

## **Developing in the Evolving Role of Chief Business Officer**

**By: Dan Hurley**

In order to assess how well prepared public university chief business officers (CBOs) consider themselves to have been for their roles, a survey was developed and sent to 545 CBOs in the United States. The questionnaire received a 45% response rate and generated many interesting findings, two of which stand out in particular: (1) there is a set of identifiable factors that leads to improved leadership capability in the CBO role and (2) the role of the CBO has undergone a discernible evolution.

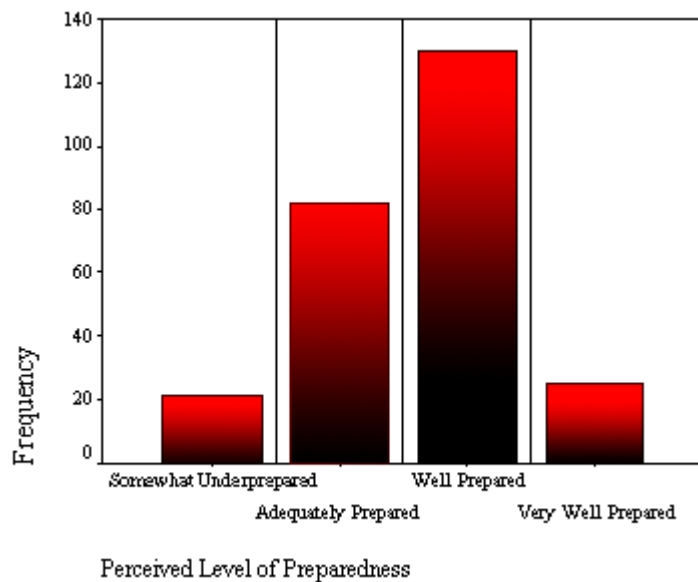
To begin, it is worthwhile to note those characteristics of the survey respondents that capture the background of today's CBOs. The survey respondents had served as CBOs an average of 10 years. Seventy-four percent had been previously employed in public university administration. Twenty-nine percent had served in management roles at a community college, and 27 percent had served in private sector management positions. The responding CBOs reflected a relatively high degree of educational attainment, with 22 percent having earned a terminal degree, 81 percent a master's, and virtually all having received a bachelor's; 25 percent were CPAs. Demographically, the participating CBOs had an average age of 54, and were, on average, 44 when first hired as a public university CBO. It is apparent that the profession is still dominated by Caucasian males: over nine in ten were Caucasian, and 85 percent were male.

## CBOs Perceive Themselves as Having Been Prepared

One of the study's key findings was that greater than nine in ten American public college and university CBOs perceived themselves as having been adequately, well, or very well prepared at the time they started their first CBO position (see Figure 1).

Figure 1.

Public University CBOs' Overall  
Perceived Level of Preparedness  
N = 258



## Many Factors Play a Role in CBO Leadership Preparedness

The study revealed that many factors are important in becoming prepared to serve as a capable and effective CBO. The survey data identified a number of factors that were determined to significantly correlate with CBOs' overall self-perceived preparedness.

These include:

- *knowledge of financial planning;*
- *ability to delegate tasks and manage crises;*
- *overall management capabilities;*
- *knowledge of contemporary issues in higher education;*
- *knowledge of the processes involved in facility maintenance, budgeting, and board governance; institutional policies; and the institution's role in the state's overall higher education system.*

Some of the study's most interesting lessons derived from the advice CBOs wished they had received upon first assuming the CBO role. An analysis of the advice the respondents shared revealed several leadership qualities integral to success in the CBO role.

- 1. Learn to build mutually beneficial relationships.** Continually enhance your ability to effectively create and maintain relationships with a variety of institutional stakeholders.
- 2. Understand the workload of the CBO position.** Develop an awareness of the extensive workload of the CBO position and the ability to balance professional responsibilities with personal priorities.
- 3. Focus on the big picture.** Avoid overly focusing on detail and strive to understand the division's role within the institution and the institution's role within the community and society.

