

UNIVERSITY OF KENTUCKY
COMPREHENSIVE PRESIDENTIAL
REVIEW OF PRESIDENT ELI CAPILOUTO
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Report to the University of Kentucky Board of Trustees

Comprehensive Presidential Review

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Introduction

The University of Kentucky Board of Trustees has an established practice of conducting an annual review of presidential performance. This year, after nearly four years of President Eli Capilouto's leadership, the board decided to follow a recommended best practice and conduct a more comprehensive review. This report of that comprehensive review is organized as follows:

1. Background and purpose
2. Sources of information and process for the review
3. Progress on strategic goals
4. Results from the board's Quantitative Survey
5. Results from the Senate Council's Annual Evaluation of the President
6. Results from interviews
7. Summary and recommended next steps

Overall, the results from all sources are very positive. President Capilouto receives high marks for his leadership of the university. A recurring theme emerged from the multiple sources of information used in the review: the university is at an important pivot point in its transformation. The term "transformation" was used frequently by those interviewed as they noted that significant investments have been made in improving the campus physical infrastructure and in the programmatic planning that accompanies those investments. Looking to the future, they urged a continued focus on questions regarding the most effective uses of the investments. The current discussion of a draft of a new strategic plan is an ideal opportunity to consider these questions.

Background and Purpose

The University of Kentucky issued a Request for Proposal (RFP) for Presidential Evaluation Services in January, 2015. Following the board's and the university's review processes, the Association of Governing Boards (AGB) was selected as the consultant in March, 2015. AGB is a recognized leader in developing and implementing best practices for presidential assessment.

Dr. Carol A. Cartwright, AGB Senior Consultant, was engaged to perform the comprehensive review of President Eli Capilouto for the Board of Trustees. The board adopted a formal resolution which sets forth the expectations for the review on March 16, 2015.

The overall purpose of the comprehensive review was to assess the president's strengths and opportunities for growth. As is typical for comprehensive reviews, the process produced a variety of other beneficial outcomes for both the board and the president. In addition to an examination of President Capilouto's leadership on multiple dimensions over the past four years, this report provides an assessment of the achievement of significant strategic goals developed in board retreats from 2011 through 2014. It also provides a foundation for setting and re-setting goals for the future, increases knowledge about the work of the president and the complexities of the presidency, and provides information to strengthen board-president communication and partnership.

Sources of Information and Process for the Review

The Executive Committee of the Board of Trustees was designated as the performance review committee. On March 31, 2015, Dr. Cartwright met with Board Chair Dr. Keith Gannon and committee member Dr. C. B. Akins to make final decisions about the process and timeline for the review. In addition to the timeline, decisions were reached about documents to be used in the review (Attachment A), individuals to be interviewed (Attachment B), guidelines for the interviews (Attachment C), and the use of a board-developed Quantitative Survey that had been used in prior years.

Drs. Gannon and Akins also discussed their expectation that an annual review of presidential performance by the Senate Council would be forwarded to Dr. Cartwright and incorporated in her analysis and report. On March 31, Dr. Cartwright also met with President Capilouto to discuss the overall review process and expectations for his self-evaluation.

The sources of information used in this comprehensive review are:

1. Background documents about the university, its history, policies and recent accomplishments;
2. Board expectations from four board retreats from 2011 through 2014;
3. President Capilouto's self-evaluation about progress on strategic goals;
4. Board Quantitative Survey;
5. Senate Council Annual Evaluation of the President; and
6. Interviews of a large and diverse group of stakeholders.

University staff assembled background documents during the first two weeks of April. On-site interviews were conducted by Dr. Cartwright from April 13 through April 15 and from May 5 through May 8, 2015. A few follow-up interviews were completed by phone during the following week.

The board's Quantitative Survey was sent to 78 individuals who were interviewed, and 47 surveys were submitted and analyzed in mid-May. Results of the annual faculty survey conducted by the Senate Council were provided on May 12, 2015. Results of the Quantitative Survey are presented in Attachment D and results of the Senate Council survey are presented in Attachment E. The results of both surveys will be described in greater detail in other sections of this report. They are generally consistent with information provided in the interviews. President Capilouto submitted his self-evaluation on May 13, 2015 (Attachment F).

