



# UNC GA Organizational Assessment

## Board of Governors retreat remarks

February 12, 2016

THE BOSTON CONSULTING GROUP

# Agenda

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**Recap project objectives and process**

**Discuss emerging themes**

**Share next steps**

# Project objectives

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**Assess how effectively General Administration is supporting the legislative mandate, strategic priorities and the needs of the institutions**

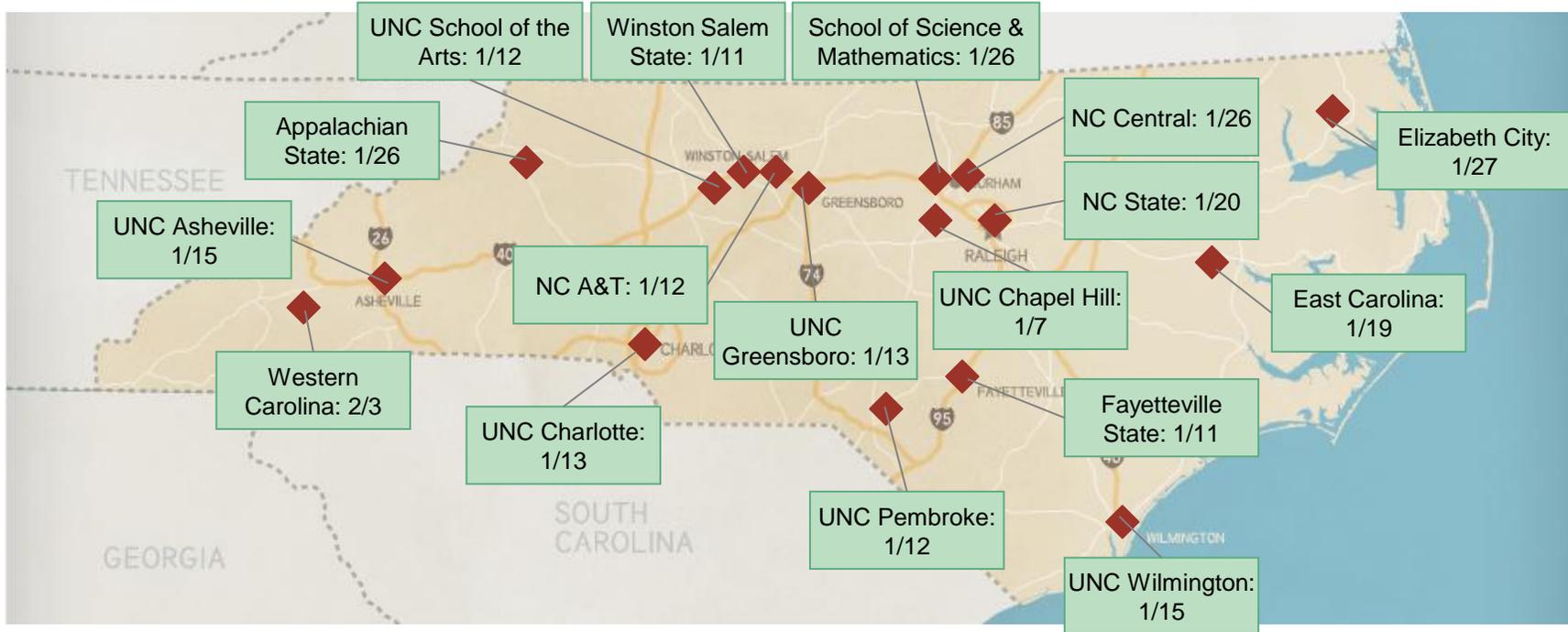
**Clarify roles among General Administration, the Board of Governors and institution leadership**

**Determine specific actions to improve the organizational effectiveness and general efficiency of General Administration in supporting the UNC System priorities and mandates**

# ~140 stakeholders have been interviewed

<u>Category</u>	<u>Description</u>
Board of Governors	<ul style="list-style-type: none"><li>• Each member of the BOG</li></ul>
General Administration Leaders	<ul style="list-style-type: none"><li>• Head of each department</li><li>• Other key representatives</li></ul>
Institutions	<ul style="list-style-type: none"><li>• All Chancellors, Provosts and CFOs plus sampling of IT, Legal, Human Resources and Research leaders</li></ul>
Faculty Leaders	<ul style="list-style-type: none"><li>• Leaders representative across faculty types and institutions</li></ul>
Student Leaders	<ul style="list-style-type: none"><li>• Leaders representative across institutions</li></ul>
Legislators	<ul style="list-style-type: none"><li>• Selected leaders from state legislature</li></ul>
Other Stakeholders	<ul style="list-style-type: none"><li>• Includes past Board Chairs and Presidents, Board of Trustee Chairs and other identified stakeholders</li></ul>

