The Role of Supportive Leaders At Top Performing Universities: Best Practice Lessons from American Institutions for Indonesian Higher Education

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The Role of Supportive Leaders At Top Performing Universities: Best Practice Lessons from American Institutions for Indonesian Higher Education

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Abstract
Leaders at top performing American universities share the fundamental belief that the faculty is the engine of quality within the university and that supportive leadership can fuel it. Academic administrators who function as supportive leaders help create the interpersonal, institutional, and financial conditions necessary to support high levels of performance by members of the faculty. This paper discusses and illustrates supportive leadership in top performing American universities in order to stimulate dialogue about whether and how supportive leadership can be fostered in Indonesian institutions of higher education.

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Introduction
Indonesian higher education has a unique window of opportunity to elevate the quality of its universities to improve Indonesia’s international competitiveness and contribute to sustainable economic growth and poverty reduction. To do so, building on development efforts begun 40 years ago (Sutton, 1991), higher education leaders have embarked on a process of increasing the efficiency and effectiveness of higher education through improved quality, capacity, and relevance of the priority disciplines in the public and private universities (Asian Development Bank, 2008). Recent legal and regulatory changes in higher education promote a focus on increasing scientific research capacity — the knowledge sector — while expanding access to ever larger numbers of students, including through the development of community colleges.

The changes occurring in the higher education system are situated in the context of profound political and social changes that have taken place in Indonesia since 1997. As noted by AusAid (2011), the current generation of Indonesian college graduates will be the first to have grown up in an environment of uncensored press, competitive elections, and an Indonesian leadership role in global institutions. Their access to knowledge and information is unparalleled by prior generations. Decentralization of government and administration to local levels have increased the demand for managerial and technical expertise throughout society.

It is in this dynamic context that senior academic administrators will be challenged to exercise leadership toward the realization of very high goals for Indonesian universities, such as attainment of world-class status. Supported by USAID, the Higher Education Leadership and Management (HELM) initiative has been established in Indonesia to build leadership capacity. HELM invited the senior author to address a group of senior university administrators in Jakarta on the role of “Supportive Leaders” in American higher education. The purpose of this paper, therefore, is to provide a glimpse into the characteristics of top-performing American universities and the role of supportive leaders within them in the hope that it can stimulate dialogue about effective leadership for higher education improvement in Indonesia. It is especially informed by the senior author’s own experience as University Dean of Education at Indiana University, Bloomington.

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The Campus and Cultural Context for Supportive Leadership

The Bloomington campus of Indiana University is described as follows: “Founded in 1820, IU Bloomington is the flagship campus of Indiana University’s eight campuses statewide. Innovation, creativity, and academic freedom are hallmarks of IU Bloomington and its world-class contributions in research and the arts” (Indiana University, 2005). Herman B. Wells, who served the university as president from 1938–1962 and university chancellor from 1962–2000, is credited with elevating the university into the ranks of the world’s top universities by emphasizing research, the arts, and international studies. Today, Indiana University is known as a global, public research university with a strong tradition of liberal arts education, international engagement, and excellence in the arts. It attracts faculty and students from every corner of the world to the Bloomington campus because of the reputation and traditions Chancellor Wells helped establish.

The author is all too aware of how the present day systems of higher education in different nations are shaped by their unique historical and contemporary circumstances. Where possible in this paper, perceived similarities and differences between higher education in the U.S. and Indonesia will be pointed out. The author’s intent is to stimulate dialogue on the topic.

World-class universities in the United States and throughout much of the world share some common characteristics. They have excellent faculty, supportive leaders, strong scholarly and cultural traditions, and effective financial systems. Leaders at these institutions share the fundamental belief that the faculty is the driver of quality within the university (Lombardi, Capaldi, Crag, Gater, & Mendonca, 2001). As Altbach and Salmi (2011) observe in a discussion of the research university:

At the heart of the research university is its academic staff, which must be committed to the idea of disinterested research — knowledge for its own sake — as well as to the more practical elements of research and its use in contemporary society. (p. 5)

Faculty are the ones who conduct the research needed to generate new knowledge, transmit knowledge through teaching, and engage in outreach and service to external publics based on research and best practices within their academic disciplines. Therefore, academic administrators who function as supportive leaders help create the interpersonal, institutional, and financial conditions necessary to support high levels of performance by the faculty.