Dr. Cartwright provided an update on the process of the review at the Executive Committee meeting on May 8, 2015. A confidential briefing and discussion about preliminary results of the comprehensive review was presented to the Executive Committee and President Capilouto on June 2, 2015.

Progress on Strategic Goals

Significant progress has been made on the strategic goals developed during four board retreats from 2011 through 2014. However, the achievement of two important goals is behind schedule and the delay likely impacted some of the results that are described in other sections of this report.

Following President Capilouto's appointment in 2011, he commenced on a listening tour and commissioned a University Review Committee to advise him about the university's most urgent priorities during his first year as president. Their findings were the subject of the 2011 board retreat.

The minutes of that meeting reflect a rich and robust discussion about the major strengths and challenges of the University of Kentucky, and they resulted in adoption of board guidelines for President Capilouto to begin the process of transforming the campus.

The focus of the transformation was on enhancing and expanding the undergraduate educational experience and renewing and rebuilding the core of the campus. Significant progress has been made in both areas, with the most notable being the transformation of the infrastructure of the campus and the increase in undergraduate enrollment. These achievements are recognized throughout the university. For example, faculty survey data indicate that the president has been effective in building campus infrastructure (89.7% agree or strongly agree) and that he has been effective in supporting undergraduate education (77.9% agree or strongly agree). Almost every individual interviewed noted these two significant achievements—campus infrastructure and undergraduate education-- as well.

The 2012 board retreat discussion built on the progress during the first year. Guidelines were adopted that continued the emphasis on undergraduate education and campus infrastructure and added new areas of emphasis. Progress has been made on strengthening mechanisms for faculty and staff recruitment, rewards and retention and on assessing the environment for research and creative scholarship. A master plan for the campus has been developed and work is underway on technology-based content delivery.

Expectations to develop and introduce a values-based financial model and to ensure that individual units develop strategic plans in alignment with the university's overall planning process were partially achieved. Work on these initiatives was started and then stopped due to turnover in the provost position.

Proposed goals for the university's next strategic plan were the subject of the 2013 board retreat. The April 29, 2015 draft of the new strategic plan is organized around these board-approved goals with one exception. The goal about developing a strong and sustainable UK infrastructure was eliminated from the planning process in light of the significant achievements in this area during the past few years.

The expectation was that the new strategic plan would be ready one year ago. However, due to the turnover in the provost position, the planning process was interrupted. With the appointment of Dr. Tim Tracy as provost and stability in that position, the planning process was re-started in the 2014-15 academic year. The development of new budget models will move forward once the strategic plan is adopted.

The 2014 board retreat concluded with an expectation for a focus on research in areas where the needs of Kentuckians and the Commonwealth are most pressing and where the university can continue to compete successfully for external research support. Significant progress was made with the approval of funds for the new research building and the plan to fund and program the Academic Science building.

Questions remain about a commitment to scholarly work in areas other than health and science. In addition, with the emphasis on undergraduate education in recent years, questions remain about a commitment to graduate and professional education. Faculty survey data support these mixed views and questions. When asked about the president's support for graduate education, 37.7% agree or strongly agree and 37.5% disagree or strongly disagree. Opportunities to address these concerns are reflected in the draft of the new strategic plan.

President Capilouto's self-evaluation provides additional details about the achievement of strategic goals and other significant university achievements, including those of UK HealthCare, during the past four years.

Results: Board Quantitative Survey

The board developed a Quantitative Survey and used it as part of the annual evaluation of the president in the past few years. The survey was sent to all of those interviewed in this comprehensive review except for two individuals who were added later to the interview schedule. Of the 80 individuals interviewed, 78 received the survey and 47 responded (60% response rate).

Seven areas were assessed: strategy and priorities, leadership, organization and team, relationships with constituencies, financial management, fundraising, and future considerations. A seven-point scale ranging from 1 = strongly disagree to 7 = strongly agree was used in the survey. Attachment D displays results for 2014 and 2015.

