PRESIDENT GARDNER'S ADDRESS TO
THE MANAGEMENT INSTITUTE (7-11-85)

Moderator:

I have been given the pleasure of introducing David P. Gardner, President of the University of California, to you. I want to make this introduction a little different; thus, I'm not going to give you a litany of David Gardner's achievements prior to and since he became President of the University of California. I want to share with you some personal experiences and how I relate them to him. As most of you know, I'm a recent recruit from New York City to the University of California management team. Probably the most recent--and I want to tell you, President Gardner, there are at least eight of us in this group from New York City, and we, along with Dick Catalano, are slowly taking over the University. I have been at Davis for just over nine months. My educational and professional background has a New York City and New York State base. I attended public universities in New York, headed by some of this half-century's outstanding leaders in higher education: Al Bowker at CUNY, who was also my first boss, Ernie Boyer at SUNY, and Bob Kibbee at CUNY. I also attended and got my degree from New York University, a private institution, but one with a strong commitment to higher education for the people of the city of New York. Jim Hester and John Sawhill headed NYU while I was there, as John Brademas does now. All of these men believe in and strive for the mission of higher education; that is, to educate, with excellence, students regardless of race, ethnicity, or gender, who will be the leaders of this country and the world tomorrow. My education and career path have been dedicated to higher education and I have an acute sense of the importance and value of it to us as a society. I share these men's commitment to it. Leaving behind the arena of men like these was difficult, but I opted for the challenge of the University of California. I knew that David P. Gardner was the President of the University of California, and I was excited about that because I mixed him up with John Gardner, who wrote a book that has left an indelible impression on me, and that book was titled Excellence. I just assumed A Nation At Risk was by the same man. Now, for nine months plus at Davis, I have been watching, listening and reading David P. Gardner--not mixing him up with John--and talking to people who work with him or close to him, hearing him described as a man with a commitment, i.e. the excellence of

the University of California, a man with a sense of values, with sensitivity, with integrity, with trust. A man with whom you may not always agree but whose opinions you respect because of his thoroughness in attempting to understand the situation involved. I can now say that I may have left behind some great people, so to speak, but I have found in David Gardner one whose commitment to public higher education and its importance to our society is at least equal to that of the educational leaders I left behind. Ladies and gentlemen, it is with great pleasure that I present to you David P. Gardner, President of the University of California, who will be talking to us about management in the University of California system.

David P. Gardner:

I appreciate both that introduction and that welcome and also being confused with John Gardner, one of my heroes and really a very great American. Al Bowker, to whom you made reference, of course, served as Chancellor of the Berkeley campus for over eight years. Ernie Boyer, who went to the State University of New York, did so from UC Santa Barbara, so we have a lot of connections between New York and California.

This is the third opportunity I've had to participate in this conference, this Institute, but only the second time I've participated in person. The first time was in the summer of 1983, and I'd been appointed but hadn't taken office, and Joe McGuire, with whom I'd served as Vice President at the University of California, came to Salt Lake, and we made a video tape for about an hour and that was shown here. Last year, I was able to come really for the first time in person and, therefore, this is, in a way, my second visit but my third opportunity to participate. I hope it will be helpful to you. I intend, in any event, that it should be, and I think that the way I can be most helpful to you is to keep my formal remarks to a minimum so as to afford most of the time for questions. After all, you come from different campuses and from different backgrounds; you come with your own set of biases and experiences and perspectives and it's a bit hard for me to assume that what I have to say will be of common interest to each of you. Moreover, it's important for me to know what questions you have and what issues are of interest to you. I looked over your agenda; it's really quite complete. Indeed, after having heard reports on this morning's presentation, I'm not sure that I shouldn't have spoken first, rather than later. I wished I could have heard that, and if the text is

available, I'd appreciate having a copy. In any event, I'll do the best I can to make this helpful.

Before we talk about management within the University of California, I think it's important for us to have in mind what it is we are trying to manage, so let me give you a profile of this institution. I do that because I've found that most people, quite naturally, tend to arrange their views to comport with the environment in which they find themselves. Thus, you'll have an interest in Davis or Los Angeles, or San Diego or Irvine, more than you'll have in any of the other eight campuses; not only that, you'll have an interest in that sphere of responsibility that you occupy on that campus. So my objective is to try to give a large sense of this enterprise so that your place in it can be perhaps more helpfully appreciated.

