The mission of the Johnson Institute is to enhance professional and institutional ethics and accountability in public leadership through research, teaching, and public service. Each year, the Johnson Institute recognizes a person who has not only demonstrated effective leadership, but has done so with integrity and with a commitment to public service. At the recognition ceremony, the winner of the Exemplary Leadership Award interacts with students, faculty, and community members. A case study of the leader is then prepared to serve as a classroom teaching tool and also to guide our on-going research efforts.

This is the fifth case study in the exemplary leader series and it documents the leadership of Mark A. Nordenberg, Chancellor of the University of Pittsburgh from 1996 to 2014. The case study focuses on several key decisions and strategies during Nordenberg’s tenure that significantly strengthened the University’s standing in the community, the nation, and the world. It is a case that highlights the crucially important relationship between a CEO and the governing board. The case also highlights the leadership skills of visioning, communication, staffing, motivating, capacity building, and implementation. The case also includes suggested study questions for students and suggestions for supplementary reading.

This case study and others in the series can be found at http://www.johnsoninstitute-gspia.org/.

With thanks to Michael Duane for editorial assistance.

Mark Nordenberg and the University of Pittsburgh

Prelude

On November 15, 2012, Mark Nordenberg, Chancellor of the University of Pittsburgh, walked to the podium in a crowded ballroom to receive the fifth annual Exemplary Leader Award from the Johnson Institute for Responsible Leadership. Seven months later, Nordenberg announced his decision to step down as Chancellor effective August 1, 2014, when he would complete 19 years as Chancellor. Over the ensuing months, there would be many other ceremonies and awards honoring his leadership.

On this occasion, the audience rose in unison to acknowledge what the University had accomplished during Nordenberg’s tenure as Chancellor:

- **National Rankings in Research:** Under Nordenberg’s leadership the University of Pittsburgh rose from the rank of 24th to as high as fifth among all American universities in federal science and engineering support, trailing only Johns Hopkins, Washington, Michigan, and Penn. To climb to that position, Pitt passed such fine universities as U.C. Berkeley, Columbia, Cornell, Duke, Harvard, Yale, and MIT.

- **Enrollment and Student Accomplishments:** Full-time-equivalent enrollment grew to 32,781, an increase of more than 21 percent. Applications for admission increased over four times to 30,000. Most significantly, the average SAT score of the entering class rose by nearly 200 points. Fifty-three percent of the entering class
ranked in the top 10 percent of their high school graduating classes, compared to nineteen percent in 1995. During this time, Pitt students claimed four Rhodes Scholarships, five Truman Scholarships, six Marshall Scholarships, seven Udall Scholarships, forty-three Goldwater Scholarships, two Winston Churchill Foundation Scholarships, and one Gates Cambridge Scholarship.

- **Facilities:** During Nordenberg’s tenure, the University added 3.6 million square feet of space for teaching and research, student housing, recreation, and athletic venues.

- **Public Service:** Pitt rose to the top-ranked position among public universities in *Saviors of our Cities: Survey of Best College and University Civic Partnerships* and was recognized by President Obama on the 2013 National Honor Roll for exemplary community service contributions.

- **Economic Impact:** The education and healthcare sectors, led by Pitt and its partner institution, the University of Pittsburgh Medical Center (UPMC), are responsible for more than one of every five jobs in the Pittsburgh area. Collaboration with neighboring Carnegie Mellon University produced technology-based economic development initiatives such as the Pittsburgh Digital Greenhouse, the Pittsburgh Life Sciences Greenhouse, the Pittsburgh Robotics Foundry, and the Technology Collaborative.

- **Financial Strength:** Just prior to Nordenberg’s appointment as Chancellor, Pitt attracted less than $40 million annually in private philanthropy. Between 2005-2013, including the years of the Great Recession, the University raised more than $100 million annually. Its $2 billion capital campaign, which concluded in 2013, generated gifts from more than 188,000 donors. Under Nordenberg’s leadership the University’s endowment grew by 6.5 times, from $463 million to over $3 billion. As Nordenberg spoke at the Johnson Institute awards ceremony, the assembled guests were acutely aware that his remarks on leadership were not the idle musings of a man comfortably ensconced in a cushy job as a university leader. They remembered that 17 years earlier Mark Nordenberg took the helm of a university in crisis; they were quite aware that he had learned the lessons of leadership the hard way.

### The University of Pittsburgh: 1990-1995

The five years between 1990 and 1995 presented the University of Pittsburgh with serious challenges, some real and some perceived. In 1991, Wesley Posvar retired after 24 years as Chancellor. His otherwise stellar record of achievement was marred near the very end by accusations of poor oversight and lax accountability. These same criticisms were plaguing many other universities at that time, including some of the most prestigious research institutions in the country (Dingell, 1991 and Kearns, 1998). In Pittsburgh, the scrutiny was intense. Nearly every day the *Pittsburgh Post-Gazette* took aim at Pitt with accusations of excessive compensation and executive perks, lax oversight of the athletic programs, a bloated and entrenched bureaucracy, and ineffective board governance. The state legislature was demanding more transparency and accountability from the University, and even wanted details of Posvar’s retirement program that had been arranged privately with the board of trustees. Internally, the Faculty Senate passed a resolution of no confidence in the University’s leadership. The administration and the board of trustees were under siege. Headlines like the following were commonplace:

- “House Oks bill to open Pitt financial data,” *Pittsburgh Post-Gazette*, June 6, 1991
- “Posvar pay raises could be void,” *Pittsburgh Post-Gazette*, June 11, 1991

Posvar’s replacement, J. Dennis O’Connor, had impeccable credentials and seemed to be just the right person to turn
the ship around. A distinguished scientist and proven administrator, O’Connor had been Professor of Biology and Dean of the Life Sciences at UCLA. Subsequently he served in senior administrative posts at the University of North Carolina where he was Vice Chancellor for Academic Affairs and Provost. These achievements seemed to be just what Pitt needed to restore its image and to boost the low morale of faculty, staff, and students. In his youth, O’Connor had played college basketball on a nationally competitive team. Standing 6 foot 5 with an athlete’s natural grace and movie star looks, he was an impressive and charismatic figure. He seemed to have the “complete package” of leadership qualities and skills.

But O’Connor’s tenure got off to a rocky start and never recovered. First, a lavish installation ceremony attracted negative publicity. Then the press pilloried him for redecorating his office and the chancellor’s residence shortly after his arrival. Reportedly, he had an uneasy relationship with local business leaders, and was slow to acclimate to Pittsburgh’s corporate and civic culture. His fate was sealed by failing to fully engage the board of trustees in important policy decisions. Under pressure, O’Connor resigned his position in the spring of 1995 after less than four years as Chancellor. He left a $5.7 million budget shortfall, a hiring freeze, an angry faculty, and a beleaguered board of trustees.

Enter Mark Nordenberg

Through all of this, Mark Nordenberg was nurturing what he calls an “atypical” academic career. “I arrived on this campus [in 1977] to absolutely no fanfare, a visiting assistant professor [in the School of Law], with a nine month contract and no expectations beyond that.”

