). Why presidents quit. *AGB Reports*, 24(1), 47-53.
- Anthony, R. N., & Young, D. W. (1999). *Management control in nonprofit organizations*. New York: Irwin McGraw-Hill.
- Antonakis, J., Avolio, B. J., & Sivasubramaniam, N. (2003). Context and leadership: An examination of the nine-factor full-range leadership theory using the Multifactor Leadership Questionnaire. *Leadership Quarterly*, 14, 261-295.
- Avolio, B. J. (1999). *Full leadership development: Building the vital forces in organizations*. Thousand Oaks, CA: Sage Publications, Inc.
- Avolio, B. J., & Bass, B. M. (1988). Transformational leadership, charisma, and beyond. In J. G. Hunt & B. R. Baloga & H. P. Dachler & C. A. Schriesheim (Eds.), *Emerging leadership vistas* (pp. 29-50). Emsford, NY: Pergamon Press.
- Avolio, B. J., & Bass, B. M. (1991). *The full range leadership development programs: Basic and advanced manuals*. Binghamton, NY: Bass, Avolio & Associates.
- Avolio, B. J., & Bass, B. M. (1995). Individual consideration viewed at multiple levels of analysis: a multi-level framework for examining the diffusion of transformational leadership. *Leadership Quarterly*, 6(2), 199-218.
- Avolio, B. J., & Bass, B. M. (Eds.). (2002). *Developing potential across a full range of leadership*. Mahway, NJ: Lawrence Erlbaum Associates.
- Avolio, B. J., Jung, D. I., Murry, W., & Sivasubramaniam, N. (1996). Building highly developed teams: Focusing on shared leadership processes, efficacy, trust, and performance. In M. M. Beyerlein & D. A. Johnson & S. T. Beyerlein (Eds.), *Advances in interdisciplinary studies of work teams*. Greenwich, CT: JAI.

- Avolio, B. J., Waldman, D. A., & Einstein, W. O. (1998). Transformational leadership in a management game simulation: Impacting the bottom line. *Group and Organizational Studies, 13*, 59-80.
- Avolio, B. J., Waldman, D. W., & Yammarino, F. J. (1991). Leading in the 1990's: Towards understanding the four I's of transformational leadership. *Journal of European Industrial Training, 15*(4), 9-16.
- Baldrige, J. V., Curtis, D. V., Ecker, G., & Riley, G. L. (1978). *Policy making and effective leadership: A national study of academic management*. San Francisco, CA: Jossey-Bass Publishers.
- Barling, J., Weber, T., & Kelloway, E. K. (1996). Effects of transformational leadership training on attitudinal and financial outcomes: A field experiment. *Journal of Applied Psychology, 81*(6), 827-832.
- Barr, J. W., & Borden, S. P. (1995). Reality bites back. *Trusteeship, 3*(1), 8-15.
- Bass, B. M. (1965). *Organizational psychology*. Boston: Allyn & Bacon.
- Bass, B. M. (1981). *Stogdill's handbook of leadership: A survey of theory and research*. New York: The Free Press.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. New York: The Free Press.
- Bass, B. M. (1997). Does the transactional-transformational leadership paradigm transcend organizational and national boundaries? *American Psychologist, 52*(2), 130-139.
- Bass, B. M. (1998). *Transformational leadership: Industrial, military, and educational impact*. Mahwah, NJ: Erlbaum.
- Bass, B. M., & Avolio, B. J. (1993). Transformational leadership: A response to critiques. In M. M. Chemers & R. Ayman (Eds.), *Leadership theory and research: perspectives and directions* (pp. 49-80). San Diego: Academic Press, Inc.
- Bass, B. M., & Avolio, B. J. (1997). *First interim report: Platoon readiness as a function of transformational/transactional leadership, squad mores, and platoon cultures*. Washington, DC: U.S. Army Research Institute for the Behavioral and Social Sciences.
- Bass, B. M., & Avolio, B. J. (1998). Improving organizational effectiveness through transformational leadership: Introduction. In G. R. Hickman (Ed.), *Leading organizations: perspectives for a new era* (pp. 135-139). Thousand Oaks, CA: Sage Publications, Inc.