All but one of the 21 items received a rating of 6 (agree) or better. That item is about the president engendering a “feeling of inclusion from all constituencies that encourages and invites active individual participation in guidance and governance” and it received a rating of 5.6 (the same as 2014). With very few exceptions, scores for 2015 are more positive than those for 2014.

Results: Senate Council Survey

The Senate Council surveyed all full-time faculty in April, 2015. A total of 2631 faculty in all title series received the survey and 691 responded (26.3% response rate). The Senate Council provided a report (Attachment E) which displays the response rate by college and by title series. Results are compared to those from the 2013 and 2014 surveys.

Sixteen questions were posed and respondents rated the items on a five-point scale ranging from 1 = strongly disagree to 5 = strongly agree. A summary of the changes from 2014 to 2015 follows. Presidential effectiveness in:

Communicating his plans for the future of the university--66% agree or strongly agree compared to 68% in 2014;

Generating resources to implement the university mission successfully--65.1% agree or strongly agree compared to 50.7% in 2014;

Listening to faculty concerns--40.7% agree or strongly agree compared to 34.5% in 2014 with 25.1% neutral (neither agreeing nor disagreeing);

Involving the faculty in decision making--40.7% disagree or strongly disagree compared to 47.8% in 2014 with 25.3% neutral;

Engaging the faculty in shared governance--38.2% strongly disagree or disagree compared to 48.9% in 2014 with 26.1% neutral;

Building campus infrastructure--89.7% agree or strongly agree compared to 83.4% in 2014; in 2015, 53.6% strongly agree with this statement;

Building faculty morale--40.1% disagree or strongly disagree compared to 54.2% in 2014 with 27.6% neutral;

Fostering confidence in the future of UK--55.2% agree or strongly agree compared to 39.8% in 2014;

Fostering a campus environment that is diverse and inclusive--58.9% agree or strongly agree compared to 47.1% in 2014 with 24.6% neutral;

Maintaining productive relationships with external constituencies--59.5% agree or strongly agree compared with 54.4% in 2014 with 33.8% neutral;

Supporting undergraduate education--77.9% agree or strongly agree compared to 74.3% in 2014;

Supporting graduate education--37.5% disagree or strongly disagree compared to 48.6% in 2014 with 24.9% neutral;

Supporting professional education--46% agree or strongly agree compared to 36.8% in 2014 with 35.1% neutral;

Supporting the research mission--48.4% agree or strongly agree compared to 35.7% in 2014 with 20.9% neutral.

Supporting the service mission--51.8% agree or strongly agree compared to 43.2% in 2014 with 34.7% neutral; and

Restructuring the administration to be cost effective--40.6% disagree or strongly disagree compared to 47.9% in 2014 with 36.1% neutral.

The overall pattern is that responses are somewhat more positive (or in some cases, less negative) between 2014 and 2015.

Results: Interviews

Interviews provided information on multiple dimensions of President Capilouto's leadership. This section of the report is organized around seven areas of leadership approved during the planning process as areas to be probed during the interviews: vision and strategy, academic leadership, management, financial leadership, external relations, board relations and governance, and a summary category about personal leadership characteristics, notable successes and suggestions for improvement.

Eighty interviews were conducted. All members of the Board of Trustees participated in the interviews as did all direct reports to the president. In addition to the provost, 14 academic leaders (deans, chairs and faculty) were interviewed. Six members of the administrative staff, six leaders of the Staff Senate, six undergraduate student leaders and five graduate student leaders participated. In addition, 12 donors, community members and government leaders were interviewed.

Individuals who participated in the interviews were assured that their comments would be confidential. With very few exceptions, everyone had opinions about all of the categories and seemed comfortable and candid during the interviews. The sections that follow present the major points of consensus from the interviews for each area and, where appropriate, offer suggestions for future action.

Vision and Strategy

Individuals were asked about major goals and institutional vision and invited to share their perceptions of how well the vision is being communicated, embraced and implemented. They were also asked if the right team is in place to accomplish the vision and how diversity is represented in major goals and institutional vision.