After demonstrating his promise as a scholar and teacher, Nordenberg was invited to join the tenure stream faculty and subsequently progressed through the faculty ranks. In the School of Law, he held posts as Associate Dean, Interim Dean, and Dean. At the University level, he served as Interim Provost, Interim Chancellor, and finally Chancellor. One of his last tasks before being tapped as Interim Chancellor was to chair the search committee for a new Vice Chancellor for the Health Sciences. This assignment was, in a literal sense, the last piece of the puzzle in terms of developing a detailed knowledge of every facet of the University. By the time he was asked to serve as Interim Chancellor, Nordenberg had cultivated a rich network of professional and personal relationships that spanned nearly every academic unit across the campus. In many respects, there could be no better apprenticeship for the challenges awaiting him as Chancellor. Nordenberg recalls:

I had an existing knowledge base that permitted me to move faster than would have been the case for an outsider. It was not just that I knew the institution, but the people of the institution knew me. I think people took some comfort from the fact that I was not an unknown.

Interim Chancellor: The Initial Challenge

Despite his long service at the University, Mark Nordenberg had only limited direct interactions with the board of trustees. Moreover, the Chair of the Board, J. Wray Connolly, also was new to his position. In fact, Nordenberg and Connolly were formally elected to their respective positions at the same board meeting – two newly appointed leaders, who barely knew each other, charged with the task of transforming a University in crisis.

Connolly received his J.D. from Pitt’s School of Law in 1958 and had served as a trustee since 1985. In his professional life, he was a senior executive at H. J. Heinz where he oversaw a number of product and marketing initiatives that earned him a reputation as a bold and decisive executive. Jim Roddey, a local business leader and politician recalled that Connolly was “direct, tough and encouraging. I think that was his life. I think he ran his businesses at Heinz that way. He ran the board [of trustees] at Pitt that way” (Schackner & Rotstein, 2009).

Some on the faculty feared that Connolly’s corporate style of decision making would not be a good fit for the University, particularly at this critical juncture when trust between the faculty, the administration, and the trustees was low. One of Connolly’s first decisions was one that made even Nordenberg a little nervous. He commissioned a comprehensive review of the University by a panel of external consultants (Fisher, 1995). The so-called

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1 Nordenberg, Mark, Acceptance speech, Exemplary Leader Award, November 15, 2012
Fisher Panel would examine virtually every aspect of the University including its academic programs, the faculty, administration, trustees, and students. The external review would likely have significant implications for the national search for a new Chancellor. Moreover, mindful that the University had been criticized for lack of transparency, Connolly promised to release the findings of the external panel to the media and general public. Nordenberg remembers being a little uneasy:

To be honest, I had real misgivings about [the external review] … This was a time of very intense, almost entirely negative, treatment of the University in the media. And, my own view was that we cannot afford to let the perspectives of the board be shaped [entirely] by this external review whose work we probably would have little influence over.

The Board: Reasserting Trusteeship

Even though Connelly commissioned the Fisher Panel, he and Nordenberg agreed that they should not wait for the panel’s report before taking some affirmative steps on their own. Both were convinced that the board needed to take a more active role in addressing immediate issues and shaping the future of the University. The two of them worked together to launch a series of Saturday retreats for the trustees to talk about the University, where it stood, its strengths, weaknesses, and opportunities and to chart a course for the future. Meanwhile, the external review panel was conducting hundreds of interviews with faculty, staff, students, alumni, and community leaders. The two review processes were progressing in parallel … or were they really on a collision course?

Student Assignment

Before proceeding to the next section of the case study, write brief answers to the following questions:

1. From a leadership perspective, what challenges do you imagine J. Dennis O’Connor faced in succeeding the long-tenured Wesley Posvar as Chancellor of the University of Pittsburgh? Conversely, what unique opportunities do you imagine O’Connor had in those particular circumstances?

2. Now imagine that you are Mark Nordenberg and you are stepping in as Interim Chancellor following O’Connor’s short tenure and forced resignation. How would you feel taking on these responsibilities during that particular time? Would you be operating under certain implicit, if not explicit, constraints?

3. Again, assuming you are in Mark Nordenberg’s position as Interim Chancellor, would there be any unique opportunities for you to exercise leadership in these circumstances? Would your actions be affected by whether or not you hoped to be a candidate for the permanent position of Chancellor? How bold would you be in these circumstances?

4. Nordenberg could have waited for the Fisher Panel to deliver its report to the board of trustees, but instead he and J.W. Connolly launched their own process of assessment and planning centered on a series of Saturday retreats with the trustees. What are the benefits of such an approach? Are there any risks to this approach? Would you have waited for the Fisher Panel to complete their task?

The following reference resources might help you with these questions:


An Interim Chancellor with a Long-term Vision

A more tentative leadership team, particularly a group who had not previously worked together, might have waited for the completion of the external review of the University before taking any steps forward. Perhaps the safer approach would have been to allow the Fisher panel to release its report before charting a course of action. But Nordenberg and Connelly felt that the Saturday retreats would help the board better understand the institution it governed in order to reclaim and fully embrace its stewardship role. Building mutual trust between the board and the administrative leadership was an important part of that process. This was not a simple task.

Like many university governing bodies, the Pitt board of trustees was composed of people with diverse skill sets, including some state and local elected officials who had a direct political stake in the University’s performance and public image. Many on the board had been hounded by reporters and felt that their personal reputations and credibility had been significantly damaged by the steady stream of negative publicity that Pitt was receiving in the local newspapers. This was not what they bargained for when they agreed to serve on the board of a widely respected institution. Despite Nordenberg’s track record of success in prior posts, some members of the external review panel and perhaps a few on the board hoped that the new Chancellor would be appointed from outside, giving the University a fresh start. The atmosphere on the board was one of deep concern and urgency.

Some trustees were of the opinion that universities in general were not very well-managed enterprises. In this respect, they blamed the prior administrative team for Pitt’s recent troubles. Some trustees may also have been wary of the interim administrative team, including Mark Nordenberg and his staff. While highly accomplished in their respective professions, many board members had only a cursory understanding of how universities function. They were looking for answers and they wanted them quickly. James Maher, who had been in his post as Provost for only a year, was working hard like the others to get oriented to the task at hand. He recalls:

We knew we were going to have to provide answers to the board’s questions. And it was only a minority of them who knew a lot about higher education. It was clear to us that rather than answer their questions in random order, it would be better to structure the [Saturday] meetings to provide them with an overview of things we thought they wanted to know about. … We were able to present the issues in such a way that their questions became constructive and it became a very orderly discussion. We kept our answers crisp and they kept their questions relevant.

The board retreats were relatively intimate gatherings. The only administrators in attendance were Nordenberg, Provost James Maher, Senior Vice Chancellor for the Health Sciences Tom Detre, and Bob Dunkleman who was secretary to the board. There was no “facilitator” for the retreats and the agendas were intentionally flexible to encourage wide-ranging dialogue. Dr. Jean Ferketish, Secretary of the Board of Trustees and Assistant Chancellor, believes that from the very beginning Nordenberg nurtured a productive dialogue with the board:

Mark’s mindset with the board has, from the very beginning, been one of deep respect. Our board members are all extremely high-achieving professionals in their own right, and Mark has never lost sight of that. He always knew that he had people on the board who were extremely good thinkers, action-oriented, and successful. His balancing act was always to help the board understand their role and to engage them so that they never felt like observers.

Even though the board was unhappy about past mistakes, posturing and blaming were kept to a minimum due largely to the leadership of J. W. Connolly and the growing trust between the trustees and the new leadership team of Nordenberg, Maher, and Detre. Nordenberg remembers the excitement of the very first meeting:

At four o’clock on the day of the first retreat, which had started [early in the morning], board members still had their hands in the air and still wanted
to talk about things … I knew then that we were headed in the right direction.