- Bass, B. M., & Avolio, B. J. (2000). MLQ: Multifactor leadership questionnaire, sampler set and technical report. Redwood City, CA: Mind Garden, Inc.
- Bass, B. M., & Avolio, B. J. (Eds.). (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage Publications.
- Bass, B. M., Avolio, B. J., & Atwater, L. (1996). The transformational and transactional leadership of men and women. *Applied Psychology: An International Review*, 45(1), 5-34.
- Baum, J. R., Locke, E. A., & Kirkpatrick, S. A. (1998). A longitudinal study of the relation of vision and vision communication to venture growth in entrepreneurial firms. *Journal of Applied Psychology*, 83(1), 43-54.
- Bennis, W. (1997). *Herding cats*. Provo, UT: Executive Excellence Publishing.
- Bennis, W. G., & Nanus, B. (1985). *Leaders: The strategies for taking charge*. New York: Harper and Row.
- Besnette, F., Foxley, C., Jordan, S., Perry, T., & Richey, W. (1998). Sweeping reform of public trusteeship? Not all boards need it. *Trusteeship*, 6(3), 6-10.
- Birnbaum, R. (1986). Leadership and learning: The college president as intuitive scientist. *Review of Higher Education*, 9(1986), 381-395.
- Birnbaum, R., & Umbach, P. D. (2001). Scholar, steward, spanner, stranger: The four career paths of college presidents. *The Review of Higher Education*, 24(3), 203-217.
- Bisesi, M. (1985). Presidential search: Four specific tasks. *AGB Reports*, 30(1), 22-23.
- Bowen, W. G. (1994). *Inside the boardroom: Governance by directors and trustees*. New York: John Wiley and Sons, Inc.
- Bradshaw, P., Murray, V., & Wolpin, J. (1992). Do nonprofit boards make a difference? *Nonprofit and Voluntary Sector Quarterly*, 21(3), 227-249.
- Brubacher, J. S., & Rudy, W. (1968). *Higher education in transition*. New York: Harper & Row.
- Brudney, J. L., & Murray, V. (1998). Do intentional efforts to improve boards really work? the views of nonprofit CEOs. *Nonprofit Management and Leadership*, 8(4), 333-348.
- Burnham, K., Gibson, T., Finlay, J., Lewis, A., & Luciani, D. (1999). Board governance: Building passion for mission, *Learning Institute for Nonprofit Organizations*. Milwaukee: The Society for Nonprofit Organizations.
- Burns, J. M. (1978). *Leadership* (first ed.). New York: Harper and Row, Publishers.



- Bycio, P., Allen, J. S., & Hackett, R. D. (1995). Further assessments of Bass's (1985) conceptualization of transactional and transformational leadership. *Journal of Applied Psychology, 80*(4), 468-478.
- Cameron, K. S., & Ulrich, D. O. (1986). Transformational leadership in colleges and universities. In J. C. Smart (Ed.), *Higher education: handbook of theory and research* (Vol. 12, pp. 1-42). New York: Agathon Press.
- Carver, J. (1997a). *Boards that make a difference: A new design for leadership in nonprofit and public organizations* (second ed.). San Francisco, CA: Jossey-Bass Publishers.
- Carver, J. (1997b). *Strategies for board leadership*. San Francisco, CA: Jossey-Bass Publishers.
- Carver, J. (2001). *Governance of nonprofit organizations* [Presentation at the University of Georgia Center for Continuing Education on videotape]. Athens, GA: The Institute for Nonprofit Organizations.
- Carver, J., & Carver, M. M. (1996). *Basic principles of policy governance*. San Francisco, CA: Jossey-Bass Publishers.
- Carver, J., & Carver, M. M. (1997). *Reinventing your board: A step-by-step guide to implementing policy governance*. San Francisco, CA: Jossey-Bass Publishers.
- Chaffee, E. E., Tierney, W. G., Ewell, P. T., & Krakower, J. Y. (1988). *Collegiate culture and leadership strategies*. New York / London: American Council on Education / Collier Macmillan Publishers.
- Chait, R. P., Holland, T. P., & Taylor, B. E. (1993). *The effective board of trustees*. New York, NY: American Council on Higher Education and Oryx Press.
- Chait, R. P., Holland, T. P., & Taylor, B. E. (1996). *Improving the performance of governing boards*. Phoenix, AZ: Oryx Press.
- Chait, R. P., Mortimer, K. P., Taylor, B. E., & Wood, M. M. (1984). *Trustee responsibility for academic affairs*. Washington, DC: Association of Governing Boards of Universities and Colleges.
- Cheit, E. F. (1971). Regent Watching. *AGB Reports, 13*(6), 4-13.
- Cleary, R. E. (1979). Trustee-president authority relations. *Educational Record, 60*, 146-158.
- Cohen, M. D., & March, J. G. (1986). *Leadership and ambiguity: The American college president* (Second ed.). Boston: Harvard Business School Press.

- Conger, J. A., & Kanungo, R. N. (1987). Towards a behavioral theory of charismatic leadership in organizational settings. *Academy of Management Review*, 12, 637-647.
- Cote, L. S. (1985). Presidents and boards agree on leadership roles. *AGB Reports*, 27(1), 30-32.
- Cowen, S. S. (1990). *A study of the relationships between perceived leadership behaviors of presidents at public four-year institutions of higher education in the U.S. and the changes in FTE enrollment, perceptions of effectiveness, subordinate satisfaction, and other factors of the presidency*. Unpublished doctoral dissertation, Gonzaga University, Spokane, WA.
- Den Hartog, D. N., Van Muijen, J. J., & Koopman, P. L. (1997). Transactional versus transformational leadership: An analysis of the MLQ. *Journal of Occupational and Organizational Psychology*, 70, 19-34.
- Drucker, P. F. (1990a). Lessons for successful nonprofit governance. *Nonprofit Management and Leadership*, 1(1), 7-14.
- Drucker, P. F. (1990b). *Managing the non-profit organization*. New York, NY: HarperCollins.
- Duderstadt, J. (2001). Between a rock and a hard place: Leading the university during a era of rapid change. In M. E. Devlin (Ed.), *Futures forum 2001: exploring the future of higher education* (pp. 74). Cambridge, MA: Forum for the Future of Higher Education.
- Duryea, E. D. (1973). Evolution of university organization. In J. A. Perkins (Ed.), *The university as an organization* (pp. 15-37). New York: McGraw-Hill.
- Epstein, L. D. (1974). *Governing the university: The campus and the public interest*. San Francisco: Jossey-Bass.
- Fisher, J. L. (1984). *Power of the presidency*. New York: Macmillan Publishing Company and the American Council on Education.
- Fisher, J. L. (1991). *The board and the president*. New York, NY: American Council on Education.
- Fisher, J. L., & Koch, J. V. (1996). *Presidential leadership: Making a difference*. Phoenix: American Council on Education and The Oryx Press.
- Flanagan, J. (1954). The critical incident technique. *Psychological Bulletin*, 51(4), 327-358.
- Flick, U. (2002). *An introduction to qualitative research*. Thousand Oaks, CA: SAGE Publications.
- Frantzreb, A. C. (1997). *Not on this board you don't: making your trustees more effective*. Chicago: Bonus Books, Inc.