Academic leaders in the U.S. and of top-ranking universities around the world share a commitment to egalitarian and participatory governance. Rather than authoritarian managers who dictate policies and procedures, supportive leaders act primarily as stewards of the resources entrusted to them to serve the needs of the faculty they lead. They manage a system of shared governance designed to ensure faculty have a meaningful voice in formulating and implementing academic policy. They also seek to advance their institution’s mission within the cultural context in which it exists and manage financial resources to provide the infrastructure necessary to nurture talent and support faculty members to produce excellent teaching and research.

Supportive Leaders as Effective Communicators

As noted above, a supportive academic leader is one who creates the interpersonal, institutional, and financial conditions for faculty to become creators and transmitters of knowledge. Supportive leaders are (1) effective communicators; (2) champions of institutional missions; and (3) responsible stewards of resources.

Supportive leaders are above all effective communicators. They possess active listening skills that foster interpersonal relationships built on trust and mutual respect. Active listening has been defined as a set of skills grounded in humanistic philosophy and designed to effectively communicate understanding, empathy, and unconditional positive regard in an appropriate cultural context (Rogers & Farson, 1979). Used appropriately, active listening strengthens personal relationships, reduces misunderstanding and conflict, and fosters collaboration. Active listening requires the leader to use facilitative responses such as paraphrasing and clarifying statements, reflection of content and feelings, and summarizing statements to show deep interest in and understanding of the speaker’s intentions and feelings. When these conditions exist, trust between a supportive leader and his or her constituents grows. Though the leader of an organization can have role authority given to him or her by a governing body, successful leaders rarely use that authority and, instead, depend on earned influence to generate commitment, as opposed to compliance with authority, to the goals of the organization. Without trust, leaders of organizations will have a difficult time acquiring the influence necessary
for success (Cangemi, Kowalski, Miller, & Hollopeter, 2005). Trust is important for effective leadership of any organization, but it is essential for leadership in academic institutions where power is distributed and quality is dependent on the performance of faculty members who conduct the teaching and research. Even if decisions ultimately made by an academic administrator are not in agreement with the request of a faculty member, it is important that those making the request feel they’ve been listened to and treated respectfully.

Radford University in Virginia has incorporated principles of supportive leadership into the mission statements of its academic and student support units. The University’s website (Radford University, 2012) features a PowerPoint presentation that identifies supportive leadership behaviors as:

- Being considerate and understanding;
- Showing concern for followers’ needs;
- Being friendly, informative, and encouraging;
- Being sympathetic to other’s problems;
- Showing trust and respect; and
- Helping followers develop abilities and careers.

When leaders practice these behaviors, they build strong relationships with individual members of their faculty. Indeed, supportive leaders make every individual they serve feel special and valued for their contributions to their institution’s mission.

But supportive leaders also build strong relationships with groups of constituents. They are seen as strong advocates for their faculty and institutions. The same active listening skills necessary for building strong individual relationships apply to the development of trust with groups of constituents, whether a small committee or an entire academic unit. Thus, supportive leaders practice active listening skills whether they are interacting with an individual faculty member or the entire faculty’s membership. Supportive leaders should not be distracted by their own priorities and interests. They are elected or appointed to positions of leadership precisely because they are perceived as well suited to represent the interests of the faculty and advocate on its behalf. The receptive and active communication skills that facilitate interpersonal relations also contribute to leadership effectiveness in fostering the institutional and financial conditions necessary for faculty to thrive as producers and transmitters of knowledge.

**Supportive Leaders as Champions of Institutional Missions**

To serve as effective champions of institutional missions, one of the most important criteria is the fit between the leadership style the leader brings and the needs of the faculty. When there’s a good fit, a supportive leader can help achieve the goals of the faculty and contribute to the advancement of the institution’s mission. When there isn’t, time and talent needed to advance the institution’s mission is consumed in trying to resolve conflict and deal with situations driven by personal gain rather than the common good. And, when the mission is changing, as is the case among Indonesian universities, a supportive leader also must be an effective cultural mediator.

Great academic institutions have deeply rooted intellectual and scholarly traditions developed over long periods of time. Some of America’s greatest universities also are the oldest. They have built traditions of excellence in teaching and research over many generations of continuously improving the quality of their faculty and preparing students for leadership positions in the disciplines they encompass. Over time, they developed national and international reputations of quality in specific fields that help attract the best and the brightest teachers and researchers to their faculties. Harvard University, the oldest American university, for example, has articulated a set of values that defines the expectations of everyone who contributes to the core teaching and research activities of the institution (Harvard University, 2002). They are:

- Respect for the rights, differences, and dignity of others;
- Honesty and integrity in all dealings;
- Conscientious pursuit of excellence in one’s work; and
- Accountability for actions and conduct in the workplace.