The Saturday retreats eventually led to the articulation of five goals for the University, which were fully endorsed by the board:

1. Aggressively pursue excellence in undergraduate education;
2. Maintain excellence in research;
3. Partner in community development with strong influence on technology transfer;
4. Operate in a cost-effective and efficient manner;
5. Secure an adequate resource base.

Each of these goals was accompanied by a brief statement of strategy and metrics of progress. Significantly, the actual writing and presentation of these goal statements was delegated to Nordenberg himself.

The Board Chair and I typically would sit down after each retreat. We'd talk about where we were … And, he left it to me, based on our discussions, to propose what ought to be the statement of priority, recognizing that they still had to be adopted by the board. The way that we arrived those five was a classic example of the way that a board and a management team should function. But, [J.W. Connolly] left … all of the writing to me. It is true that, when you're the writer, you have a great deal of influence over the direction that things will finally go.

Meanwhile, the external panel was writing its report (which came to be widely known as the “Fisher Report”) that included a number of negative assessments of the University (Fisher, 1995). The Fisher Report expressed concerns about the cost and quality of undergraduate education at Pitt citing “ambivalence” about admission standards and unacceptable retention rates for undergraduate students. Regarding the general campus climate, the Fisher Report referred to a “dispirited faculty” and a “malaise gripping the University.” The report noted that Pitt’s fundraising efforts were woefully underperforming due, in part, to the public relations debacles of recent years. “Not even Svengali could put a positive spin on some of the public relations disasters that have afflicted the University recently.” But the Fisher Report saved its most stinging criticism for the governance structure of the University and the board itself. “The University’s most pressing need is to restructure, reorganize, define responsibility for, and continue to recruit a united and strong board of trustees.”

The negative, and occasionally sarcastic, tone of the external panel's report almost completely overshadowed its many positive findings. Nonetheless, in the spirit of transparency, Board Chair J.W. Connolly remained true to his original promise months earlier; he gave the media and the public full and unedited access to the report.

Such a critical and even inflammatory report could have provided fodder for weeks of negative news stories. Predictably, in the days following its release, the Pittsburgh Post-Gazette produced some eye-catching headlines like “Why Pitt is Not It,” a mocking twist on a former marketing slogan (Steele, 1996, February 15). But the negative publicity subsided over the course of days, not weeks. Why? The newspapers rather quickly surmised that there simply was no compelling story to report … at least for the present. Nordenberg reflects on this turnaround in media scrutiny with satisfaction:

By the time the external report came in and by the time the chair of the external committee came into meet with the board, this was no longer an uninformed board. And then, all of that preparation helped in another way because, when the external report was released, we were able to say, “And, here’s what we’re going to do about it …the five priorities.” And so, it did end up being a good thing in almost every respect.

J.W. Connolly said, “The Fisher study is just one piece of a much larger effort to get a focus on where we are as a university and where we want to go. The Board of Trustees has no intention of officially adopting this document or using it as a blueprint” (Steele, 1996, February 1).
Maher’s recollection is similar to Nordenberg’s:

We knew that the board was really discouraged. A wonderful outcome of those retreats was that the trustees came away not only encouraged but actually feeling quite a bit of solidarity – proud of being on the board. It was palpable in the room how excited the Trustees were to learn all these good things about what was already at Pitt that we could build on if we all worked together.

Ferketish notes that Mark Nordenberg’s approach to articulating a vision for the organization has remained the same throughout his tenure:

He goes out and collects evidence. He talks to a lot of people. And then he connects all of the patterns. Out of that engaged group of people emerges the vision. He’s building vision through a shared process. True to his training, he is the attorney who goes out and collects evidence to build his case.

Connolly said that the Saturday meetings were an example of how dozens of trustees can “meet in one place and work very efficiently together” (Steele, 1996, February 1).

On June 20, 1996, following a national search, Mark Nordenberg was elected 17th Chancellor of the University of Pittsburgh.

**Student Assignment**

Before proceeding to the next section of the case study, write brief answers to the following questions:

1. Now, with the benefit of hindsight, identify six positive outcomes (two for each of the following categories) of holding the board retreats even while the Fisher Report was being prepared.
   a. Two positive outcomes for the quality of Pitt’s governance
   b. Two positive outcomes with respect to Pitt’s image and media relations
   c. Two positive outcomes regarding the relationship between the board of trustees and the administrative leadership team
   d. Two positive outcomes regarding the relationship with the faculty

2. Assume you are Mark Nordenberg. The immediate crisis has passed, but you now have ahead of you the task of rebuilding the University. How would you go about building on the trust you are cultivating with your new board chair, J.W. Connolly? With the board of trustees as a whole? With the faculty?

3. Again, assume you are Mark Nordenberg at this juncture. Until now, you have worked primarily with a relatively small circle of people including the board Chair and a few select advisors. Now it is time to build your administrative team, some of whom have been in their positions long before you were elected Chancellor. How will you assess their competence and their commitment going forward?

4. Now assume you are board Chair J.W. Connolly. What is your role in rebuilding confidence in the University of Pittsburgh? How do you strike a balance between your accountability to the board of trustees and your building partnership with Mark Nordenberg? Specifically, how will you decide what to delegate to Nordenberg? How will you determine if your trust in him is well-placed? How will you assess whether progress is being made?

5. Some strategic planning experts advise organizations to invest in their strengths, not their weaknesses, in order to build an even stronger “comparative advantage.” Does this general principle apply in this case? Why or why not?

**The following reference resources might help you with these questions:**


Assessing Talent and Compiling a Team

As challenging as Nordenberg’s role as Interim Chancellor had been, the real work began the day he was elected Chancellor. His marching orders from the board of trustees were clear – pursue the five strategic goals that came out of the Saturday retreats and use them as the blueprint for the rebuilding process. The five goals were, in effect, Nordenberg’s job description for the foreseeable future, and the board intended to hold him personally accountable for their accomplishment.

As time passed in the Chancellor’s office, he began to see myriad issues that needed to be addressed immediately if the University was going to be successful:

- It was a very bad time in terms of relationships, obviously between the board and the administration, but also between the faculty and the administration, and the staff and the administration. There was a [faculty] union drive going on.

Among those pressing for a faculty union was Professor Keith McDuffie, the incoming president of the University Senate. McDuffie shared Nordenberg’s concerns about the bad publicity Pitt had received and was anxious to assist in turning things around. But he harbored deep resentments about past decisions that had been made without sufficient faculty input. One of these decisions was the restructuring of faculty and staff health benefits under the O’Connor administration. McDuffie fumed, “This wasn’t the first time faculty were dealt with as if we aren’t capable of making intelligent, adult decisions.... I think we are capable [of making such decisions]. I think we have to be dealt with that way” (Steele, 1995, June, 22).

Among Nordenberg’s first tasks was to solidify his core leadership team. Two principal partners, in whom Nordenberg had strong trust, were Provost Jim Maher and Tom Detre. Detre was Senior Vice Chancellor for the Health Sciences and oversaw the crown jewel of the University’s research endeavors. Both were extraordinary leaders in their own domains. Nordenberg met Maher only a few years earlier, even though both had been on campus for many years.