- Friedman, R. S. (1983). Presidential selection: Making it work. *AGB Reports*, 25(5), 44-46.
- Gale, R. L. (1993). Selecting, orienting, and developing trustees. In R. T. Ingram (Ed.), *Governing independent colleges and universities: a handbook for trustees, chief executives, and other campus leaders* (pp. 15). San Francisco: Jossey-Bass Publishers.
- Gilley, J. W., Fulmer, K. A., & Reithlingshoefer, S. J. (1986). *Searching for academic excellence: Twenty colleges and universities on the move and their leaders*. New York: Macmillan & American Council on Education.
- Gose, B., Van Der Werf, M., Pulley, J. L., & June, A. W. (2003). How 6 colleges, once in decline, reversed their fortunes. *The Chronicle of Higher Education*, XLIX(47), A22-A28.
- Gottlieb, T. W. (1990). *Transactional and transformational leadership styles of chief and associate chief nurses in Department of Veterans' Affairs medical centers: a descriptive study*. Unpublished doctoral dissertation, Columbia University Teachers College, New York.
- Governance of higher education*. (1973). New York: The Carnegie Commission on Higher Education.
- Green, J. C., & Griesinger, D. W. (1996). Board performance and organizational effectiveness in nonprofit social service organizations. *Nonprofit Management and Leadership*, 6(4), 381-402.
- Greenleaf, R. K. (1975). *Trustees as servants*. Peterborough, NH: Windy Row Press.
- Harper, W. R. (1938). The college president. *Educational Record*, 178-186.
- Hater, J. J., & Bass, B. M. (1988). Superiors' evaluations and subordinates' perceptions of transformational and transactional leadership. *Journal of Applied Psychology*, 73(4), 695-702.
- Herman, R. D., & Renz, D. O. (2000, November 16-18). *Changes in board practices and board effectiveness in local nonprofit organizations: a panel study*. Paper presented at the Annual Conference of the Association for Research on Nonprofit Organizations and Voluntary Action, New Orleans.
- Herman, R. D., Renz, D. O., & Heimovics, R. D. (1997). Board practices and board effectiveness in nonprofit organizations. *Nonprofit Management and Leadership*, 7(4), 373-385.
- Herman, R. D., & Tulipana, F. P. (1989). Board-staff relations and perceived effectiveness in nonprofit organizations. In R. D. Herman & J. Van Til (Eds.), *Nonprofit boards of directors: analyses and applications* (pp. 203). New Brunswick: Transaction Publishers.

- Holland, T. P. (1991). Self-assessment of nonprofit boards. *Nonprofit Management and Leadership*, 2(1), 25-36.
- Holland, T. P. (1994). Board self-assessment questionnaire. College Park, MD: Center for Higher Education Governance and Leadership.
- Holland, T. P., & Blackmon, M. (2000). *Measuring board effectiveness*. Washington, DC: National Center for Nonprofit Boards.
- Holland, T. P., Chait, R. P., & Taylor, B. E. (1989). Board effectiveness: Identifying and measuring trustee competencies. *Research in Higher Education*, 30(4), 435-453.
- Holland, T. P., & Hester, D. C. (Eds.). (1999). *Building effective boards for religious organizations: A handbook for trustees, presidents, and church leaders*. San Francisco, CA: Jossey-Bass Publishers.
- Holland, T. P., & Jackson, D. K. (1998). Strengthening board performance: Findings and lessons from demonstration projects. *Nonprofit Management and Leadership*, 9(2), 121-134.
- Houle, C. O. (1997). *Governing boards: Their nature and nurture* (Paperback edition of original 1989 publication ed.). San Francisco, CA: Jossey-Bass Publishers.
- House, R. J. (1971). A path-goal theory of leadership effectiveness. *Administrative Science Quarterly*, 16, 321-338.
- House, R. J., & Shamir, B. (1993). Toward the integration of transformational, charismatic, and visionary theories, *Leadership theory and research: perspectives and directions* (pp. 81-107). New York: Academic Press.
- Howell, J. M., & Higgins, C. A. (1990). Champions of technological innovations. *Administrative Science Quarterly*, 35, 317-341.
- Hunt, J. G. (1991). *Leadership: A new synthesis*. Newbury Park, CA: Sage Publications, Inc.
- Hunt, J. G. (1999). Transformational/charismatic leadership's transformation of the field: An historical essay. *Leadership Quarterly*, 10, 129-144.
- Ingram, R. T. a. A. (1980). *Handbook of college and university trusteeship: A practical guide for trustees, chief executives, and other leaders responsible for developing effective governing boards*. San Francisco, CA: Jossey-Bass Publishers.
- Jackson, D. K., & Holland, T. P. (1998). Measuring the effectiveness of nonprofit boards. *Nonprofit and Voluntary Sector Quarterly*, 27(2), 159-182.
- Kauffman, J. F. (1980). *At the pleasure of the board: The service of the college and university president*. Washington, DC: American Council on Education.