Most of those interviewed believe that the president has a vision and is systematically implementing that vision. They see what is happening at the university and infer the vision from the results. They think the vision is clear because they see visible evidence.

Many noted that they were impressed with significant improvements in a very short period of time. Others referenced the “pivot point” theme introduced at the beginning of this report—that the vision should include bold ideas for the future based on the significant achievements and investments made in the past four years.

It is worth noting that many of those interviewed do not see a holistic vision. They see specific goals and parts of a vision, but do not see how the parts add to something bigger. Many believe that the president has chosen to share the vision in stages.

Perhaps the overall vision is not as clear because the strategic plan is delayed. The plan includes a vision statement which could become the touchstone for continuing conversations and references to the overall vision. Discussion of the strategic plan is an appropriate way to enhance communication about vision and strategic goals.

Best practices in governance are based on a strong board-president partnership and a shared set of values and shared vision and strategic agenda. The environment is ideal for this partnership to be strengthened based on the respect that the board has for the president and the interest expressed by board members to be engaged in thinking about the opportunities and challenges facing the university in the future. Discussion about the proposed new strategic plan is a productive opportunity to build this partnership.

Asked if the president has the right team in place to accomplish the strategic goals, the responses suggest that it took some time but that the current team is strong. As might be expected, some concerns were expressed about the lack of diversity in the senior team. There is strong interest in inclusive approaches, especially in terms of diversity of thought and fresh perspectives. To be effective, a team needs to spend quality time together and the talents of a broad group of leaders need to be tapped.

Regarding the issue of diversity and inclusion, President Capilouto is seen as a strong advocate and someone who is very committed to making progress. Faculty survey results are consistent in that 58.9% agree or strongly agree that the president has fostered a diverse and inclusive campus environment—an improvement from 47.1% in the prior year.

President Capilouto receives high marks for his management of some sensitive incidents. The appointment of a new vice president for diversity is seen as an important decision in terms of selecting the right person as well as assuring that he or she has power and resources to make a difference.

Academic Leadership

Interview questions about academic leadership were posed with the acknowledgement that many within the university have academic leadership (provost, deans, chairs, and faculty), and that the president sets the overall agenda and “tone at the top” about academic goals.

The president is viewed as setting the bar higher for students and raising expectations about their success. He is widely regarded as passionately committed to students. Some have questions about the balance between academic programs and student life when considering the student experience. For example, some believe that there are missed opportunities in the new residence halls for vibrant academic learning communities.

With regard to academic priorities, President Capilouto sent a strong message about “academics first” with the way he managed the Rupp Arena initiative and his leadership in securing funding from the athletics department for the Academic Science building.

Academic leaders believe the president is moving in the right direction and taking the university to a higher level. As is to be expected when a new strategic plan and new budget model are under discussion, questions were raised about whether some academic areas are more important than others, and the new budget model is seen as a “test” about this balance.

Enrollment growth is regarded as very positive for the university, especially in terms of revenue growth. With growth comes the need for some investments and a clear analysis of consequences. These are areas where academic leaders—deans, chairs, faculty—might be brought into discussions with the university’s senior leaders. For example, more Honors students creates a need to invest in Honors curriculum and a process for developing the criteria for Honors faculty, and increased numbers of students requires analyses of resources to serve those students.

Management

Strong leadership is intertwined with effective management. President Capilouto is regarded as a strong manager—as someone who knows how to make things happen. He is described as clear and focused, data-driven, and deliberate and thoughtful in decision-making. He is regarded as someone who is not afraid to make a difficult decision and as steady and calm when dealing with controversial issues.

The president is also described as having a management style that is very process-oriented. This style is seen as appropriate and effective but as occasionally lengthening the time to get to a decision. There is a careful balance between assuring good process and making timely decisions.

Many of those interviewed described the overall culture at the university as “clunky” and feel that the president is sometimes hampered by long-standing practices of decentralization and by some governance structures.

Most of those interviewed urged the president to create a larger circle of those with whom he consults. He is described as a good listener who would benefit from more two-way conversation with key internal groups. As a general management principle, broader input and more debate results in better decisions.