Detre’s background was extraordinary. As a young man, while he was living hand-to-mouth on the streets of Budapest, his entire family was killed by the Nazis at Auschwitz. After the war, he went to Italy where he taught himself Italian in order to earn a medical degree. He then learned to speak English and came to the United States, eventually joining the Department of Psychiatry at Yale. When Pitt recruited Detre, friends warned him that Pittsburgh at that time was not highly valued as a destination. They said, “Planes fly over Pittsburgh, but they don’t land there.” Detre responded, “When we land there, they will land there.” True to his word, Detre convinced so many of his Yale colleagues to join him at Pitt that they became known as the “Pittsburgh Stealers.”
Detre launched Pitt’s health sciences to national prominence and laid the foundation for the University of Pittsburgh Medical Center (UPMC), now a vertically integrated global health care giant with over 60,000 employees. “He was probably the single most important force that made UPMC the world class institution it is. He changed a fairly mediocre medical school to a top-notch school in academics and research by attracting exceptional faculty,” said the late Dr. Bruce Dixon, then director of the Allegheny County Department of Health (Fuoco & Chute, 2010, October 10).

Nordenberg is quick to acknowledge Maher and Detre for their direct contributions and their counsel during the difficult transition:

For reasons I never will understand, Tom Detre took an interest in me when I was Dean at the law school. And, we started some programs together, and then here he was [as a member of the leadership team when I was named Chancellor]. He had been trying to step down from his administrative post for a number of years, but I think that he was a little bit energized by the prospect of working with me for a while because we had this relationship.

And regarding Jim Maher:

I'm not a scientist. I'm a humble lawyer. And so, I've never had a lab. Jim is a physicist and he had been a well-funded physicist throughout his career. So he had an understanding, not only of the mechanics of the competition for grants, but he had a sense of the directions that science would be going that I could not possibly have. To give just one example, Jim sat across the table from me and tutored me in nanotechnology before it was a big topic.

While he was delighted with his inner circle of advisers, Nordenberg also had to take a close look at senior administrators in areas like finance, student affairs, community relations, institutional advancement, athletics, facilities management, and other support functions. He inherited all of these top administrators from the Posvar and O’Connor administrations. As he spent more and more time with them during his year as Interim Chancellor, Nordenberg was able to evaluate their potential for contributing to the future of the University without feeling pressure to take immediate action regarding their job status:

[In that context as Interim Chancellor] I had to be careful about making decisions that can be devastating to the career of another human being because I didn't know if I was going to be there in six months. And so, if you go into it with that mindset, then you really do have a year to pretty carefully evaluate performance, and then make decisions.

On the day of his appointment as Chancellor, J.W. Connolly surprised Nordenberg and others by announcing at the public meeting of the board that anyone reporting to the new Chancellor should tender their resignation in order to give him complete freedom to compile his own team. It was an unusual action, particularly within an academic institution, typically characterized by a relatively genteel management culture. Nordenberg recalls:

That was not my style. I wouldn't have done it that way. But the important thing about [Connolly's] statement was that it did get everybody's attention. So I began the process of systematically [evaluating] people. And, there were a couple of people who [I had to inform] weren't going to be a part of the team moving forward.

In the first few years of his administration, a significant number of the executive team members were released or reassigned. Nordenberg’s tone becomes somber when recalling those decisions:

I think anybody can deliver good news. Good leaders need to know how to deliver bad news. People ought to be treated respectfully, and they ought leave with their dignity intact. I do think that people here almost always felt that they were treated well. And I always tried to position them
so that they could be looking for the next position. Certainly there are things that I would have done differently. They include some of the personnel things, where even though I set out to handle them in a particular way, I know I could have done it better. And, for most of us, it is the personnel issues that really . . . just eat at you.

The Centrality of Undergraduate Education

Historically, the University of Pittsburgh has been best known for the quality of its graduate and professional educational programs and its advanced research capabilities, especially in the health sciences. The polio vaccine and significant advances in organ transplantation and treatments for cancer were pioneered in Pitt’s School of Medicine. Other graduate programs also enjoy national and international distinction including those in Philosophy, History and Philosophy of Science, Public Health, Public Administration, Nursing, Business, Chemistry, International Studies, and Law. Throughout the Posvar and O’Connor administrations, these and other graduate and professional programs were a top priority and the University had accumulated a significant comparative advantage in these domains.

One would think that as a former dean in the School of Law that Mark Nordenberg would continue the tradition of focusing first on graduate education. But the Saturday retreats with the board of trustees, the recommendations of the Fisher Report, and his own analysis combined to tell Nordenberg that the University’s future would depend largely on the quality of its undergraduate programs:

Offering quality programs of undergraduate education is our most historic and our most fundamental mission. The pendulum seemed to have swung so that the University was better known for the quality of its graduate and professional programs. And for those of us living in this community, in particular, there was a basic dissonance there because you can’t travel to downtown Pittsburgh and walk a block without passing people who are very accomplished who got their start as undergraduate students here at the University of Pittsburgh. And still there was this sense that the undergraduate programs probably weren’t everything that they should be.

The trustees shared this view. Jim Maher recalls that the board was particularly interested in examining the undergraduate programs, which it considered to be at the core of the University’s mission:

One surprise was that the board got so engaged in the discussion of undergraduate education that the agenda [at that particular Saturday retreat] had to be changed. That portion of the meeting was scheduled for 45 minutes and it went all morning – three, maybe four, hours. Mindful that I had exceeded my allotted time, I kept looking apologetically at Mark [Nordenberg] and Tom [Detre] and they said, “Keep going, the board needs to hear this.”

Above all other evidence, Nordenberg was concerned about the perceived ambivalence of students in the undergraduate programs.

When you think about the undergraduate experience and all of the learning and growth that occurs during those years inside and outside of the classroom, it ought to be an exciting time. It ought to be a time when you feel, “Boy, this is going to make a difference in my life.” It ought to be a time when you’re recognizing that there are particular faculty members whose investments in you seem special and are going to make a difference in your life. It ought to be a time when you’re finding
extracurricular activities that are helping you grow more broadly as a person. So, the notion that our undergraduates were ambivalent about their Pitt experience was a concern to me.

Beyond the ideals and strategic value of improving the undergraduate experience, Nordenberg also notes certain pragmatic considerations. He displays an astute understanding of what he personally could control as Chancellor versus factors that were largely out of his control. For example, in most universities, including Pitt, the process of graduate student recruitment and admissions is highly decentralized, residing largely under the control of the various deans and faculties in the graduate schools and departments. Even the Chancellor has relatively little influence over graduate admission standards and the graduate student experience. In contrast, undergraduate recruitment and admissions processes are highly centralized, with substantial influence from the Chancellor and the Office of the Provost. Significant gains in quality can be achieved by investing in classroom technology, student residence halls, recreational facilities, and challenging the fundamental assumptions of the University’s marketing and branding strategies. Nordenberg and his team made significant investments in undergraduate programs, from the design of the curricular programs themselves to the campus environment and student experience. Again, there is both idealism and pragmatism in his explanation:

We needed to take a look at our own business model. If we really were delivering high quality experiences, and if we could effectively market those high quality experiences, and then deliver on the marketing, then we would attract larger numbers of students and we would attract better qualified students. And so, both the academic and the business model would be in sync. We really made a very deliberate choice that Pitt was not going to be a low-cost provider. It was going to be a best-value provider. And then we took freshmen and sophomore retention up to [around] 94 percent. It’s been over 90 percent for a number of years. For a big university in an urban area, that’s about as high as you get.