- Kauffman, J. F. (1983). The conflict between policy and administration. *AGB Reports*, 25(6), 19-20.
- Kauffman, J. F. (1987). The college and university president. In M. W. Peterson & L. Mets (Eds.), *Key resources on higher education governance, management, and leadership: a guide to the literature* (pp. 441-447). San Francisco: Jossey-Bass.
- Keller, G. (1983). *Academic strategy: The management revolution in American higher education*. Baltimore: The Johns Hopkins University Press.
- Keller, R. T., & Szilagyi, A. D. (1976). Employee reactions to leader reward behavior. *Academy of Management Journal*, 19, 619-627.
- Kerr, C. (1984). *Presidents make a difference: Strengthening leadership in colleges and universities*. Washington, D.C.: Association of Governing Boards of Universities and Colleges.
- Kerr, C., & Gade, M. L. (1986). *The many lives of academic presidents: Time, place and character*. Washington, DC: Association of Governing Boards of Universities and Colleges.
- Kerr, C., & Gade, M. L. (1989). *The guardians: Boards of trustees of American colleges and universities: what they do and how well they do it*. Washington, DC: The Association of Governing Boards of Universities and Colleges.
- Kirk, J., & Miller, M. L. (1986). *Reliability and validity in qualitative research*. Newbury Park, CA: SAGE Publications.
- Krutsch, P. M. (1999). *Seven principles for effective boards*, [Web site article]. Educational Policy Institute of Virginia Tech [1999, September 8].
- Lakey, B. M. (2000). *Nonprofit governance*. Washington, DC: National Center for Nonprofit Boards.
- Lenington, R. L. (1996). *Managing higher education as a business*. Phoenix: American Council on Education and The Oryx Press.
- Levy, L. (1981). Reforming board reform. *Harvard Business Review*, 59(1), 166-172.
- Lewis, R. L. (1980). Building effective trustee leadership or how to exploit your trustees. *Educational Record*, 61(4), 18-21.
- Lowe, K. B., Kroeck, K. G., & Sivasubramaniam, N. (1996). Effectiveness correlates of transformational and transactional leadership: A meta-analytic review of the MLQ literature. *Leadership Quarterly*, 7(3), 385-425.

- MacTaggart, T. J. (1999). Seven steps to successful system governance. *Trusteeship*, 7(4), 18-22.
- Masi, R. J. (1997). *Transformational leadership and its roles in empowerment, productivity, and commitment to quality*. Unpublished doctoral dissertation, University of Illinois, Chicago.
- Mason, H. L. (1972). *College and university government*. New Orleans: Tulane University Press.
- Mason, J. (1996). *Qualitative researching*. Thousand Oaks, CA: SAGE Publications Ltd.
- Maxwell, J. A. (1996). *Qualitative research design: an interactive approach* (Vol. 41). Thousand Oaks, CA: SAGE Publications Ltd.
- McGuinness Jr, A. C. (1999). Transformational change requires savvy board leadership. *Trusteeship*, 7(6), 37.
- McLaughlin, J. B., & Riesman, D. (1990). *Choosing a college president: Opportunities and constraints*. Princeton: The Carnegie Foundation for the Advancement of Teaching.
- Meindl, J. R. (1990). On leadership: An alternative to the conventional wisdom. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (pp. 159-203). Greenwich, CT: JAI Press.
- Methodology for regulatory test of financial responsibility using financial ratios*. (1997). [Website [www.ed.gov/finaid/prof/resources/finresp/finalreport/](http://www.ed.gov/finaid/prof/resources/finresp/finalreport/)]. KMPG and U.S. Department of Education.
- Morrison, A. M. (1992). *The new leaders: Guidelines on leadership in America*. San Francisco: Jossey-Bass Publishers.
- Mueller, R. K. (1984). *Behind the boardroom door*. New York, NY: Crown Publishers.
- Munitz, B. (1981). Memo to a multicampus trustee from a flagship CEO. *AGB Reports*, 23(5), 19-25.
- Nason, J. W. (1982). *The nature of trusteeship: The role and responsibilities of college and university boards*. Washington, DC: Association of Governing Boards of Universities and Colleges.
- Nason, J. W. (1993). Responsibilities of the governing board. In R. T. Ingram (Ed.), *Governing independent colleges and universities: a handbook for trustees, chief executives, and other campus leaders* (pp. 17). San Francisco: Jossey-Bass Publishers.
- Nason, J. W., & Axelrod, N. R. (1980a). *Presidential assessment: A challenge to college and university leadership*. Washington, DC: Association of Governing Boards of Universities and Colleges.