This mission statement echoes the principles on academic culture laid out in the recent Higher Education law in Indonesia. In article six of the 2012 law, the principles defining “academic culture/community” or “Sivitas Akademikas” include “seeking scientific truth
through academic culture/community” and doing so in “a democratic and just manner that upholds human rights, religious values, cultural values, diversity, and unity.” In the broadest sense, all academic leaders are charged with promoting the impartial search for truth. However, the cultural resources that support this mission vary significantly between U.S. and Indonesian higher education; and the specific mission of individual institutions also varies by type and history.

The Role of Supportive Leaders in Relation to Academic Standards of Quality

The defining characteristic of academic culture in the United States is the peer review system. Faculty members within these institutions typically belong to national and international professional societies and organizations that establish the academic standards for a particular discipline. These standards define the methods of research and indicators of quality that teaching staff within a field of practice are responsible for and expected to uphold. Thus, members of the faculty of education are expected to teach and conduct research in alignment with the standards set by the professional societies that define membership in the field of education. Likewise, members of the faculty in the physical sciences are expected to teach and conduct research in accordance with the precise standards of scientific inquiry established for fields such as physics, biology, chemistry, and the like. Each of these professional societies has their own standards and methods for reviewing and validating the quality of the work done by its members or those aspiring for membership and advancement within the fields they represent. In most cases, these processes involve some level of replication of research and peer review of results before public dissemination through publication. Lombardi (2012), who has written in detail about the role these professional societies play in guaranteeing that the members’ products meet their established criteria, equates their role to that of the role craftsmen guilds have performed since medieval times. He underscores that publishing research under a professional society’s standards does not guarantee the correctness of the resulting interpretation, only that the appropriate methodology was used to permit other expert members of the society to review and validate the published work. Lombardi writes, “The guild does not pass judgment on whether a scholar’s idea is right or wrong, but rather it ensures that scholarly ideas receive rigorous analysis and proof regardless of the political or personal interests that may surround them” (p. 10). It is that process of peer review, therefore, that ultimately defines the intellectual standards and quality of the work produced by the faculty.

It is not the role of a local university to define the academic standards of their faculties. As outlined above, in the American system of higher education, and especially among the top research universities, academic standards are defined by the national and international professional societies to which faculty members adhere. It is, however, the role of the local university to define the level of productivity and quality required for membership in their faculties. In collaboration with the faculty of a particular academic unit, who are primarily responsible for ensuring that those recommended for appointment to the faculty meet the academic standards of their fields, the local university manages the employment and work assignments of its faculty. If, as a result of these joint efforts, the quality of the faculty improves, the university quality improves. If the levels of quality among the faculty decline, the university quality declines (Lombardi et al., 2001).

Differences and Similarities Between Indonesian and American University Cultures

The historical development of higher education in Indonesia has not led to the creation of a culture of autonomous professional associations that sustain standards of scientific research, nor of peer review practices that strengthen the quality of scholarly work. Rather, the pursuit of knowledge in Indonesian higher education has been defined by what Peg Sutton (1991) dubbed “a bureaucratic knowledge culture” in her dissertation that examined the ways in which social science scholarship at a provincial university influence the daily lives and understandings of local community members. According to Sutton, a bureaucratic knowledge culture is one in which:

… the dominant mode of analysis, the major sources of information, and the bases for rationalizing research projects come from the government apparatus of Indonesia…., the sphere of reasoning of the Indonesian social sciences is circumscribed by bureaucratic procedures and government policies. (Sutton, 1991)

In the 20 years since these words were written, the government and administration of the Republic of Indonesia have undergone dramatic transformation. In
terms of peer review practices, there has been growth in cross-institutional professional associations of scholars in specific fields. However, the practices of peer review are not yet a feature of scientific knowledge creation in Indonesia. It seems that one of the great challenges facing academic leaders in Indonesia is to promote the development of autonomous professional review of scholarship (Prabowo, 2012; Susanti, 2011).

As in Indonesia, the higher education system in the U.S. encompasses a wide range of institutions, each with specific academic missions. There are more than 4,000 two-year and four-year institutions of higher education in the United States. But only about 200 of these are considered research universities, defined as those that spend at least $20 million a year from federally funded research programs. This group has about 143 public and 57 private not-for-profit institutions. Although these top American research universities demonstrate a wide variety of organizational arrangements, all of them share certain common characteristics in the way they organize their operations.