A major focus was to increase not just student retention but also student quality as measured by the test scores and class rank of entering freshmen. This required more targeted marketing strategies and more rigorous admission standards. Jim Maher recalls that market analytics helped uncover some previously missed opportunities:

As we studied the enrollment problem, we discovered that it was heavily the result of rather poor marketing. The long-standing tradition in the admissions office was never to single out any one of our academic programs and brag about it because then all the other programs would be jealous. That’s like cutting your own throat! We found through focus groups in high schools that [prospective students] thought much more highly of Pitt than we thought they did . . . much more highly than the Pittsburgh Post-Gazette did . . . We found that we could recruit students very effectively from very good high schools. We also discovered that we were comparing ourselves with the wrong competitors. I knew that if we got the marketing part right, we should start seeing NYU, George Washington University, and other similar institutions pop up as our major competitors [for students] and within five years they did indeed pop up.

Internal as well as external analytics were part of the strategy of rebuilding the undergraduate program, sometimes uncovering dilemmas and difficult choices. For example, the University was achieving success in helping students graduate on time, a key metric of success established by Nordenberg and the board. Nordenberg remembers the ripple effects, and new challenges, brought on by early successes:

But when students began graduating faster, we had to admit more into the freshmen class because we didn’t have all of the fifth and sixth-year seniors hanging around and paying tuition. So, the business model then demanded we have more freshmen. And when we reached that point, I had to go to the board and say, “If we don’t admit more students, then the financial model won’t work and we won’t have the funds to deliver the quality.”
Ultimately, for Nordenberg, the focus on undergraduate education made good sense from a strategic perspective:

In terms of the strategic position of the University, undergraduate programs are our largest and you owe a special responsibility to make certain they are programs of quality because you’re touching more students through those programs. You might also say that if you’re looking for reputation drivers, what is likely to be a more important reputation driver than the quality of your undergraduate education, which includes your largest programs? If you make them stronger, perceptions of the entire institution will rise and that will actually help us elevate the quality and perceptions of all of our programs.

By 2000, the University was gaining momentum. Enrollments were trending upward in quantity and quality; the University was on stronger footing financially and operationally; some important advances had been made in research funding and in technology transfer initiatives. On February 24, 2000, the board of trustees formally, publicly, and unanimously adopted a statement of aspirations. Nordenberg recites the board resolution by heart: By aggressively supporting the advancement of Pitt’s academic mission, we will clearly and consistently demonstrate that this is one of the finest and most productive universities in the world.

To achieve that ambitious objective, the resolution went on to note, The University must strengthen its already enviable position as one of America’s most respected providers of high quality undergraduate education . . . enhance existing strengths in graduate and professional education . . . and increase the scope, quality, and visibility of its exceptional research program.

Nordenberg recalls, “I thought it should be phrased as a never-ending quest. We’re going to demonstrate that we’re among the best and that never stops.”

Only one small problem remained: how could Pitt secure the resources to realistically pursue its lofty aspirations?

Student Assignment

Before reading the next section of the case study, work with a class partner to develop short responses to the following questions:

1. By 2000, Mark Nordenberg had been Chancellor for only a few years, yet he and the board felt comfortable formally and publicly articulating an ambitious statement of aspiration for the future. Give three reasons why they chose to articulate this vision in a formal board resolution rather than an unofficial statement in a brochure or annual planning document?

2. A lofty aspiration requires an enormous infusion of financial and human resources. What sources of financing should Nordenberg and his team explore at this point? What “mix” of different types of financial resources would you want to achieve if you were Mark Nordenberg?

3. Three years earlier, the Fisher Report noted that Pitt’s fundraising was far below the norm for such a large university. While Pitt’s image was improving, its fundraising performance was still making relatively small gains. If you were Mark Nordenberg, would you launch a major fundraising campaign at this point to support the University’s aspirations? What information would you seek to make your decision? What if fundraising “experts” advised you that Pitt was still not ready for a major campaign – that many constituencies were still waiting to see more evidence of improvement before making a large financial contribution?

The following reference resources might help you with these questions:


Building Capacity

Colleges and universities derive income from a wide range of sources: tuition, fees and services, athletic revenues, grants and contracts, gifts, direct government support (for public universities), endowment earnings, patents and royalties, and so on. For the University of Pittsburgh, some of these revenue streams were beginning to trend upward by 2000, but a few had lagged behind since the end of the Posvar administration. Fundraising capacity, in particular, was far below par for an institution of Pitt’s size and growing prestige.

In 1993, during the O’Connor administration, the University retained a consultant to assess the feasibility of a large-scale capital campaign. The consultant concluded that, due to continuing bad publicity, the University was not well-positioned to launch a campaign at that time and, astonishingly, actually shared that assessment with local journalists. Four years into the Nordenberg administration the question arose again with only a moderately more optimistic appraisal offered by yet another group of consultants. Despite Pitt’s advances, they recommended that the University spend a few years planning, studying, and preparing before embarking on a large fundraising campaign.

Albert Novak, Vice Chancellor for Institutional Advancement chuckles when recalling that period:

The consultants were right in one respect – at that time we had almost no capacity to undertake a significant fundraising campaign. We did not have the reach to potential donors beyond the Pittsburgh region, we did not have the staff to support a large campaign, and we did not have the database and information management systems needed to identify prospective donors. But what the consultants didn’t know was how fast Mark would turn it around.

Novak talks about how important it was for Nordenberg to spend the first few years of his administration building confidence in the University and conveying the message consistently that Pitt was making progress on the five strategic goals articulated in those Saturday retreats. “He constantly shared the good news about Pitt – our students, our faculty, and he chipped away at that negative image.”

Nordenberg recalls that J.W. Connolly and the board of trustees pushed hard:

I remember the board members saying, “We’re not going to spend a couple of years planning.” They said right now people feel better about the University of Pittsburgh than they have in ten years and right now is the time for us to start raising money. And that was when we set the $500 million goal.

While Nordenberg attended to issues of academic quality and mending Pitt’s image, the development staff began building the fundraising infrastructure. With almost no internal capacity to manage a large campaign, Novak says, “We really had no idea where this $500 million would come from.” Nordenberg authorized expenditures for talented fundraising professionals and for a new database and information system to track alumni. In return, he demanded a tangible return on these investments. Novak says, “He always wanted us to report our progress over a defined period of time but also to look at our peers and the aspirant group of universities to see how we were comparing with those groups. And he wanted to win.” After a brief pause, Novak adds with a wry smile, “Mark is a very competitive person.”

Launching the capital campaign was a crucially important decision because many of the aspirational goals and strategies developed early in Nordenberg’s administration required a really significant infusion of new funds on a scale the University had never even attempted before. Certainly the Commonwealth of Pennsylvania could not be relied upon to help; state support for Pitt’s programs had been declining steadily and would reach historic lows during the Nordenberg administration. The capital campaign simply had to succeed – not only for the institution, but for Nordenberg’s personal credibility. Maher recalls, “Mark just stuck his neck out and said, ‘Okay, we’re going ahead,’ and J.W. Connolly had a big impact on that . . . he too was ready to go ahead.”
Novak recalls when the capacity-building investments began to pay real dividends:

We had hired some research people who began to uncover alumni who had a fondness for Pitt that we just met in Seattle, in Los Angeles, in Texas, in San Diego, in Chicago, in Florida, in North Carolina, and so on. We were closing in on the $500 million and we knew where the last $100 million would come from. We could see it in front of us. But we also saw all of these supportive people and we said, “We can't end this campaign.” I knew Mark wanted to go for the billion, but he still thoughtfully talked through the other options.