- Nason, J. W., & Axelrod, N. R. (1980b). *Presidential search: A guide to the process of selecting and appointing college and university presidents*. Washington, DC: Association of Governing Boards of Universities and Colleges.
- O'Connell, B. (1985). *The board member's book: Making a difference in voluntary organizations*. New York, NY: Foundation Center.
- Patton, M. Q. (1990). *Qualitative evaluation and research methods*. Thousand Oaks, CA: SAGE Publications Ltd.
- Peck, R. D. (1984). Entrepreneurship as a significant factor in successful adaptation. *Journal of Higher Education*, 55, 269-285.
- Podsakoff, P. M., Todor, W. D., & Skov, R. (1982). Effect of leader contingent and non-contingent reward and punishment behaviors on subordinate performance and satisfaction. *Academy of Management Journal*, 25, 810-821.
- Potter, G. E. (1977). *Handbook for community college and technical institute trustees*. Washington, DC: Association of Community College Trustees.
- Rauh, M. A. (1969). *The trusteeship of colleges and universities*. New York, NY: McGraw-Hill Book Company.
- Riley, G. L., & Baldrige, J. V. E. (1977). *Governing academic organizations*. Berkeley, CA: McCutchan Publishing Corporation.
- Ross, M., & Green, M. F. (1998). *The American college president*. Washington, DC: American Council on Education.
- Rudolf, F. (1962). *The American college and university: A history* (1990 ed.). Athens and London: The University of Georgia Press.
- Ruml, B., & Morrison, D. H. (1959). *Memo to a college trustee*. New York: McGraw-Hill.
- Shapiro, E. C. (1995). *Fad surfing in the boardroom: Reclaiming the courage to manage in the age of instant answers*. Reading, MA: Addison-Wesley Publishing Company.
- Shaw, I., & Gould, N. (2001). *Qualitative research in social work*. Thousand Oaks, CA: SAGE Publications Ltd.
- Small, J. E. (2000). *Making boards more effective*, [Web site article]. Catholic Hospital Association [2000, May / June].
- Stoke, H. W. (1959). *The American college president*. New York: Harper & Brothers.

- Taylor, B. E. (1987). *Working effectively with trustees: Building cooperative campus leadership*. Washington, DC: Association for the Study of Higher Education.
- Taylor, B. E. (1989). When boards become part of the campus community . . . They become more effective boards. *Educational Record*, 70(3/4), 13-16.
- Taylor, B. E. (Ed.). (1995). *AGB priorities (no.4)*. Washington, DC: Association of Governing Boards of Universities and Colleges.
- Taylor, B. E., Chait, R. P., & Holland, T. P. (1991). Trustee motivation and board effectiveness. *Nonprofit and Voluntary Sector Quarterly*, 20(2), 207-224.
- Taylor, B. E., Chait, R. P., & Holland, T. P. (1996). The new work of the nonprofit board. *Harvard Business Review*, 36-47.
- Tejeda, M. J., Scandura, T. A., & Pillai, R. (2001). The MLQ revisited: Psychometric properties and recommendations. *Leadership Quarterly*, 12, 31-52.
- Tepper, B. J., & Percy, P. M. (1994). Structural validity of the multifactor leadership questionnaire. *Educational and Psychological Measurement*, 54, 734-744.
- Tichy, N. M., & Devanna, M. A. (1986). *The transformational leader*. New York: John Wiley & Sons, Inc.
- Tichy, N. M., & Ulrich, D. O. (1984). The leadership challenge: A call for the transformational leader. *Sloan Management Review*, 26, 59-68.
- Trustee Responsibilities*. (1991). [Audiotape]. Washington, DC: Association of Governing Boards of Universities and Colleges.
- Weary, W. A. (1999). Assessing the performance of presidents and boards. *Trusteeship*, 7(2), 34-35.
- Weber, M. (1947). *The theory of social and economic organizations*. New York: Free Press (T. Parsons, trans.).
- Widmer, C. H. (1989). Why board members participate. In R. D. Herman & J. Van Til (Eds.), *Nonprofit boards of directors: analyses and applications* (pp. 203). New Brunswick: Transaction Publishers.
- Widmer, C. H., & Houchin, S. (2000). *The art of trusteeship: The nonprofit board member's guide to effective governance*. San Francisco, CA: Jossey-Bass Publishers.
- Wolf, T. (1999). *Managing a nonprofit organization in the twenty-first century*. New York: Fireside.



- Wood, M. M. (1985). *Trusteeship in the private college*. Baltimore, MD: Johns Hopkins University Press.
- Yammarino, F. J., & Bass, B. M. (1990). Transformational leadership and multiple levels of analysis. *Human Relations*, 43(10), 975-995.
- Yammarino, F. J., Spangler, W. D., & Bass, B. M. (1993). Transformational leadership and performance: A longitudinal investigation. *Leadership Quarterly*, 4(1), 81-102.
- Yukl, G. (1998). *Leadership in organizations* (fourth ed.). Upper Saddle River, NY: Prentice Hall.
- Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories. *Leadership Quarterly*, 10(2), 285-305.