Financial Leadership

Questions for this area of leadership were posed with the acknowledgement that many other university leaders have significant financial responsibilities, but that the president has to set the tone about the framework and principles for financial decisions. The president also has important communication responsibilities about financial management and sustainability.

President Capilouto is regarded as having strong financial acumen. He understands financial data and new business models and is a good steward of the university's financial future. He has set major priorities and backed them with resources. For example, the residence halls and dining partnerships and the funding for the new research building are widely regarded as major accomplishments.

Those interviewed were asked about the president's effectiveness in discussing financial issues. They believe that communication about financial matters is appropriate and the president has sent clear messages about the need to be more self-supporting in the future.

There is considerable anxiety about a new budget model. There is a feeling that the campus has been in limbo for two years because a new model was being developed and then that initiative was shelved. Now, as a new strategic plan nears completion, a new budget model will be developed. Questions remain about what it will be and how resources will be allocated to the priorities in the plan. As many said during the interviews, "The real message about priorities will come with budget allocations under the new model." As soon as the expectations and the overall framework for the new budget model are developed and communicated, the focus will likely shift to productive discussions about the details of proposed models.

External Relations

Those interviewed were asked about the president's effectiveness in developing relationships with external stakeholders. President Capilouto is viewed as a very good fundraiser and ambassador for the University of Kentucky. He is seen as forthright, persuasive, understated and someone who does not need to promote himself. These impressions occur in all constituent groups—donors, alumni, parents, prospective students, legislators and community and business leaders. Excellence in this area is across the board. The president's spouse is valued and respected as a strong partner working with him on behalf of the university.

President Capilouto is regarded as especially effective in small, intimate groups where his passion shines through. He has deep convictions and his sincerity is obvious in small groups. He is also viewed as gaining confidence in large gatherings where it is appropriate for a president to take a larger public role on behalf of the university.

Everyone gives the president high marks for excellent relations with constituent groups, but there are some who question whether there might be lingering perceptions regarding connections with various leaders in Lexington. There were references that some in the city see the university as a "distant island". Perceptions may not be the reality, and this issue should be explored and addressed.

Board Relations and Governance

Overall, those interviewed reported that they believe the board is pleased with the president's performance and that he is respected. The belief is that he is focused on the right things and there is appreciation that he is working to raise the quality of the university.

Board members appreciate that President Capilouto has worked diligently to build relationships with every member, including meeting with individual members in their home communities.

Like most governing boards, the University of Kentucky Board of Trustees is interested in finding the appropriate balance between the formalities of accomplishing board business and opportunities for deeper discussion. Board members are eager to engage in discussions about national issues that may impact the university. They want dialogue about the strategic agenda and want to be engaged at the appropriate strategic level.

Regarding relationships with governance groups, those interviewed described good working relations with the student government and staff governance group and an improving relationship with faculty governance. Faculty morale has improved according to those interviewed and this is affirmed in the faculty survey.

The university is fortunate that many opportunities exist to engage board members in discussions about its own strategic agenda as well as national higher education issues. The October board retreats are valued and other opportunities such as committee agendas and education sessions at board meetings could be explored to strengthen the board-president partnership.

Interview Summary

The final area probed in the interviews involved questions about the president's personal leadership style and characteristics, ideas about his most notable successes and suggestions for the future.

The personal characteristics of an institution's leader are important because the individual is the public face of the institution and many people view the institution through the lens of these characteristics. The words used most frequently to describe President Capilouto are:

Compassionate and caring, sincere, genuine, good person, kind-hearted;

Unassuming, humble, understated;

Principled, values-driven, honest, ethical, trustworthy;

Smart, intelligent, data-driven, analytical; and

Deliberate, measured, cautious, goal-driven, determined, and process-oriented

President Capilouto's Self-Evaluation (Attachment F) provides detailed descriptions of achievements during his four-year tenure. Individuals who were interviewed were asked to name two or three of the most significant achievements during the four year period. Almost everyone noted the transformation of the campus infrastructure and the increased attention to undergraduate education.

The word "transformation" was used frequently when describing the details of the physical changes. Specific references were made to new residence halls, dining, bonding authority, legislative support for the research building, Academic Science building and funding from athletics, and the new student center.