In 2002, the University raced past the $500 million capital campaign goal more than a year ahead of the deadline. At that point Nordenberg said, “Let’s go for $1 billion” and again the goal was reached ahead of time. Then, to the astonishment of some, Nordenberg and the board doubled the objective to $2 billion. “The momentum was there,” he says, “Why not go for two?” Nordenberg says that the decision was easy:

Then, of course, we ran into the Great Recession, which was not the best of news. But not to make those two doubling decisions just would have not made any sense. And we had begun to build the infrastructure we needed to raise money. You know, fundraisers want to be part of something big themselves. If you stop a campaign, maybe they’ll start looking for other places to go to raise money. And, we could say, “Well, guess what, we’ve got more good work for you.” And, all along, we’re refining our plans, we’re building the information structure, we’re increasing the roster of potential donors at big levels, we’re making contact with them, and so it really was not a hard decision to make. We were all in it. It was an easy decision [to go for it]; it wasn't easy to raise it.

In large fundraising campaigns, a university leader often is viewed as the “closer of the deal,” moving from one prospective donor to the next asking for money. Such an approach demands strong interpersonal skills and the ability to tailor the institution’s message to the particular interests of any given donor. While Nordenberg possesses all of these skills, he views his role in the capital campaign as quite different from this typical executive function:

I’ve always thought my first responsibility was to make certain that the University of Pittsburgh was a worthy recipient of philanthropic gifts. My second responsibility was to be the principal spokesperson for the quality and impact of the University of Pittsburgh and the difference that gifts to the University could make in terms of the important work that we do. And then, third was interaction with individual donors. And, of course, donors at a particular level are not going to make commitments to an institution unless they feel comfortable with and have confidence in the leadership. But, we have a small army of good fundraisers on this campus – the deans, the regional campus presidents, the senior officers, the development professionals, and the committed volunteers. So, the actual asking was a far more widely shared responsibility than you might believe.

Jean Ferketish, Secretary to the Board of Trustees, recounts how Nordenberg has partnered with the trustees in elevating Pitt’s visibility and reputation:

Mark communicated frequently with the board to keep them up to date in terms of good things that were happening and to assure that they were never blind-sided by anything, giving them much behind the scenes information. I think his belief has always been that if the trustees truly understood and experienced Pitt, then they would become the best ambassadors we could have.

Novak says that the most important thing Mark Nordenberg did to ensure the success of the campaign was to elevate the reputation of the institution:

Donors don't want to throw their money away; they don't want to save sinking ships. Thanks to Mark, Pitt had begun to believe in itself in a big way. When people believe they can do something together, collectively, they do it.
The successful completion of the $2 billion capital campaign in 2013 was crucial to the success of the five strategic goals affirmed by the board of trustees at the beginning of the Nordenberg era. The money has been used to support the creation of endowed scholarships for highly-valued students, endowed fellowships for graduate students, endowed professorships and chairs, and investments in new educational and recreational facilities.

A successful capital campaign can have a multiplier effective if the moneys raised can fund investments that, in turn, generate more funding. Nordenberg knew that the momentum had to be sustained:

We made it a priority to find ways that we could support the [compensation] packages that were going to be needed to recruit the people who were going to bring in the [research] dollars. And in many respects, the most dramatic form of progress has been the rise of the University within the ranks of the country’s finest research universities. Our focus initially was on the National Institutes of Health (NIH) funding because we already were pretty strong there. And, I do remember back when we were ranked sixteenth or so, thinking could we get into the top dozen? And then when we got into the top dozen, could we get into the top ten? And then when we got into the top ten, could we possibly stay in the top ten? It was almost inconceivable to think about being able to make it into the top five. But, we just kept pitching.

Beyond capacity-building, Novak notes that Nordenberg had just the right human touch to be an effective fundraiser.

He remembers people’s names. His letters are incredibly personal. Even in large settings, he manages to make people feel special. He once said to me, “Al, isn’t the first priority to be nice to people?” He’s a good guy. He’s a nice guy. People respond to him and they want to be around him. And that’s not always the case at every institution. Donor fatigue happens when the ideas get old. Mark didn’t let the ideas get old. When we extended the campaign [to $2 billion] Mark shifted the focus to student programs. He said, “We’re not extending the campaign because we can. We’re expanding it because we should. Our students need this.”

The University of Pittsburgh Medical Center (UPMC) represented another significant, but untapped source of philanthropic support for the University. Many patients of UPMC hospitals are given life-saving treatment by doctors who also are faculty members in Pitt’s School of Medicine. Indeed, much of the applied research that leads to UPMC’s innovative treatment programs takes place at Pitt, not in the UPMC hospitals per se. It is important to remember that UPMC is technically a separate nonprofit organization, with only a “dotted line” relationship to the University. Could Pitt benefit from the philanthropic generosity of former patients who were enormously grateful for the medical care they received in UPMC hospitals? If so, it could significantly enhance Pitt’s fundraising capacity.

While the rationale for such an arrangement seems clear, there are legal hurdles. Attorneys cautioned Nordenberg that the Health Insurance Portability and Accountability Act of 1996 (HIPAA) contains privacy protections that would prevent UPMC from sharing information about its patients with the University of Pittsburgh, a separate entity. Nordenberg and his team pondered their options.
Student Assignment

Before reading the next section of the case, choose three of your classmates and work as a team to address the following questions:

1. At this point in the case study, it is evident that the University of Pittsburgh has made substantial progress toward its strategic goals. If you were in Chancellor Nordenberg’s position, what steps should you contemplate to ensure that the momentum continues? What are the keys to not just launching but sustaining positive change in organizations?

2. Now focus on the technical and legal issue raised at the end of the previous section of the case. Can you envision a way that the University could tap the philanthropy generosity of grateful UPMC patients without violating the HIPAA privacy provisions? Do some research on fundraising infrastructure in the healthcare field and look for ways to create a legal firewall between UPMC and Pitt.

3. Do some historical research to identify salient external opportunities and challenges likely to face Pitt (and perhaps other Universities) circa 2008-2014. Do not shy away from identifying worst case scenarios that could substantially disrupt or even undo much of the good work that has been accomplished thus far. Use the following framework for your analysis:
   a. Political forces
   b. Economic forces
   c. Socio-cultural forces
   d. Technological forces
   e. Other

The following informational sources may be helpful to you in this assignment:


Some Significant Challenges

The board retreats that proved so helpful to the University at the beginning of Nordenberg’s tenure continued throughout his time as Chancellor, sometimes with the explicit agenda of brainstorming around the question of “What could go wrong?” or “How can we better prepare for a negative scenario?” Ferketish notes that these types of questions have helped to keep the board engaged and avoid complacency while the University prospers.

The 19 years of the Nordenberg administration have presented numerous challenges, not only for Pitt but for the entire sector of higher education. Rising costs of higher education have placed significant financial burdens on students and their families. Public officials, including the President of the United States, have called upon colleges and universities to look for ways to be more affordable. A world-wide recession, beginning in 2008, dampened charitable giving and other streams of revenue and simultaneously placed more demands on the higher education sector to play a leadership role in the economic recovery. Budget battles in Washington have trickled down to states and localities, with significant resource implications for both public and private institutions. Intercollegiate athletics have become complex business enterprises, raising serious concerns about how to accommodate these programs while protecting the health and rights of student athletes and maintaining fidelity to the fundamental educational mission.