**4.Exercise patience.** Demonstrate patience in facilitating policy and overseeing projects through their completion.

**5. Hone your listening skills, and react to what's being said.** Listen to others in a genuine manner and incorporate feedback into decision making.

**6. Understand the political nature of the CBO position.** Understand the role politics plays in the institutional setting and work to continually enhance your political persuasiveness.

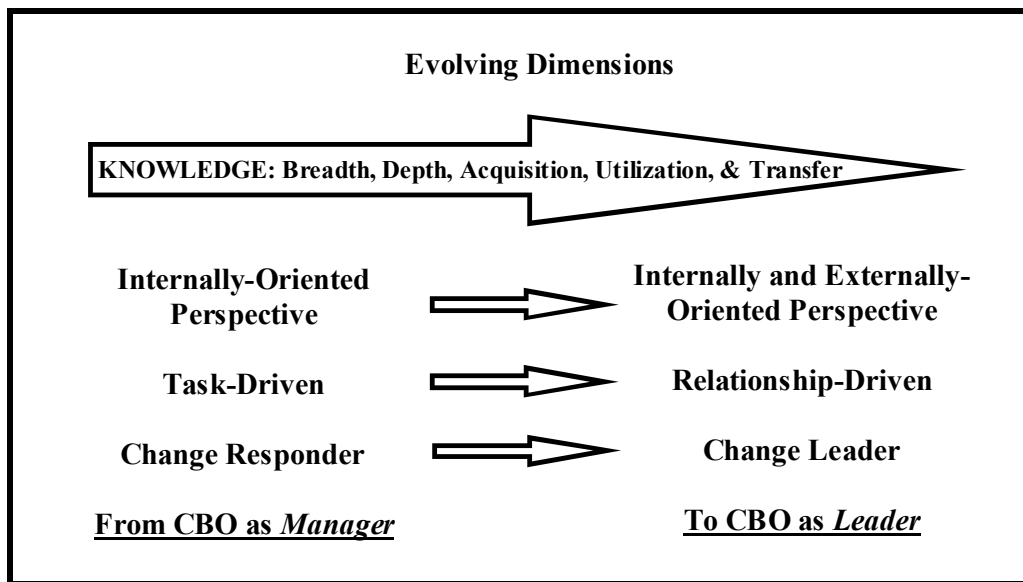
Collectively, the aforementioned factors can be viewed as “indicators of preparedness” that may be helpful in enhancing overall CBO effectiveness; however, they are merely elements that comprise a broad framework for understanding the approach that should be taken in preparing to serve in the CBO role. When all aspects of this study on CBO leadership preparedness are examined, it becomes apparent that the role has evolved considerably, a growth that must inform a thorough evaluation of one’s present or future performance as a CBO.

### **The Evolution of the Contemporary CBO**

The findings from the review of literature and the survey data make evident the changing nature of the CBO role. The CBO’s relationship to knowledge in terms of its pervasiveness, acquisition, utilization, and transmission has proved particularly dynamic. Other dimensions of the role have also evolved that may influence the practices of current CBOs, as well as those aspiring to the position of CBO. These other three dimensions are the CBO’s perspective, approach to work, and method of dealing with change. All of these dimensions are interrelated and therefore, influence the extent to which each one plays a role in preparing CBOs to reach peak

performance. Viewed collectively, the changes that have occurred in these four dimensions suggest that the role of the CBO has evolved from the position of a manager to that of a leader. A model illustrating the evolution of the CBO role and the four dimensions that have fundamentally influenced the transformation are shown in Figure 1.

**Figure 1. The Evolution of the Public University CBO Role**



**Evolving Dimension 1: *The Pervasive Impact of Knowledge and the Need for Continuous Professional Development***

Evidence from this study suggests that 1) the knowledge base required of contemporary CBOs has broadened; 2) a CBO must acquire knowledge more proactively; 3)

knowledge of the CBO must be applied more assertively; and 4) a CBO's transmission of knowledge has become more far-reaching in its implications. The CBO role has always required a knowledge base that was of significant breadth. However, today's CBO now requires knowledge that is even more extensive. At the root of this knowledge imperative is a myriad of external environmental pressures, such as increasing market competition, evolving technologies, escalating government regulation, the ever-intensifying search for scarce fiscal resources, and new threats that increase institutional risk factors.