# We have visited all 17 institutions



# Preliminary outline of our upcoming report

## A. Introduction and context

## B. Methodology

- Interviews
- Survey of GA staff
- GA time-allocation exercise
- Selective benchmarking

## C. Diagnostic findings

- Perspective on strategic priorities
- Role clarity of system stakeholders
- GA current-state analysis: structure, activities and effectiveness

## D. Summary of recommendations

- Highest priority areas to address
- Key levers to address each priority area

## E. Role clarity across stakeholders

- Board of Governors
- President
- General Administration
- Chancellors & Boards of Trustees

## F. GA organizational design

- Recommended priority GA roles with supporting rationale
- Org design for layer 1 and 2 (where layer 0 is the President) and supporting rationale
- Set of specific actions to take in near-term, mid-term and long term

## G. GA org enablers

- Culture
- Talent
- Environment

# Interview themes: Executive summary

**The UNC system is a strong asset for the state and is differentiated within U.S. higher education**

**However, it has lost some direction and luster recently**

- Absence of clear agreed system priorities
- Lack of alignment and trust across stakeholders (e.g., legislature, BoG, President and staff, institutions)
- This has contributed to dysfunction and lack of role clarity

**Stakeholders are calling for a significant, system-wide culture shift**

- Move to a more collegial *and* performance-oriented culture – rather than a watchdog and one-size-fits-all approach
- Shared accountability to deliver against a set of high-priority performance goals
- A true partnership in service of the system among legislature, BoG, President and staff and institutions
- Talent across the system leveraged to make UNC system the strongest possible asset for the state

**Strong sense of optimism that the negative dynamics can be changed...but will not happen automatically**

**There is a need for clarity on system priorities, a few common themes have emerged, including access, affordability & efficiency, student success, economic impact and excellent & diverse Institutions**

**General Administration perceived to deliver value to the system, but with room to improve**

- GA has several critical, value-adding roles to play within the system (e.g. advocacy, policy, institutional performance management, enterprise risk management, etc.)
- A number of strengths (e.g. advocacy, coordination and convening, select shared services, etc.) have been identified – as well as areas for improvement (e.g. communications, clarifying their role, increasing staff with institution-level experience, enhancing attractiveness of work environment, etc.)

# The UNC system is a strong asset for the state and is differentiated within American higher education

## UNC viewed as tremendous asset for the state...

- Perspective that the UNC system is a key competitive strength of the state
  - *"UNC system is the goose that laid the golden egg for North Carolina"*
  - *"UNC is the biggest asset the people of NC have"*
  - *"It has taken centuries to build what we have had...we should be proud of it"*
  - *"It is what makes us competitively economically in the state"*
  - *"...makes people want to live here when both young and old, and businesses to locate here"*
- Additionally, pride in the uniqueness of the UNC system
  - *"We're consistently in the top 3-5 public university systems worldwide, and we have to stay there, if not improve"*
  - *"No other system serves the diverse set of student segments and has truly different types of institutions that we have"*

## ...and is stable on several fronts

- While stakeholders understand the system does face challenges, stability on system enrollment and financials recognized
  - *"We are on solid financial footing"*
  - *"Overall enrollment is healthy...counter to many trends in higher education"*

# However, the system has lost some direction recently

**There has been an absence of agreed priorities and a lack of trust...**

- Alignment on priorities is lacking
  - *"No one in the system is on the same strategic path"*
  - *"The system strategic plan...had no connection to our universities"*
- And there is a general lack of trust across the ecosystem
  - *"It is a quadrilateral of mistrust, between and across the Legislature, the Board, the GA, and institutions"*
  - *"There is very little trust in the whole system... so universities are not given the autonomy that they are capable of"*

**... which have been primary contributors to multiple actors getting out of their swim lanes...**

- Overall sense that roles are not clear - *"Swim lanes?! It is a splash party – someone doing a cannon ball into the pool"*
- Manifests at different levels:
  - *"There are rogue BOG members who, when their position is not voted in, go directly to legislators to complain"*
  - *"Sometimes the BOG treats the GA like staff when really, the GA works for the president"*
  - *"As chancellor, ridiculous I don't have autonomy for relatively small-scale decisions that have a big impact on my university"*

**...and has sparked concerns about the strength of the system**

- *"It used to be the crown jewel of North Carolina"*
- *"Now, the North Carolina system is seen as isolationist and lagging behind other states"*
- *"Pride in the UNC system has been diminished. We need to change the very tone that we use in talking about the system"*
- *"We are not a valuable place for really good faculty any more"*