The prototype of the American research university consists of two related, closely linked, but relatively independent operational structures. The first is an academic core composed of faculties that have primary responsibility for academic content and quality of the institutions and, second, an administrative structure responsible for managing the acquisition and distribution of resources to support their faculties (Lombardi, 2012). The recent development of master’s degree programs in educational management (MM-PT) at three leading universities in Indonesia reflects both government commitment and social demand for the professionalization of the administrative structure in Indonesian higher education.

Given the ways in which the dual roles of the academic core and administrative structures impact institutional performance, effective leaders understand that the processes used to identify top talent and recruit it to the university cannot be so highly centralized as to exclude active participation by any of the segments that share responsibility for maintaining and improving institutional quality. Neither the faculty nor the central administration acting alone can ensure the recruitment and appointment of high quality faculty. While the faculty is primarily responsible for the academic quality of new faculty appointments, the administration is responsible for securing and distributing the resources needed to create the necessary conditions for recruiting highly talented faculty and supporting them to be successful. In the fierce competition that exists among and within top universities to recruit high quality talent, money matters (Lombardi, 2012). As the primary representative of the faculty to the central administration of his or her institution, the dean serves as the leading faculty advocate in the competition for resources managed by the central administration. The central administration, in turn, manages the university’s money and creates incentives to motivate high quality performance.

The Importance of Good Fit Between Leaders and Institutions

Successful institutions take great care to ensure that the qualities of the leader fit the priorities of the faculty. In the United States, academic leaders, whether at the faculty or administrative level, are selected through a variety of processes. In some cases, searches are conducted internally within the institution. In others, broad-based national and international searches are conducted to identify and recruit the best possible talent in the world. Some searches are conducted by search and screen committees of volunteers whose job is to identify the most qualified candidates and make recommendations to institutional leaders. Other times searches are conducted by professional agents who are paid for their services and bring forth candidates who are anonymously considered by institutional officials, such as board of trustees, that have the power to make final decisions on leadership appointments. In practically every case, however, there are multiple opportunities for input from faculty, as well as others, who would be served by the elected or appointed leader. The process by which the leader is selected is less important than ensuring that, however the leader is selected, he or she is someone who is a good fit for the culture and mission of the institutions they lead.

Even when care is taken to select the most appropriate leader to help the institution reach its aspirations, there’s no guarantee the person will be successful. In the U.S., academic leadership appointments can be renewed or terminated. Some deans and rectors, for example, serve for a very short time. Others serve for a decade or even longer. A mistake many newly appointed or elected leaders make is trying to lead without a deep and meaningful understanding of the culture and traditions that define the institutions they serve. In America, as we have seen, there’s a wide variety of institutions of higher education. There are technical colleges, community colleges, liberal arts colleges, private universities, public universities, research universities, regional colleges,
open admissions colleges, highly selective universities, and various other types of post-secondary institutions. The missions, cultures, and traditions of this wide range of institutions are very different. An effective leader for one type of institution is not necessarily an effective leader for another type. It is incumbent on every prospective or newly appointed institutional leader to become familiar with the unique culture and traditions that define the institution they are asked to lead. Supportive leaders take time to learn and understand the mission and traditions of their institutions so they can effect change, where needed, and build on institutional strengths where they exist.

When academic leaders stray from the values of science in general and their institutions in particular, they can be sanctioned by their community. At the University of Virginia, an American public university founded by Thomas Jefferson, a signer of the United States Declaration of Independence, the central mission is articulated as “to enrich the mind by stimulating and sustaining a spirit of free inquiry directed to understanding the nature of the universe and the role of mankind in it” (University of Virginia, 1985). Such a focus on free inquiry has given rise to a strong tradition of academic freedom and a code of ethics everyone at the university, including administrators, faculty, support staff, and students, are expected to uphold. A recently alleged breach of the code of ethics by the University’s rector and board of rectors culminated in the dismissal of the university president (Holsinger, 2012). But a revolt led by faculty forced the board of rectors to reverse their decision and reinstate the president. In an opinion column critical of the university board of rectors’ actions to dismiss the president, Kyle Schnoebelen (The Daily Progress, 2012) wrote “UV undoubtedly faces challenges. However, an outright betrayal of our bedrock principles, no matter the situation, can never aid our mission.”