We have nine campuses, as you know--Davis, Berkeley, San Francisco, Santa Cruz, Santa Barbara, Los Angeles--known there as UCLA--Riverside, Irvine, San Diego. Eight of them are general campuses, by which we mean campuses that offer a full panoply of undergraduate offerings, a full range of Ph.D and other programs at the graduate level, as well as a number of professional schools. That has not always been so in the University of California. Not all campuses were originally general campuses. Davis, for example, was not a general campus when it started; neither was Riverside, neither was Los Angeles. But there are eight general campuses now, and that's very important in terms of understanding the University of California, where it is and its remaining potential. The one specialized campus, of course, is San Francisco, which focuses on health sciences. We own and operate five teaching hospitals; depending on the day you visit with me about that, I have different views on how good an idea that is, but in any case we have five teaching hospitals, enormously complex enterprises; to give you a sense of the scale of those five hospitals, they are a billion dollar business. We have three law schools, plus an affiliation with Hastings College of Law in San Francisco; nine agricultural field stations, twenty-six sites in the Natural Reserve System, and a world-renowned oceanographic institution at Scripps, which is part of UCSD. We have 20.5 million volumes in our main and specialized libraries, of which there are over one hundred; only the Library of Congress exceeds our holdings, and not by much. We have more than 105,000 persons who work for the University, including 31,000 who are in the academic part of the enterprise, not only Assistant, Associate, Full Professors but instructors, lecturers, librarians, those in the

research ranks and so forth. We enroll roughly 145,000 students; approximately 106,000 undergraduates, approximately 26,000 graduate students, with the remaining students enrolled in the health sciences. We manage, under contract with the Department of Energy, three major national laboratories, which is a source of ongoing contentiousness within the University of California: the Los Alamos National Laboratory, the Lawrence Livermore National Laboratory, and the Lawrence Berkeley Laboratory, adjacent to the Berkeley campus. In the current fiscal year, those laboratories spend about 1-1/2 billion dollars and they employ roughly 20,000 people. University Extension enrolls about 350,000 people annually, and it is entirely self-supporting--Extension receives no state monies. Cooperative Extension operates in every county in the state. The University Press, which is one of the truly distinguished presses in the world, is an important means through which the University reaches out to the general public as well as to specialized audiences.

To finance these activities, the University's expenditures in the '84-85 fiscal year were approximately 5.5 billion dollars; that includes funding for the national laboratories. Of the total amount of money spent by the University of California, 27 per cent comes from the State. If you take out the labs, 40 per cent comes from the State, which means 60 per cent comes from some other place--hospitals, students' fees, self-supporting auxiliary enterprises, gifts, contract and grant income. We receive about 600 million dollars a year in federally sponsored research--eleven per cent, I believe it is, of all federal dollars spent on university research in this country. We have exchange agreements with 45 of the world's leading universities in 26 countries. That sounds like a lot but it isn't in my opinion--we need to expand it. We only have something like 800 students studying abroad; we should have 2,000 or 3,000 studying abroad every year. I can go on, but the figures I've listed give you a sense of the size and complexity of UC. You already know the kind of quality the University of California possesses. You can take any one of our campuses and compare it with leading universities in the United States. If you take the University of California in its totality, there is no institution with which it can be compared. It's a very remarkable place.

The University, in other words, is a very large organization. We feed thousands of people every day. Our meals don't cost much--I'll stop there. We maintain thousands of acres of land in the Natural Reserve System.

We invest 6 billion dollars in our investment portfolio. We repair and maintain literally thousands of buildings, classrooms, laboratories, and offices. We purchase everything from enzymes to pencils. We contract for services of the most sophisticated kind--architects and actuaries, appraisers and accountants, bond counsel and investment advisers. We are one of the state's largest employers. The direct economic impact of the University is very large indeed. The indirect economic impact is enormous.

We are not a private enterprise; we are a public entity, but given life and secured within Article IX, Section 9 of the State Constitution. Full powers of governance are given to a Board of Regents, who are to see that the University's internal affairs are kept entirely free of political and sectarian influence, and that's not easy. Now, if we were a private corporation, having responsibility for this range of activities, the President's Office would probably be a holding company of one kind or another, and we'd have wholly owned subsidiaries operating various facets of the University of California's operations. For example, we'd probably have one operating the hospitals, we'd have one operating the graduate schools, we'd have one that runs the organized research units, we'd have another to handle the Natural Reserve System, and so forth. We'd have our own insurance company, we'd have our own investment house, we'd have our own law firm and so forth. We can't organize it that way because the nine campuses, by and large, do all of these things simultaneously at the same place and therefore, the range and diversity and complexity of the University of California, as an organizational entity, have few rivals. Moreover, the fundamental model, milieu, culture of the University's institutional form and character, predate the American corporate model by about 800 years. The American university, that is, has its roots in eight centuries of history, beginning with the universities in Europe in the Middle Ages--Paris and Bologna and Salerno. Indeed, some of the terms we use, the term "university" itself, "regent," "chancellor," "professor," "degrees" that we award, disciplines that we sponsor, all have their origins in the universities of Europe in the Middle Ages.