# Strong sense of optimism that the dynamic can change

**Strong sense of optimism that much of the negative dynamics can be changed....**

- Strong sense of optimism in advance of leadership transition
  - *"If she tells me, 'these 10 things are broken,' I will do everything in my power to help her fix those things. And I think a lot of BOG members are the same way."*
  - *"Each of the BOG members has said they will do whatever they can to make sure Margaret is successful in her role."*
  - *"I [leader in an HBCU] am very optimistic about the President-elect coming in and changing the culture"*
  - *"The role of the president is a really hard job. We believe that Margaret will be the change agent for the system that it needs."*

**...but will not happen automatically**

- Will require concerted effort and focus
  - *"It's all about relationships...and that takes time even in the best of circumstances"*
  - *"We need a President who can build strong relationships with the Legislature"*
  - *"She will need to re-establish the role of the president as the head of higher ed in the state, because this authority has been diluted"*
  - *"Risk is high of an initial slip-up causing people to lose faith"*

# Stakeholders calling for significant, system-wide culture shift

## From

## To

**Lack of alignment on set of strategic priorities and associated institutional priorities**



**Strong alignment on the system's priorities – and the unique supporting role played by each institution**

**Lack of trust across key stakeholders (legislature, Board of Governors, President and staff, and institutions)**



**A more aligned and collegial culture; a true partnership in service of the system**

**Micro-management of small-scale operational decisions**



**A performance-oriented culture: holding institutions accountable to agreed performance goals, while honoring the uniqueness of each institution**

**A one-size-fits-all approach to oversight**

**A growing concern about attracting and retaining high quality talent**



**Talent across the system leveraged to make UNC the strongest possible asset for the state**

# When interviewees asked about system priorities, five themes emerged

## **Access**

*Opportunity for all*



**Notion of ensuring the UNC system is open to opportunity for all raised across many stakeholders**

## **Affordability & Efficiency**

*Ensure a UNC education is within the financial means of all in the state*



**Recognition of clear constitutional mandate on affordability but a need for a contemporary definition--a view that efficiency can help achieve affordability**

## **Student Success**

*Increase degree attainment and ensure value & relevance for students*



**Consensus that each institution must provide a clear value proposition to students**

## **Economic Impact**

*Contribution to the state*



**Several surfaced the need for the UNC system to contribute in many ways to the state**

## **Excellent & Diverse Institutions**

*Help institutions achieve excellence against their missions*



**View that the strongest system will be made of strong and unique institutions**

# While General Administration has a few strengths, a number of weaknesses have been raised

## Several strengths of General Administration highlighted...

- Team generally thought of as professional and responsible – *"They are true professionals, always responsive and always helpful to our institution"*
- Coordinating across and advocating on behalf of institutions viewed as a core strength
  - *"They are invaluable when it comes to helping us navigate a proposal"*
  - *"As a smaller institution, I would have no voice in Raleigh without GA"*
- Delivering shared services (e.g., payroll, Banner hosting), particularly to smaller institutions, highly valued

## ...while several weaknesses also raised

- Desire for GA team to clearly understand and articulate their role – *"Are they our partners? Advisors? Regulators? Are they policing us?"*
- In recent years, GA caught in the middle of an active BoG and institutions, leading GA to operate with a tremendous amount of caution, constantly in reactive mode
- A sense that GA doesn't always understand institutional nuances
- Consensus that GA interfaces with institutions in uncoordinated way
- A number of BoG members felt that the quality of GA analysis was not up to par
- Perceived by several as an unattractive place to work, without a strong performance culture – *"you couldn't pay me to work there"*
- Viewed that not enough staff at GA have institutional-level experience
- Opportunity to improve communications between GA and BoG to ensure decisions are based on the correct set of facts

# Emerging consensus on the most important areas for GA to focus its efforts

## Consensus emerging on areas where GA should become distinctive

- Advocacy, particularly to state legislature and BoG but also at federal level and other external stakeholders, viewed as highly important with both recognized strength at GA and an opportunity to improve; will require greater capabilities and capacity in policy development
  - *"This is the most important thing they do for us"*
- External communications in order to better convey the UNC story to the media, public, etc.
- Better internal communications with institutions; current communications tend to be silo'd within departments
- Strengthening enterprise risk management, with GA's role viewed as setting standards and ensuring rigor; seen as an enabler to risk-adjusted management and oversight
- Providing leadership acquisition and talent development support across the system (including within the GA), viewed as an important role for GA to play
- Ensuring thorough process and communication with the BoG
- A need to focus on specific priorities within Academic Affairs and to do them well

# Next steps

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## **Develop recommendations in the coming weeks**

- Role clarity across actors
- Identification of GA's prioritized roles
- GA org structure going forward
- Other recommendations (e.g. cultural and behavioral)

## **Publish report with key findings**