Great universities are built by visionary leaders who support creating and/or sustaining traditions of excellence in specified fields, attract excellent faculty and students who want to be part of those traditions, and support them to achieve at the highest levels of quality. Supportive leaders must be knowledgeable of the values and traditions that characterize their institutions and seek to build on those traditions to perform at even higher levels of quality. Whether elected or appointed, even when a leader is selected from within the institution and, therefore, already is familiar with the institutional culture and traditions, he or she should spend time interacting with key members of the faculty, reviewing historical documents, attending celebratory events and ceremonies, and otherwise learning about the culture that surrounds leadership expectations. When a faculty member is appointed or elected to a position of administrative leadership, such as dean or rector, the relationship with former faculty colleagues changes in accord with the culture and traditions of the institution. If the institution has a culture of autocratic governance, the new leader will be seen as a person with authority granted by the institution, but not necessarily someone who can influence faculty to make the necessary commitment to quality needed to achieve world-class status. Because Indonesian higher education is in such a state of rapid change, cultural traditions and institutional expectations may not be as clear as in American institutions that have developed their traditions in a more stable environment over many years. It is possible that Indonesian leaders would be selected, in part, to help change the culture and traditions that have led to expectations that are now viewed as needing to change. In such cases, the leader is expected to function as a change agent, but he or she would likely still be more effective if he or she has a deep understanding of the operating traditions and the culture that surround rapid change. Change is never easy and the supportive leader must be considerate and understanding of the challenges faced by those who are being asked to change the ways they are used to doing things.

Supportive Leaders as Responsible Stewards of Resources

As stated above, as a champion of the institutional mission, supportive leaders must draw on effective communication skills. On occasion, a dean may be expected to act as a peacekeeper or peacemaker between warring factions of the faculty. Other times he or she will be called upon to act as a defender of the faculty against external forces that threaten academic values, the financial health of the unit, or even the very integrity of the institution. But more often than not, the dean will be expected to assume the role of diplomat to guide, encourage, and inspire the faculty and others who work to advance the mission of the unit (Tucker & Bryan, 1988). Academic life is mired in relentless competition for meritorious recognition, the best faculty, outstanding students, and money. The dean must skillfully negotiate with multiple internal and external constituents to manage all these varying roles and forces in the context of the culture
and organization structure in which his or her faculty operates. Understanding these dynamics and gaining influence over them with the trust and support of the faculty is essential for successful academic leadership.

In Indonesia, the majority of higher education institutions are only about 50 years old. In a needs assessment conducted as background for the HELM project (2011), among the goals set by most of the HEIs included in the study was to be a world-class university. But to achieve such goals the universities must put in place policies, procedures, and organizational structures that will allow supportive leaders to effectively position their institutions to manage and succeed in the intense competition for excellent faculty, talented students, and resources that characterize world-class universities. That will require Indonesian institutions and the higher education systems that fund and regulate them to confront the question of what type of management systems will best serve their purposes and academic objectives.

Whatever system is adopted, it is clear that effective leaders must be responsible stewards of the resources with which they are entrusted. The finance systems and governance structures of public universities in the U.S. are more diverse than those in Indonesia. Welch (2007) observed that, system wide, in Indonesia two-thirds of funding for public HEIs came from the national government, with student fees and self-generated revenue comprising the remainder (Welch, 2007). In the U.S., revenue sources are more broadly distributed. The IU School of Education, for example, received 54.1% of its funding in 2011 from student fees, 20.6% from state appropriations, 15.5% from sponsored research, 6.4% from sales and services, 3.1% from gifts and endowments, and 4% from other revenues. Like academic culture more broadly, this is the result of historical development of the system. In the U.S., both higher education and basic education grew from local and regional communities. Each individual institution created in the Colonial and New Republic years (c. 1620-1820) was created with a board of trustees exercising ultimate authority over institutional policy. As state governments created higher education institutions, beginning with the University of Virginia in 1819, state governance was likewise structured through a trustee-like body. Public universities in the U.S., therefore, are primarily supported by state governments, not the national government, and have varying formal governance structures. Though states are rapidly reducing the level of funding they have provided to higher education historically, funding for public higher education is largely determined through the budget allocation processes of state assemblies. Federal support for higher education comes not as direct operational funds, but in support for students (scholarships and subsidized loans) and for the production of knowledge through competitive research grants.