The University of Pittsburgh has not been immune from these or other challenges. Indeed, Pitt has been at the epicenter of a few of these threats.
Government Funding and Educational Costs

Pitt and three other institutions in Pennsylvania share the rather unusual distinction of being statutorily designated as “state-related private institutions.” This essentially means that a relatively small portion of the Pitt’s annual budget is provided by an appropriation from the state legislature. In return, Pitt and the other state-related institutions must discount tuition for Pennsylvania residents. The problem is that Pennsylvania’s spending on higher education has been shrinking dramatically for a number of years. The state’s public spending per college student dropped almost 32 percent from 2008 to 2014 and, in 2014, Pennsylvania ranks 47th in the nation in per capita spending for higher education, even when adjusted for per capita income.

The impact on Pitt has been significant. The Institution endured $67 million in state budget cuts in 2012, and flat appropriations since then. In absolute numbers, Pitt now receives the same amount of state funding it received in 1995. Adjusted for inflation, this is the lowest state subsidy ever received. State support now amounts to only about seven percent of Pitt’s budget, down from a high of 30 percent in the 1970s.

Adding to the budget squeeze is that Pitt is still subject to the expectation that it will discount tuition to Pennsylvania students. This tuition discount has been partially offset by higher tuition for out-of-state students, but this approach makes Pitt one of the nation’s most expensive public institutions for out-of-state students. Thus it becomes even more challenging for Pitt to compete for the best and brightest students on a national scale.

Mark Nordenberg and his staff are continuously challenged to make the compelling case for state investments in higher education generally and Pitt in particular. As the senior university leader in the Commonwealth, Nordenberg has often been at center stage in this advocacy role. He sometimes needs to walk a delicate line when making the general case for all of Pennsylvania’s colleges and universities, while primarily representing his own institution.

UPMC, the Healthcare Marketplace, and a Delicate University Relationship

The University of Pittsburgh Medical Center (UPMC) is a separate, but closely affiliated, entity that is legally chartered as a charitable, nonprofit organization. UPMC’s facilities and services are world-renowned and it regularly ranks among best health systems in America. To many people in Pittsburgh, however, UPMC appears to be a corporate giant that has followed aggressively competitive growth strategies resulting in:

- More than 20 hospitals, 400 outpatient sites, and 62,000 employees;
- A “vertically integrated” healthcare system with its own Insurance Services Division;
- An International Commercial and Services Division that provides advisory and clinical management support systems in Italy, Ireland, Singapore, the United Kingdom, Kazakhstan, Japan, and China.

For many years, UPMC has thrived in comparison with the Allegheny Health Network (AHN), Pittsburgh’s only other significant health system. In fact, AHN and its predecessors have struggled to survive in the shadow of UPMC, prompting some observers to worry about a healthcare monopoly in Pittsburgh. When Highmark, a competing health insurer, purchased AHN in what amounted to a financial bailout, UPMC responded by restricting access of Highmark customers to some of UPMC’s doctors and facilities. UPMC defended itself, saying that to do otherwise would provide direct financial support to their only credible rival. In the corporate world this explanation makes sense, but to the media and to many public officials it is perceived as a violation the fundamental values and principles of a charitable, tax-exempt entity. Indeed, the City of Pittsburgh has challenged the tax-exempt status of UPMC in an effort to recover millions of dollars in property tax revenue.
Under public pressure and with the direct intervention of the Pennsylvania Attorney General, UPMC and Highmark have forged a tenuous compromise agreement. But the legal and public image challenges remain, and could threaten to have ripple effects for the University of Pittsburgh. Indeed, Pitt itself has periodically weathered challenges from the Mayor’s Office regarding its own tax-exempt status.

This on-going controversy is made more challenging by Pitt’s financial relationship with UPMC. Pitt receives clinical revenue from some of UPMC’s doctors who are Pitt faculty members. In addition, Chancellor Nordenberg established the Medical and Health Sciences Foundation as a way to tap the philanthropic generosity of grateful UPMC patients without violating the HIPAA provisions on patient privacy. The Foundation also raises money for Pitt’s health sciences schools. Al Novak says that at the time of the Foundation’s inception “no other university affiliated health system had that model.” Nordenberg explains the relationship carefully:

The Pitt/UPMC partnership is unique. It is a partnership that is formally governed by a very tall stack of legal documents, which almost never are consulted. And, they’re never consulted because each institution recognizes how dependent it is on the other. So to go back to this revenue flow, the leaders of the UPMC believe that their own marketplace strength is driven by their close association with pioneering research and high-quality education. So that when other hospitals systems face tough times, their first instinct typically is to cut back on academic investments. That never has been true with UPMC. UPMC has always invested more in the academic programs of the University than it has been required to invest under these [legal] documents because it has believed that those investments are good business for UPMC, and for our shared mission of advancing the cause of human health.

We took examples from other fine universities where things had gone wrong and we had examples from Duke and Penn and Minnesota. They were universities that we respected so no one could say that’s just hypothetical, it couldn’t happen here. Well, it did happen.

The types of worst case scenarios considered at that retreat focused on plausible threats like hazardous materials accidents, athletic scandals, damage to physical facilities, and the like.

None of the retreat participants envisioned the prospect of more than 150 bomb threats that would be targeted at Pitt buildings between mid-February and mid-April 2012.

The first few threats were crude, scrawled on restroom walls and targeting classroom buildings. While these threats were widely considered to be innocuous, they were still taken seriously. After several more threats in rapid succession, a financial reward was offered for information leading to the culprit(s).

Suddenly, in early April, the threats escalated dramatically and with a sinister twist – they arrived via email messages that had been systematically routed and re-routed through a network of anonymizing European computer servers, making them nearly impossible to trace. This was clearly the work of a sophisticated perpetrator, capturing the attention of the FBI and other law enforcement and national security agencies. The prospect of an incident of international terrorism was not out of the question.

In the span of one week, more than 20 bomb threats were received – all of them requiring evacuations of buildings and meticulous “sweeps” by fire and law enforcement agencies. Soon the threats targeted non-academic buildings like student residence halls, recreational facilities, even the Chancellor’s home. By mid-April, anxiety among students and their parents was at the breaking point. Special counseling services were arranged, crisis management plans were reviewed and improved, and students were even allowed to vacate the campus and take their final exams at a remote location. And each day Nordenberg met with law enforcement officials, hoping for a break in the case. Each day brought no news, which is to say bad news.

A Final Bizarre Challenge

A few years into the Nordenberg administration, he convened yet another trustee retreat, this one centered on one question: what could go wrong now?
The threats to the student residence halls were particularly disturbing. They generally came in the middle of the night, forcing students to evacuate their residences into the cold night air. Some people advised Nordenberg to stop taking the threats seriously. Others advised doing the “sweeps” but not evacuating the buildings unless the threat was deemed particularly credible. Nordenberg had no choice but to respond to the bomb threats, but he developed a novel approach that had a powerful effect on students and staff. He began to personally show up outside of the residence hall in the middle of the night, along with student life professionals and some of his closest colleagues, to join the students in their misery. Food and refreshments were served and efforts were made to keep morale high. Soon he established a schedule for deans and senior staff to be on call to join the students as well. His reasoning was, “If the students are going to suffer, then we in the leadership team will suffer with them.”