## APPENDIX A

### TERMS AND DEFINITIONS

Analytical Competency: A board high in the analytical competency approaches its work from a broad perspective, emphasizing cognitive skills that recognize the many implications of board actions upon diverse constituencies.

Board Competencies: These are the skills and abilities that boards of trustees use to govern the organizations they hold in trust.

Board Self-Assessment Questionnaire (BSAQ): An instrument developed by Holland that measures the strength of the six board competencies identified by Chait, Holland and Taylor in their new work model.

Cabinet Member: An administrator who reports directly to the president.

Charismatic Leadership Factor: A term used by Avolio, Bass, Burns and others to describe the inspirational behaviors of some transformational leaders. The Full-Range Leadership Theory subdivides the charismatic factor into three factors: idealized influence (attributed), idealized influence (behavioral), and inspirational motivation.

Contextual Competency: A board that reflects high competency in the contextual area understands the culture, norms, and mission of the institution and takes action in light of the culture, norms, and mission.

Contingent Reward Leadership Factor: Contingent reward leadership refers to the constructive transactions of the leader that focus on clarifying role and task requirements and that

provide followers with physical or psychological rewards contingent on the completion of the contractual commitment.

Decliners: Colleges and universities that have experienced a decline in key financial performance indicators over a five-year period.

Educational Competency: A board high on the educational competency has initiated efforts to educate board members to the fundamentals of trusteeship as well as to the unique nuances of serving on its board compared to other boards.

Full-Range Leadership Theory (FRLT): Developed by Bass and Avolio, this theory posits a range of nine factors of leadership from avoidant behavior to charismatic behavior across three broad categories of leadership processes: transformational, transactional and nontransactional.

Gainers: Colleges and universities that have experienced an increase in key financial performance indicators over a five-year period.

Idealized Influence (attributed) Leadership Factor: Attributed idealized influence refers to the socialized charisma of the leader, whether followers perceive the leader as confident, powerful and focused on higher-order ideals.

Idealized Influence (behavioral) Leadership Factor: Differentiated from follower perceptions of attributed idealized influence, behavioral idealized influence refers to the confident, powerful and focused higher-order actions of the leader that are centered on values, beliefs and a sense of mission.

Individualized Consideration Leadership Factor: Individualized consideration refers to leader behaviors of advising, supporting, and noticing the individual needs of followers, helping them to develop and self-actualize, which in turn leads to higher levels of follower satisfaction.

Inspirational Motivation Leadership Factor: Inspirational motivation refers to the ways leaders energize their followers by providing meaning and challenge to their followers' work.

Intellectual Stimulation Leadership Factor: Intellectual stimulation refers to actions of the leader that challenge followers to think creatively and find solutions to difficult problems.

Interpersonal Competency: A board that is high on the interpersonal competency is characterized by inclusiveness, leadership development, and group dynamics that reflect collective goals and achievements.

Laissez-faire Nonleadership: Nontransactional laissez-faire leadership refers to the absence of transactions with respect to leadership where the leader avoids making decisions, abdicates responsibility, and fails to use authority.

Management-by-Exception (active) Leadership Factor: Active management-by-exception refers to corrective transactions of the leader that vigilantly ensure that mistakes are avoided and standards are met.

Management-by-Exception (passive) Leadership Factor: Passive management-by-exception refers to corrective transactions of the leader as interventions after mistakes have already been made or after noncompliance to standards has occurred.

MRT: Methodology for Regulatory Test of Financial Responsibility Using Financial Ratios, financial performance indicators developed for the United States Department of Education (ED) to evaluate institutions of higher education that participate in Title IV student assistance programs.

Multifactor Leadership Questionnaire (MLQ): Developed by Bass and Avolio, the MLQ is a valid and reliable instrument that can adequately measure the various components of the Full-Range Leadership Theory.

New Work Model: Developed by Chait, Holland and Taylor, the new work model theorizes six board competencies that distinguish strong boards from weak ones.

Nontransactional Leadership: Nontransactional laissez-faire leadership refers to the absence of transactions with respect to leadership where the leader avoids making decisions, abdicates responsibility, and fails to use authority.

Performance Indicators: Performance indicators are measures of financial responsibility, and in this study, are defined by the Methodology for Regulatory Test of Financial Responsibility Using Financial Ratios used by the U.S. Department of Education.

Political Competency: Boards high in the political competency respect the rights of all stakeholders, engaging them for the good of the institution and working at reducing conflict and win/lose confrontations.

Stabilizers: Colleges and universities that have experienced stability or little change in key financial performance indicators over a five-year period.

Strategic Competency: A board high on the strategic competency has examined and reexamined institutional and strategic priorities, does its work in the light of these priorities, and acts before issues become urgent or of crisis proportions.

Transactional Leadership: Transactional leadership is rooted in the principle of an exchange that appeals to followers' self-interests, where the leader exchanges rewards for appropriate levels of effort and performance.

Transformation Leadership: The root word in transformational is transform and thus the basic notion that leaders of this type transform the culture of an organization such that the followers are internally motivated to perform their duties.

