



WEDNESDAY COMMUNIQUE

October 17, 2012

RCM History: As we start our internal discussion about Responsibility Centered Management (RCM), I thought it would be beneficial to review the history of such models (<http://harvardmagazine.com/2004/05/harvard-a-to-z.html>):

“Used throughout [Harvard] University, the acronym ETOB stands for Every Tub on its Own Bottom. This axiom, coined in the early nineteenth century, is the bedrock of a highly decentralized system of financial management. In Harvard parlance, a *tub* is a high-level institutional unit—one of the 10 faculties, for example, or the central administration. All told, there are 52 tubs and countless sub-tubs. Each is expected to be self-financing: to prepare its own budgets, raise its own funds, and keep itself solvent. Though the University has no central budget, it does, paradoxically, have a central Budget Office. That office reviews the proposed budgets of the tubs and submits them to the Harvard Corporation, adding its recommendations for approval. The Corporation traditionally approves only individual budgets, not an aggregate for the University as a whole. And although the Budget Office compiles University-wide figures, it does so for informational—not operational—purposes. In theory, the central administration bears no responsibility for the solvency of any faculty, museum, or other University institution. In actuality, there are times when it does intervene. Examples might include founding a new institute or research center, rescuing a school or program that is experiencing protracted financial trouble, or subsidizing essential activities that cannot otherwise be supported. In some cases the administration acts as banker and makes loans, at interest, to a needy faculty or institution. In other cases it may make outright grants from its own funds.”

The chief justification for the system is that it encourages initiative and self-reliance. It also gives the various faculties the utmost freedom to pursue their academic goals as they see fit. Among the negative aspects of ETOB are the territorial jousting that impedes interaction among faculties and fosters duplication of academic effort. ETOB also means that the central administration has far less authority than it otherwise might. Finally, the system is fussy and bureaucratic; the internal billing and transfer procedures are onerous and at times may be carried to what may seem absurd extremes.

This Time May be Different (or not): Higher education has gone through many crises before. I am often reminded that there are few human institutions that are older than 500 years old but that 23 such institutions are universities. The oldest is the Catholic Church but I was recently told that while the Church survived as a single institution for more than 1100 years, it then started to fracture between east and west before splintering into many parts. Some believe that we are at a similar stage in higher education while others counsel calm, as described in the attached: <http://www.theatlantic.com/national/archive/2012/10/lets-calm-down-about-higher-education/263115/>

The More Things Change... In 1869, Charles W. Elliott wrote an article comparing technical and liberal arts education (<http://www.theatlantic.com/magazine/archive/1869/02/the-new-education/309049/>). The article is timely again as we discuss the value of college education. To quote: “But the American university has not yet grown out of the soil, and we are rather meeting a theoretical than a practical objection. The incidental remark may be permitted, that a university, in any worthy sense of the term, must grow from seed. It cannot be transplanted from England or Germany in full leaf and bearing. It cannot be run up, like a cotton-mill, in six months, to meet a quick demand. Neither can it be created by an energetic use of the inspired editorial, the advertising circular, and the frequent telegram. Numbers do not constitute it, and no money can make it before its time....When the American university appears, it will not be a copy of foreign institutions, or a hot-bed plant, but the slow and natural outgrowth of American social and political habits, and an expression of the average aims and ambitions of the better educated classes. The American college is an institution without a parallel; the American university will be equally original.”

The Clothesline Paradox: “If you put your clothes in the dryer, the energy you use is measured and counted, but if you hang them on the clothesline to be fried by the sun, the energy saved disappears from our accounting!” This is

from a 1975 quote from the CoEvolution Quarterly, Stuart Brand's successor to the Whole Earth Catalog. Similarly, if undergraduate students were to graduate in four rather than six years, the savings in the cost of their education should somehow be counted as income to the institution and available to be used elsewhere.

The Contrarian's Guide to Leadership: A colleague recently recommended to me this book by S.B. Sample, the ex-president of USC. The book presents some excellent advice to aspiring Academic leaders. One of the best pieces of advice for me was the concept of "open communications, but structured decision making." In other words, while information should flow freely (up and down the chain), decisions should always be communicated according to the established command structures.

Be The Match (UNM Marrow Drive): Since 2009, UNM Student Nawid Farhad began volunteering and working with the Be The Match to register UNM students and staff for the National Marrow Registry. Mr. Farhad, with the help of other UNM student volunteers, has registered over 2,000 individuals. This years drive is Thursday, October 18 at the SUB. For more information please [click here](#).

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