But the American university is a unique and peculiar place--not entirely medieval, as some of our students from time to time suspect. In the latter part of the 19th century, there occurred in this country a remarkable blending of three forces: the undergraduate model, which arose mostly out of the British experience, which, in turn,

had come from the University of Paris, with an emphasis on a broad range of undergraduate offerings--excluding science, by and large. That came together with the introduction of the graduate school model, with its emphasis on empiricism and science, that was coming out of Germany at the time and was grafted onto the British undergraduate model. The third ingredient was the Land Grant Act of 1862, the Morrill Act, which gave life to the great land-grant universities of this country, with its peculiarly American emphasis on increasing access to universities and diversifying the curriculum, making it more practical, while leaving the more basic aspects of undergraduate education intact. Out of that ferment, the coming together and confluence of those three forces, the modern American university emerged, including the University of California. It's not coincidental that the founder and first president of Johns Hopkins University, which was the first honest-to-goodness university in this country, was Daniel Coit Gilman, who was also the first president of the University of California and went from here to Johns Hopkins and therefore introduced some of these precepts and ideas at the very earliest stages of the growth and development of the University of California.

And so we have a very special kind of enterprise--partly defined as well as constrained by its history, peculiarly American, centuries-old and yet tempered by the realities of contemporary American life. We are, moreover, a creature of the people of the state of California, and we forget that at our peril--there are no walls around our campuses and there should be an evident flow, both of ideas and people, back and forth between universities and society. Moreover, in an efficiency-minded society that tends to be focused on cost-benefit ratios, on assessing the worth of every expenditure, universities have tough sledding because it is very difficult for us to measure what kind of job we're doing. We do have measures for assessing the quality of faculty, but even those tend to be flawed, I feel, because they are so heavily focused on research. And it's never really very clear to me whether the quality of those students who are graduated from the University of California has been helped along or hindered by our efforts, based upon what they bring to us compared with what they take with them when they leave. We have bright people coming in and we tend by and large to have bright people leaving. We can't just say we have bright people graduating from the University of California; therefore, we made them bright. So it is difficult for us to convince others, even if we may be convinced ourselves, of how effective a job we are doing. So, what are the

implications of this for management within the University of California?

Well, in spite of the differences between us and large, complex organizations in this society generally, we are, in fact, a large-scale, complex, if atypical organization. And we are an institution founded on the proposition that decisions should be made in as shared a fashion as possible and with a minimum of hierarchy and with a minimum of the kind of bureaucracy that interferes with the essential purposes of the institution. Obviously we are imperfect in our response to those objectives, but we should keep them in mind so that where we have choices, we err on the side of doing the right thing as against the wrong thing. And in some respects, the institution is managed best if it tends to be managed least. Now, it depends what facet of the enterprise you are talking about; that's not true of all of it, but it's true of a good part of it. For example, I don't manage the work of Professors of Physics, Music, Engineering, Business, Law, Philosophy, or History. My job is to help manage the environment within which they are permitted to do their work and to help facilitate their work and the work of their students. Those of us in the administration, while less fully appreciated than we think we should be from time to time, are nevertheless principally responsible for creating an environment that is conducive to and facilitating of the outcomes we seek as against hindering or constraining them. At the same time, we must be accountable for all the money that we spend--to the state, to donors, to parents, to students, to other interested parties who help provide those resources. Now, each of us has our own particular role to play. I have one to play. During my career I've played a number of roles within the University of California and so I have, I think, a reasonably good appreciation of the arena within which each of you functions in your respective areas--but not as immediate a sense of it as you do, of course. Let me share with you how I see my role because, in some respects, it will be like yours as well.