## APPENDIX B

### INTERVIEW PROTOCOL FOR TRUSTEE

#### **Guide for Interviews with College/University Trustees**

##### **Part I: Introduction**

Hello. I am Ron White. As you know, this project is about leadership and governance in colleges and universities and is entitled *Trustee Competence, Executive Leadership Styles, and Institutional Performance*. I am trying to learn about the issues leaders and organizations like yours are facing and how you are dealing with them. I hope to be able to identify and describe some of the most important leadership practices exhibited by presidents and trustees.

This interview should take about an hour. I will be recording the interview and taking notes for later use in writing about my findings. Everything you say will be treated as confidentially. The names of the sites and the participants will also be kept confidential. The results of this study will be presented in a manner that will not link any individual or institution to anything that is discussed in this interview. You understand that your participation is voluntary. You can stop taking part without giving any reason, and without penalty. You can ask to have all of the information given in this interview returned to you, removed from the research records, or destroyed. Do you give your consent to participate?

##### **Part II: Recent Experiences of Effective Leadership**

Sometimes the best way to understand what's going on in an organization is to think about a recent experience, event, or situation that you have come through. Take just a few minutes and think of a recent experience, project, or event that you and this college/university came through that demonstrates effective leadership by your president and good governance by your board of trustees. After you have selected an event, I'd like to ask you a few questions about it. (Pause to allow the individual to come to a conclusion about the target situation)

- Tell me about the situation. What happened? Who did what? With what results?
- When and how did the trustees become involved? (A) The president? (ME, LFL)
- What part, if any, did mission, institutional values, and organizational culture play? (C)
- How does this board engage the institutional mission? (C)
- If organizational mission and values were involved, what part did the president play in articulating mission and values? (IIB)
- What barriers did the trustees have to face? How did the trustees deal with them? (A)
- What worked in overcoming barriers and why? (A)
- How were goal setting and planning involved? By whom? Trustees? (S) President? (IM)
- How did the trustees accommodate different perspectives? (A) The president? (IS)
- How did trustee meetings exhibit a spirit of openness and freedom of expression? (I)

- How does this board work as a group, i.e., inclusive of everyone? Do they speak up and offer different perspectives? (I)
- How did the trustees include the various stakeholders? (P) In general, how does this board seek feedback from constituents?
- How did the trustees consider the downsides and upsides of this incident? How does this board go about the process of analyzing complex problems? (A)
- How did the trustees account for long-term implications? What part does this board play in the long-term plan? The strategic plan? (S)
- What happened when mistakes were made? By the trustees? (MEA, MEP)(E)? By the president? (IIA)
- How did the president build and sustain relationships? (IIA, IIB, IC)
- How did this event affect the institution? The trustees? The president?
- What do you think were the most important lessons learned from the experience?
- Have others changed or developed as a result of this event? Have the trustees used this event to foster change or development? (E) The president? (5Is)
- How does this board prepare trustees to serve? (E)
- Does this board use a formal self-assessment of its performance? (E)
- How did the president get the people involved to go beyond minimal efforts? (5Is) Is he/she a role model in this regard? (IIB)
- How has this event changed the president's relationship with others in the organization? (5Is)
- What (if anything) does the board do differently now as a result of having come through this event? The president?
- Looking back over the experience, can you think of some aspects or practices of good leadership that should be taken into the future?
- What are some of the important challenges facing this college/university in the coming few years that will need stronger and better prepared leaders? (IM)
- How does the president motivate people to face these challenges? (IM)

Thank you very much for your time and thoughts.

## APPENDIX C

### INTERVIEW PROTOCOL FOR PRESIDENT

#### Guide for Interviews with College/University Presidents

##### Part I: Introduction

Hello. I am Ron White. As you know, this project is about leadership and governance in colleges and universities and is entitled *Trustee Competence, Executive Leadership Styles, and Institutional Performance*. I am trying to learn about the issues leaders and organizations like yours are facing and how you are dealing with them. I hope to be able to identify and describe some of the most important leadership practices exhibited by presidents and trustees.

This interview should take about an hour. I will be recording the interview and taking notes for later use in writing about my findings. Everything you say will be treated confidentially. The names of the sites and the participants will also be kept confidential. The results of this study will be presented in a manner that will not link any individual or institution to anything that is discussed in this interview. You understand that your participation is voluntary. You can stop taking part without giving any reason, and without penalty. You can ask to have all of the information given in this interview returned to you, removed from the research records, or destroyed. Do you give your consent to participate?

##### Part II: Recent Experiences of Effective Leadership

Sometimes the best way to understand what's going on in an organization is to think about a recent experience, event, or situation that you have come through. Take just a few minutes and think of a recent experience, project, or event that you and this college/university came through that demonstrates effective leadership by you and your cabinet and good governance by your board of trustees. After you have selected an event, I'd like to ask you a few questions about it. (Pause to allow the individual to come to a conclusion about the target situation.)