Comments about increased attention to undergraduate education included references to increased enrollment, quality and financial benefits. The president was described as someone who is genuinely and passionately interested in and committed to students. His goals and focus on building an environment for student success were noted, and were often linked to the physical improvements that benefit students such as residence halls and the student center.

Other items described as significant success stories included: academic priorities prevailed in the discussion about Rupp Arena; overall financial improvement and stabilization; fundraising and the environment of trust and stewardship created with donors; and improved faculty morale.

Individuals who were interviewed were reminded that this comprehensive evaluation was being conducted in the spirit of continuous improvement, and they were invited to make suggestions about any area of improvement for the university.

Many of the suggestions were about consultation and communication. This advice was to expand the circle of influence, keep lines of communication open, and ensure that consultation is a two-way process. Suggestions about more debate and more engagement with a broader group were plentiful. Other ideas focused on more transparency and clarity about the long-term vision.

A significant number of comments expressed pride in the transformation of the campus infrastructure while also raising interesting questions about wise long-term use of the investments. Many remarked that building new facilities is one thing but engaging the university community to ensure that they are used effectively is another. Questions such as "Are we up to this new challenge?" and "We have laid the foundation. Now what?" were posed and many expressed awareness that those who have funded the new infrastructure will hold the university accountable for making the most effective use of the investment. This is the "pivot point" theme introduced earlier.

Other points of agreement regarding advice for the future included: analyze the consequences of increased enrollment and allocate resources accordingly; improve diversity and take special care in appointing a new vice president for diversity; leverage the partnership with the community and consider opportunities for entrepreneurship with the city.

Many of those interviewed expressed pride in the university's accomplishments and progress to date and recommended that the president should stay the course and keep doing what he has been doing. Several also noted that the demands of the presidency are intense and require careful consideration about managing schedule and time demands while also achieving health and life balance.

Summary and Recommendations

Overall, the evaluation of presidential leadership from many sources—the board Quantitative Surveys distributed to those who were interviewed, Senate Council surveys, interviews, the president's self-evaluation and achievements documented in reports from prior years--shows a strong and respected president who is given high marks. Even when people had something critical to say, they prefaced their comments with statements such as "he is the right president for this time" and noted overall approval of his leadership.

After four years of President Capilouto's leadership, the University of Kentucky can take great pride in the accomplishments described in this report. The transformation has been on a scale that most thought was not possible, especially in a relatively short period of time. This pride was tempered with observations that more very hard work on using the investments wisely is ahead. The university is at a very interesting point in its transformation and the partnership between the board and president will be even more important going forward.

Discussions with a broad group of stakeholders might focus on this key idea of the consequences of the changes that have occurred and the most effective use of the investments. These discussions should acknowledge the work that has already been accomplished and be oriented toward future opportunities. Debate about the current draft of the strategic plan could be placed in the context that this is an important pivot point in the vision and future of the university.

When completed and approved, the roll-out of the new strategic plan would be an ideal opportunity to lay out the entire vision--the overarching compelling ideas--and identify stages and timelines for implementing specific action plans. It is well understood that an ambitious plan cannot be accomplished all at once, and there is considerable interest in seeing how the parts are connected and understanding how everyone can be part of creating the future.

An opportunity to tie the accomplishments of the past with new challenges and opportunities would be to institute an annual State of the University address which would be open to everyone in the university and broader community. Ideally, the address would occur fairly early in the fall semester.

The major parts of the speech could be a celebration of prior year accomplishments and a description of the agenda for the new academic year linked to the larger context of the vision and new strategic plan. This would be an opportunity to enhance communication and build deeper understanding about the vision among a large group of university and community members who are vitally interested in the success of the university. It is also a “grand public stage” that showcases presidential leadership and the board-president partnership.

The value of a comprehensive presidential review is enhanced by longer-term dialogue about the process and results between board members and the president. Rather than viewing this report as a “one-time” event, the findings and ideas presented in the report might become the basis for on-going discussions and the development of agenda items about the future of the University of Kentucky.