I am charged with serving as the Chief Administrative Officer of the University, and I am held accountable by The Regents for that role. If there is a problem in the institution, it is not sufficient for me to apprise The Regents of the fact that there is a problem and it's someone else's fault. They don't care whose fault it is. I'm the President and that's the way they look at it. So they assign to whoever happens to be holding this post at any given time responsibility for overseeing the administrative

affairs of this institution. What does that involve? First, it involves monitoring and assessing the work of those who are reporting to me, making sure they do their job. Part of doing my job is making sure others do theirs, so occasionally I'm going to reach around the Chancellors and offer comments about how a particular job is done. I also have responsibility for developing and monitoring and overseeing University policies--that is, those policies that apply across the University. I try to keep those to a minimum and, as my staff will tell you, whenever a question comes up about whether we should have a policy or not have one, my preference is not to have one if at all possible. I think the University works best under those circumstances.

I'm obliged to work with Regents, Chancellors, Vice Presidents, the statewide Academic Senate, statewide staff representatives, various statewide student organizations, the power structure of the state, politicians, major donors, the business community, foundations; we receive about 600 million dollars a year, as I mentioned, from the federal government, so I have to have some interaction there, not only with the executive branch but with members of Congress. The University of California, as you know, is really an international institution and so I'm around the world quite a bit. I have to mediate and arbitrate differences that exist among and between those to whom I have referred--the divestment issue, which I'm sure I'll be asked about later, is one of those. By the time a dispute reaches my desk, it's on my desk because others disagree and I have to decide. So those are some of the responsibilities I have as Administrative Officer.

Second, I'm responsible for making the key administrative appointments in the University. It's true that The Regents appoint the Chancellors and it's true that The Regents appoint the Vice Chancellors and it's true The Regents appoint the Vice Presidents. It's equally true that they wouldn't have a President very long if they didn't agree with the recommendations I made to them on those appointments. So, for all practical purposes, I make those appointments and expect The Regents to support them. In order to do this well, I have to understand the academic or administrative unit persons serving in those roles are being asked to administer--that is, I have to understand what it is they're expected to do in order to make an intelligent and wise decision about who should be serving. I have to understand the fit between what's required for that administrative or academic unit and the qualities and competencies and flaws brought to the job by the candidates

who are under consideration. And someone who might fit during one five-year period wouldn't fit in another five-year period. I have to work at that, and I do spend a good deal of time on it. When we searched for a Chancellor at this campus, for example, here at Irvine, I spent considerable time on the search, and so did many people here. It's a collaborative effort. It's important. Even if you don't think it's important, you'll certainly think it is if we make a mistake.

The third area: I bear primary--not exclusive, but primary--responsibility for preserving the institutional autonomy of the University of California, and the intellectual and academic freedom of those who are in it, while at the same time fostering an environment within the University that is conducive to the free exchange of ideas. That is not easy, both because of internal pressures and external pressures. I find there are as many internal pressures unfriendly to the proposition that ideas should be freely exchanged as there are external pressures.

Fourth, I have the principal responsibility for acquiring the resources we need to do our work. After all, we have a budget for the University of California, not a budget for UC Irvine or UC Santa Barbara or UCLA or UC Berkeley. We have a budget for the University of California as a single institution. Many people work on that all year long--competently and effectively. My job is to make sure that that work gets done, to make certain strategic decisions, to decide what it is we are going to ask for and then to decide how to allocate the funds.

Next, I need to be sure that the University of California is interpreting to the people of the state what it is that we are doing in order to induce and engender the measure of support we need from them to obtain the resources we need to do our work. Now, the public isn't responsible for discovering what we're doing; it's our responsibility to explain to the public what we're doing, not just as a monologue but also as a way of seeking its advice and taking its criticisms seriously. That doesn't mean we have to agree with them, but at least we should listen, and that means sharing with the governor, legislators, the media, alumni, public, members of the business community, minority communities, the agricultural community--all the constituencies in which the University of California has a vital interest--what it is we're doing and why it matters to California's future and to each of those groups.

Finally, I need to know enough about what's going on in the world to know where the winds of change are blowing across the landscape so that I'm in a position to nudge the University a certain way as against allowing it to drift another way, which means I'm out and around the world, involved in trying to inform myself as best I can about those forces in the world that will, in the longer run, tend to impinge and impact upon the institution in ways we need to be aware of if we are to make a decision to follow the best course.

Well, I've simply skimmed across the surface really. But that's probably more than sufficient. To give an adequate exposition of the complications of managing this institution would take more time than you would wish me to take and so, if I may, I would like to stop and invite questions.

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