- Before telling me about the critical incident you have chosen, tell me how long you have been president here and where you came from prior to this assignment.
- Tell me about the situation. What happened? Who did what? With what results?
- When and how did you become involved? (MEA, MEP)
- What is your philosophy about a president's role in something like this? (LFL)
- What sorts of ideas, expectations or values about leadership guided your efforts?
- What part, if any, did mission, institutional values, and organizational culture play? (C)
- If organizational mission and values were involved, how did that play out with the trustees? Did they understand the relationship to mission? Did they articulate it? (C)



- What barriers did you have to face? How did you deal with them?
- What worked in overcoming barriers and why?
- How were goal setting and planning involved? By whom? Cabinet? Trustees? (S)
- How were different perspectives accommodated? (IS)
- Tell me about the level of openness and freedom of expression in trustee meetings? (I)
- How were the various stakeholders considered? How did the trustees become aware of all the stakeholders? (P)
- How were downsides and upsides considered in the decision making process? By the cabinet? By the trustees? (A)
- How were long-term implications considered? By the cabinet? By the trustees? (S)
- What happened when performance goals were achieved? How were people rewarded? (CR)
- What happened when mistakes were made? By the cabinet? By the trustees? (MEA, MEP)(E)
- How did you build and sustain relationships? What did you do and why? (IC)
- What were the impacts of this event upon the institution? Upon the trustees? Upon you?
- What do you think were the most important lessons learned from the experience?
- Have others changed or developed as a result of those experiences? Have you intentionally used this to foster change or development? (IC)
- Have the trustees initiated any development activities as a result? (E)
- Did the people involved go beyond minimal efforts? If so, what part did you play in their willingness to put forth extra effort? (IIB, IIA)
- How has this event changed your relationship with others in the organization? (IC)
- What (if anything) do you do differently now as a result of having come through this event?
- Looking back over the experience, can you think of some aspects or practices of good leadership that should be taken into the future?
- What are some of the important challenges facing this college/university in the coming few years that will need stronger and better prepared leaders? (IM)
- How will you motivate your people to face these challenges? (IM)

Thank you very much for your time and thoughts.

## APPENDIX D

### INTERVIEW PROTOCOL FOR CABINET MEMBER

#### Guide for Interviews with College/University Presidential Cabinet Members

##### Part I: Introduction

Hello. I am Ron White. As you know, this project is about leadership and governance in colleges and universities and is entitled *Trustee Competence, Executive Leadership Styles, and Institutional Performance*. I am trying to learn about the issues leaders and organizations like yours are facing and how you are dealing with them. I hope to be able to identify and describe some of the most important leadership practices exhibited by presidents and trustees.

This interview should take about an hour. I will be recording the interview and taking notes for later use in writing about my findings. Everything you say will be treated confidentially. The names of the sites and the participants will also be kept confidential. The results of this study will be presented in a manner that will not link any individual or institution to anything that is discussed in this interview. You understand that your participation is voluntary. You can stop taking part without giving any reason, and without penalty. You can ask to have all of the information given in this interview returned to you, removed from the research records, or destroyed. Do you give your consent to participate?

##### Part II: Recent Experiences of Effective Leadership

Sometimes the best way to understand what's going on in an organization is to think about a recent experience, event, or situation that you have come through. Take just a few minutes and think of a recent experience, project, or event that you and this college/university came through that demonstrates effective leadership by your president and good governance by your board of trustees. After you have selected an event, I'd like to ask you a few questions about it. (Pause to allow the individual to come to a conclusion about the target situation)

- Tell me about the situation. What happened? Who did what? With what results?
- When and how did the president become involved? (MEA, MEP, LFL) The trustees? (A)
- What part, if any, did mission, institutional values, and organizational culture play? (C)
- If organizational mission and values were involved, what part did the president play in articulating mission and values? (IIB) What part did the trustees play? (C)
- What barriers did the president have to face? How did he/she deal with them? (IIB, LFL)
- What worked in overcoming barriers and why?
- How were goal setting and planning involved? By whom? President? (IM) Trustees? (S)
- How did the president accommodate different perspectives? (IS) The trustees? (A)

- How did the president foster a spirit of openness and freedom of expression? (IS) Did trustee meetings display an atmosphere of openness and freedom of expression? (I)
- How did the president include the various stakeholders? (IS) How did the trustees become aware of all the stakeholders? (P)
- How did the president consider the downsides and upsides in his/her decision making process? (IS) The trustees? (A)
- How did the president account for long-term implications? (IM) The trustees? (S)
- What happened when performance goals were achieved? How were people rewarded? (CR)
- What happened when mistakes were made? By the president? (IIA) By the cabinet? (IC, MEA, MEB) By the trustees? (MEA, MEP)(E)
- How did the president build and sustain relationships? (IIA, IIB, IC)
- How did this event affect the institution? The president? The trustees?
- What do you think were the most important lessons learned from the experience?
- Have others changed or developed as a result of this event? Has the president used this event to foster change or development? (5Is) The trustees? (E)
- How did the president get the people involved to go beyond minimal efforts? (5Is) Is he/she a role model in this regard? (IIB)
- How has this event changed the president's relationship with others in the organization? (5Is)
- What (if anything) does the president do differently now as a result of having come through this event? The trustees?
- Looking back over the experience, can you think of some aspects or practices of good leadership that should be taken into the future?
- What are some of the important challenges facing this college/university in the coming few years that will need stronger and better prepared leaders? (IM)
- How does the president motivate people to face these challenges? (IM)

Thank you very much for your time and thoughts.