The pace at which a contemporary CBO must acquire knowledge has accelerated, requiring a very proactive acquisition of knowledge. In the past, knowledge was used by CBOs in their daily management of business affairs. Knowledge was largely acquired to the extent it was needed to carry out the tasks at hand. Today, CBOs must increase their inventory of knowledge and its sources in order to competently engage in complex decision making and problem solving. Their knowledge is used to forecast, anticipate, plan, and help mold a vision for the future, requiring CBOs to use knowledge in a far more proactive manner than previously.

As institutional leaders, it is now necessary that CBOs not only apply their expertise to the tasks at hand, but that they share, communicate, and foster the development of new knowledge inside and outside the boundaries of their respective institutions. In effect, they must serve as conveyors of knowledge to a variety of institutional stakeholders.

### **Evolving Dimension 2: *Perspective***

In its early years, the CBO role largely required individuals to become acutely familiar with the institution's operations. A clear understanding of the policies, processes, and procedures employed at a given college or university served as a firm foundation for fulfilling the responsibilities of the CBO role. However, there is strong evidence to suggest that a two-dimensional perspective is now required of today's CBOs. The increasing rate of change, competition from multiple sources, and the need to engage in innovative partnerships with external organizations are a few examples that signal the need for CBOs to possess both an external and internal perspective from which to view their institutions.

### **Evolving Dimension 3: *Approach to Work***

The tremendously diverse responsibilities assumed by CBOs, compounded by the myriad environmental factors impacting the higher education environment, now require the CBO to delegate more work to others. This transition in how the CBO approaches his or her job has been illuminated by Rod Napier and Pat Sanaghan in their article "The Changing Nature of Leadership: Implications for Business Officers" (1999). The authors note that traditional CBO leadership development has focused on the value of concrete, linear, and task-driven thinking and action. The authors assert—and this study affirms—the need for contemporary CBOs to concentrate more on the social, interrelational, and procedural dimensions of leadership. The role of the CBO has evolved from a transactional, quid-pro-quo leadership approach to a transformational,

empowerment-based leadership style. As Napier and Sanaghan point out, the road to becoming a CBO is one that commonly requires a task-oriented, highly conformist orientation.

The hierarchical management structure often utilized by large colleges and universities, combined with the nature of the financial and accounting work typically performed by business officers, fuels this task-orientation approach. Task oversight remains an important skill and management responsibility of CBOs; however, today's business officer must commit to adopting a job-oriented focus that is based less on technical expertise and work as a product and more on relationship building and work as a process.

#### **Evolving Dimension 4: *Change Management***

Responding to change has long been a core competency in the skill set of the adept CBO. This study has pointed out, however, that merely responding to change has become inadequate in today's higher education environment. CBOs must now lead change, as opposed to merely responding. Out of necessity, they must proactively address change.

This notion of an evolution from a reactive to a proactive approach is supported by the survey research from this study. The study's participating CBOs expressed the importance of possessing awareness of contemporary issues in higher education and of the institution's role in the state's overall higher education system. This external perspective signifies their desire to acquire a knowledge base that better prepares them

to anticipate and proactively address changes that may impact the institutions they serve.

Business officers who aspire to improve their ability to demonstrate leadership in their roles should focus on the factors that this study identified as having a correlation with perceived leadership preparedness. In addition, those desiring to sharpen their leadership capacity should recognize how the role of the contemporary CBO has evolved and in turn, strive to augment their ability to lead in a manner that accentuates the four integral dimensions identified in this study.

### **How to access the study**

The entire study on the leadership preparedness of U.S. public university chief business officers can be accessed at

<http://www.ferris.edu/htmls/administration/president/nationalstudy/homepage.htm>

### **Source:**

Napier, Rod and Pat Sanaghan. "The Changing Nature of Leadership: Implications for Business Officers." *Business Officer* 33 (1999): 48–60.