The Responsibility Centered Management System

American universities employ many different systems to manage their budgets. In some systems, decisions about how to allocate resources are more centralized than in others. But most systems provide a great deal of autonomy for managing budgets at the academic unit level. A system first implemented in American public universities at Indiana University, and now used in various forms at many public and private universities in the United States, is called Responsibility Centered Management (or RCM for short). Originally called Responsibility Centered Budgeting (Whalen, 1991), it recognizes that academic and support units of the university generate both income and expenses. RCM rests on a clearly articulated set of principles derived from a set of basic concepts and postulates or assumptions that provide a logical structure for financial management of the university. Simply put, the basic principles of RCM are: (1) all costs and income attributable to each faculty and other academic units should be assigned to that unit; (2) appropriate incentives should exist for each academic unit to increase income and reduce costs to further a clear set of academic priorities; and (3) all costs of support units, such as the library or student counseling, should be allocated to the academic units.

Whalen (1991) articulated the basic concepts of RCM as:

1. **Proximity** – The closer the point of an operating decision is to the point of implementation, the better the decision is likely to be.
2. **Proportionality** – The degree of decentralization is positively related to an organization’s size and its complexity as well as the complexity of its environment.
3. **Knowledge** – Correct decisions are more likely to occur in an information-rich environment.
4. **Functionality** – Authority and command over resources should be commensurate with responsibility for the task assigned, and vice versa.
5. **Performance Recognition** – To make operational the distribution of responsibility and authority, a clear set or rewards and sanctions is required.
6. **Stability** – Good planning and performance are facilitated by stable environments.

7. **Community** – Institutions of higher education are collective human endeavors. The fate of individual units is bound up in the success of the entire institution.

8. **Leverage** – In a decentralized decision making and operating system, the legitimacy of both institutional and local responsibilities has to be recognized.

9. **Direction** – The existence of a mutually supportive academic and administrative plan for the institution is assumed.

Collectively, RCM concepts relate to decision making, motivation, and coordination. They suggest that, in large organizations, closing the gap between the point at which decisions are made and the point of implementing those decisions increases the chances of good results. They also underscore the need for balance between centralized and decentralized decision making and the importance of timely information for making decisions. As well, they suggest that motivation to make good academic decisions and accountability for results must be accompanied by the authority to make the decisions and command over resources necessary to execute them. Finally, they remind us that, as with any other viable university budgetary system, the primary purpose of RCM is to help an institution focus its energies and resources on accomplishing its academic mission.

**Summary and Conclusions**

We have seen that supportive higher education leaders must be effective communicators, champions of academic culture and intuitional missions, and responsible stewards of resources, utilizing effective financial systems to advance the mission and achieve the academic objectives of their institutions. Key to achieving these objectives is the ability to compete successfully to recruit and support excellent faculty to their institutions. Whether appointed or elected by the faculty, academic deans, for example, understand that they must effectively represent the interests of their faculties to the rectors and vice-rectors who oversee the management of university resources. But they also understand that success depends on their ability to earn and retain trust and respect from their fellow faculty members. Effective communication skills are necessary, both to earn trust and respect from their faculty, as well as to advocate effectively on their behalf.

Successful academic leaders also understand the academic culture and the traditions of the institution in which they work. Institutional culture and traditions, generally developed over long periods of time, have a powerful influence on faculty and student expectations as well as academic priorities of the university. A good fit between the institutional culture and traditions and the leader’s style is essential for effective leadership. Prospective and newly-appointed or elected leaders will do well to take the time to gain a deep understanding of the culture and traditions surrounding leadership expectations. Even if they are already familiar with the institutions they will serve, a newly-appointed leader drawn from the faculty will quickly realize that the relationship with his or her colleagues will change as a result of the role of authority vested in him or her as a function of the administrative appointment. But the long-term success of a supportive leader will not depend so much on the authority vested in him or her by the university, as by the influence he or she gains through the relationships he or she develops with faculty, staff, students, and administrative supervisors. These relationships are highly influenced by the culture and traditions of the institution.

Of course, academic leaders serving in administrative roles must be well versed with the budgetary processes of the institution. The criteria and processes by which money is distributed create strong incentives for faculty behavior. Although the faculty is primarily responsible for the scholarly standards that define quality within a particular academic unit, the administration is responsible for securing and allocating as efficiently as possible the resources needed to compete effectively for the best faculty, the best students, and the academic enhancements that support a productive academic environment. The RCM budgetary system in use at Indiana University is one of only a few budgetary systems in American higher education that is based on a well-articulated set of principles and concepts that provide a logical structure for financial management of the university. RCM provides a highly decentralized budgetary system dealing with decision making, motivation, and coordination of institutional processes to help an institution focus its energies and resources on accomplishing its academic mission. Effective implementation of RCM, like successful academic institutions in general, requires strong leaders who possess the moral and intellectual power to make difficult decisions to achieve the highest levels of academic quality possible.
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