The things that stood out were the help we got from friends in law enforcement and in the broader community and the resiliency of the people at Pitt, particularly the students. They were going through things that could have alienated them, could have soured their outlook on life. Mainly, they were mad and they were determined. And when you would talk to students in the middle of the night, and think you were going to have to be apologetic, that wasn’t the case. I mean they were strong. I remember walking out of a meeting, and this young, obviously undergraduate student asked me how I was doing. And I said, “I’m doing fine, but how are you doing?” And she said, “Well, I’m doing fine, but they threatened your house.” And I thought, here she is more worried about me than she is about herself and thinking that this threat to the Chancellor’s residence was the biggest offense of all. And so I think it was a time that tested the character of the University. And by my standards that test was passed with flying colors.

Finally, in late-April, federal officials charged a man in Dublin, Ireland who had no connection to the University of Pittsburgh. He was a self-proclaimed Scottish separatist with a history of minor terrorist acts. While his motives for targeting the University of Pittsburgh were never entirely clear, he stated to investigators that he wanted a test case to see how much havoc he could cause.

Student Assignment

Before reading the epilogue of the case, take a moment to respond to the following question:

1. What do you think are Mark Nordenberg’s three greatest leadership skills?
2. Would these skills be equally effective in a corporate environment? In a government agency?
3. At what point should the Chancellor and the board of trustees begin to think seriously about planning for leadership succession in the Office of the Chancellor? What considerations would go into such a plan?
4. In the winter of 2014, the Pitt trustees announced that Dr. Patrick Gallagher would succeed Mark Nordenberg as Chancellor of the University of Pittsburgh. What unique challenges and opportunities will Dr. Gallagher confront when he joins the University?

The following resources might be useful in answering these questions:


Rothwell, W. J. (2010). Effective succession planning: Ensuring leadership continuity and building talent from within. New York: AMACOM.
Epilogue: Mark Nordenberg’s Principles of Leadership

During his acceptance speech for the Exemplary Leader Award, Mark Nordenberg articulated the following principles of effective leadership:

On organizational inertia and goal displacement: “What can happen in an organization when progress is not being made, is that people begin retreating to their own disciplines or departments, taking comfort in the notion that even if [the organization is not advancing], there are good things happening in my specific area. However, unless the institution as a whole is strong, central weaknesses will eventually limit the growth and quality of the parts. An organization at rest tends to remain at rest, and an organization in motion tends to remain in motion.” He knew that he was making progress when a faculty member from one of the distinguished professional schools said, “Mark, we used to be concerned that the University was not keeping up with us. Now we’re worried about whether we’re going to keep up with the University.”

On technical competence and leadership: “We had to demonstrate, and demonstrate early, that we [the administration] could make contributions to the value of the academic enterprise. Of course, and I say this more for the students in the room, competence is critical at every stage and in every aspect of life. If you cannot demonstrate competence when you are just beginning to climb the ladder, you’ll never get to a level where anyone ever asks you to assume leadership responsibilities. In an organization of any size, leadership responsibilities must be shared and success is dependent on the competence not of any one individual but of the leadership team.”

On talent selection and team building: “In forming [the leadership team] you need to focus on individuals who share your values and your capacity for work, but who have a complementary set of skills and also bring different
perspectives to the enterprise. You will need their good ideas. You will also need them to be a check on your own bad ideas. You need to develop what might be called a partnering rhythm within your team. There are few things more valuable than a colleague who knows when he or she ought to press forward and when he or she had better check back in.”

On loyalty: “It is critical that the people on the leadership team not only be loyal to you, but also be loyal and respectful to the other members of the team. Otherwise you’ll spend all of your time mediating disputes and the institution will never benefit from the power of true teamwork.”

On communication: “Whether you are a new leader or a veteran, there may be no competency more indispensable than the ability to communicate effectively. If you can't make an effective case, if you can't give clear direction, if you can't be ambiguous deliberately when it is to your advantage to be vague, your leadership life will be unnecessarily complicated.”

On character: “Character is critical. You need to have the character qualities that leave people feeling confident that good things are going to be accomplished in a proper and principled way. Everything that our parents tried to teach us about this, it turns out is true. And this is where earlier experiences can be invaluable. When we were younger in circumstances that now may seem insignificant, but at the time seemed momentous, most of us learned what is involved in taking a principled stand. Most of learned that, when necessary, we could in fact stand alone. You never want to lose that ability, because you never know when you are going to need to use it again. Do not let anyone else, however senior or powerful, assume responsibility for your own ethical standards.”

On being humane: “Whoever said, ‘Nice guys finish last,’ got it all wrong. Nice guys who also are competent and committed typically finish first, at least in the long haul, and bad guys in one fashion or another, ultimately self-destruct. If you are in a position of power, you may be treated courteously even if you are not courteous yourself. But you will never get true respect, unless you extend respect when it is deserved. You will not command loyalty unless you give loyalty. And unless the values of respect and loyalty permeate your leadership team, your ability to achieve respect will be compromised.”

On mission fidelity: “Mission matters. We [at the University] are blessed with a wonderful, people-oriented mission. And when it comes to building community, mission really does matter. It is essential that everyone involved in the enterprise understand and embrace the overall mission. By that I don't mean there has to be a catchy phrase. It is far more important that everyone in the community understands and values the work of the institution and its impact. On one level, the [mission] is an important tool that helps keep people in synch. Just as important the sweep and ambition of the bigger picture, at least if expressed in a compelling way, almost always will inspire and enhance higher levels of individual commitment and satisfaction…. Beyond that, the people that you would lead need to know that you are completely committed to the mission.”

On the dignity of all work: “If those within the institution believe that they really are participating in the process of building better lives, whether it’s being done from a front line position or in a supporting role, they will view both their contributions and their institutional connections in an entirely different way. The people you are counting on to contribute need to know that you respect what they are doing. The people you would lead need to know that their contributions to the institutional mission are valued by you. And since, more likely than not, their contributions are indispensable to your progress, that ought to be an easy undertaking as long as you remember to do it with sufficient frequency. Not all work is equally interesting or stimulating, but all work directed toward a good end is work of worth.”

On self-confidence: “It is sometimes said that leadership requires a special form of self-confidence — that others will not believe in you unless you are absolutely clear about the belief in yourself. That may be true. But I would say that leadership involves even more than [self-confidence] . . . it involves a strong belief in others – a belief that people have the capacity to rise to the occasion; a belief that most often most people will do the right thing; a belief in the basic goodness of people.”
Shortly before leaving office, it was announced that Mark Nordenberg would serve as Chair of the University of Pittsburgh Institute of Politics, a forum where state and local lawmakers gather to discuss public policy issues facing the region. While he will continue to serve the University, he will not occupy a position of institutional leadership. He now will view, from another perspective, a university that is vastly different from the one he inherited in 1996. Larger, more complex, more widely recognized and respected. By all accounts, the University of Pittsburgh is on stronger footing than it was in 1996, yet new challenges are on the horizon. Only time will tell if the foundation so carefully constructed by Nordenberg and his team will sustain, and will adapt to the rapidly changing environment of higher education.

Please note: The quotes herein by Mark Nordenberg were obtained in interviews on August 27, 2013, December 3, 2013 and January 14, 2014. Quotes from James Maher are from an interview on June 17, 2014, quotes from Al Novak from an interview on July 7, 2014, and quotes from Jean Ferketish on September 2, 2014.


References:


Johnson Institute for Responsible Leadership’s Exemplary Leadership case studies series include:

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