

The Role of Institutions in Leading Public Discourse

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BARRY MUNITZ
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MICHAEL USEEM: Thank you. I'm Mike Useem. I'm on the faculty of the Wharton School University of Pennsylvania, and I have the privilege of welcoming Dr. Barry Munitz here to our commission. We are, of course, here in part because he is the president and chief executive of the Getty Center. So I just want to thank him here at the outset for this fabulous opportunity to be in an absolutely fabulous setting.

And by way of introducing him and his topic, I'm going to just quote a line from the white paper that Judy Rodin and Steve Steinberg had sent around before we came together for this particular meeting. They say "Putting together the commission's emerging thinking, after several meetings of this kind in previous months, that we should — and I'm quoting here—"We should seek—we should seek to improve public discourse by mobilizing social institutions to build strong discourse communities across boundaries of difference—across boundaries of difference."

Now I think experience reveals, certainly research shows, that people who have crossed those kinds of boundaries are exceptionally good at leading that kind of discourse. Just to pick an example a little bit far afield here, but to illustrate the point, I think some of you have followed the career of Lou Gerstner, who's now the chief executive of IBM. He's always worked in the private sector but in very diverse settings. He began as a consultant with McKinsey & Company, a big strategy consulting firm, worked for a piece with American Express, financial institution; then worked at RJR Nabisco, which, of course, is food and tobacco; and since 1992 has been chief executive of IBM. Can't think of three institutions more different than American Express, RJR Nabisco and IBM. And I can't think of a more difficult institution to come into at the time he did. IBM, 1992, was losing an enormous amount of money. But I think the record does confirm that it's the experience of working different institutions that helped him rethink what IBM was, what it stood for and where it should be going. There's, I think, an argument in his story to say that crossing these kinds of boundaries is a way to improve our thinking and certainly our discourse.

And today we have a person who I think not only has he crossed those boundaries as a participant, but has led several different kinds of institutions and is probably exceeded by few in a capacity to think about what it means to lead institutions and the discourse that go with them of very different kinds. Barry Munitz has a PhD in comparative literature from Princeton University. He served for a period as chancellor of the University of Houston, the main campus; served as chief operating officer of Federated Development Company in the private sector; served as chancellor of the California State University system with, just to put a couple numbers on that, 23 campuses, 37,000 staff and faculty, 300,000 students and a budget of \$4 billion. He served as chair of the American Council of Education, and now really celebrating his first year in office here. And, of course, this is just now a little past the first year of celebration of the opening of the Getty Center.

He's coming here today to talk with us about the following topic. I'm just going to tell you the theme. And by the way, we're going to work this about 45 minutes. He will speak for about 20 minutes. It'll give us time for maybe 20

minutes of going back and forth. And then we'll look to push back onto schedule. But Dr. Barry Munitz's topic will be the role of institutions in leading civic discourse. So join me in thanking...

BARRY MUNITZ: Thank you. I'm very pleased to be here and to welcome you all. I was just explaining to the people at my table it's like this every day, 365 days a year, but the fact is you all have to leave when you're supposed to leave. Several people have volunteered to just stay permanently, and as much as some of us would enjoy having you do that, there are others who are waiting now at the tram stop to move in.

Now I'm going to talk informally a—at lunch, and please, this is—Judith and I and others in this room make a living talking while everybody else is eating and so we are well used to this, and they'll come back and forth with dessert, coffee and whatever else you need.

I want also not to deliver a speech to you but to make a few remarks about this question of public discourse and bridging institutions, based primarily on my own experience here in this first year and in going from a very large public institution to a relatively small private institution and the lessons learned not just from one to the other but in trying to pull the two of them together. And, also, as some of you know and as I'll refer to briefly in a minute, I've had additional sort of intriguing bridge building responsibility since the first Tuesday of November, chairing the governor-elect's transition team. And this is the first time in California in 16 years that we've had a Democratic governor, and since that Democratic governor was Jerry Brown, it's really about 25 years since we really had a Democratic governor.

And—and so—but as—as Neil and others can tell you, it's really—it's truer than funny because if—I mean, Jerry Brown never gave any thought to infrastructure or to party, and so your—there really is this very long backlog. And unlike Washington, Sacramento is not a place where people look forward to hanging out in think tanks and consulting firms and law firms and waiting for the parties to change, and so we really, from a number of different angles, are starting virtually from scratch.

So it's been intriguing, and as you'll—and I'll read to you in a second the—when I finish a quote that I just got this morning that'll give you some sense of what my life is like, to see what the reaction has been in California to having the head of the Getty Trust, this small private, elitist, starkly non-partisan institution have its chief executive officer share the gubernatorial transition team in the name of facilitating public discourse. So I just want to make some comments pragmatically about what this means. I know a number of the people in this room and Joel and Neil and others who've been mentors and counselors and guides to me for 25 years—in Neil's case, almost 30—and the chance to talk a bit about the reality rather than the theory of this bridge building, and my concerns basically come in the category of governing boards, leadership, communities and the media. Because I confess to you from the outset when I even saw my assignment, I don't know what public discourse is, I mean, other than perhaps the literal description of a lot of people in public discoursing taught illogically in the sense, although that's important, and many times they don't.

But it's talked about in this setting and this agenda as if there's some profoundly clear and insightful definition of public discourse that removes it from the normal categories of human verbal interaction. And I don't know how to distinguish those two, but I'm sure all of you do, and by the end of the day today I will also know.

The Getty is an interesting combination of institutions, and it's what makes the public discourse so intriguing because we are, at the same time, a wonderfully spectacular art museum focusing on the visual arts. We've just passed two million visitors in exactly 12 months open, about a little less than twice the number that was predicted would come. For those of you who've spent any time in Southern California, the really interesting number is half of those people did not get here by driving their own car, and therefore our entire planning process to control people, which was based on the fact that no one in Southern California would attempt to get here other than driving their own car, was completely out the window from scratch. And little things like the assumption that the way we would understand our audience was having wonderfully sophisticated, demographic analysis when you called to

reserve to park your own car therefore means that about half the people coming here we really have no earthly idea where they came from, who they are.

We know they're coming back. We know they're staying longer than most people stay at museums by a considerable factor. And for this group, what's interesting is we know an awful lot of them are coming and not going to the museum, so that they are coming up to the—the building behind you in that corner is the Harold Williams Auditorium, which includes the world's only Richard Meier-designed podium, as well as a whole bunch of other things on the site which are the world's only Richard Meier-designed 'Ôblank,' but has about 450 seats of a wonderful setting where people are coming for lectures, for concerts. We had—last Thursday, Friday, Saturday and Sunday, we were the West Coast venue in a partnership that we undertook with the 92nd Street Y to perform the Robert Pinsky translation of Dante's "Inferno." So for those of you—several of you grinned when they mentioned that my degree was in comparative literature so that you could see where we are having an insidious influence here.

But people are coming to walk through the gardens, to look at the site, to eat meals, and most of them, but by far not all of them, are going through the museum. And many of them are coming for meetings like this, and we are overwhelmed with requests to use the site. It's only our friendship, not long and strong, but molded together by the fact that Deborah Marrow, who runs our grant program and many of you know is a graduate of the University of Pennsylvania and a very loyal, supportive and persuasive one, is the fact that you have broken most of the rules that we have for whether or not we allow groups to come into here, aided and abetted by Jill Murphy and Joel, who've been conspiring about public discourse and community service for some time. So between Jill and Deborah, you're here.

But what's interesting about that is we could have meetings like this here every day, and we have a whole bunch of people who are willing to pay a substantial amount of money to have meetings like this here every day. And it's leading to a very interesting conversation about our board table about

what an appropriate use of the site is and whether it's appropriate to even diversify our revenue stream by using the fact that this—I'll defer to some of you in the audience who've spent a life writing about economic institutions, but this may be one of the few places in the history of American capitalism where you have an extreme excess of demand oversupply, and there's not a damn thing you can do about it.

So the two traditional things you do, which is increase your price—and we don't have one—or increase your productivity, and our problem in the first place is that we have too much of this product out there, has created a very interesting squeeze. And one of the places where the board and we are more and more intrigued as to the potential, therefore, of this combination of museum and public site and auditorium and gardens and research institute and conservation setting and academic institutions devoted to education and the arts and the intersection of information, technology and the arts is that on top of all of that, we have a \$5 billion endowment. The endowment—there's \$1.2 billion of Getty cash in this project, 13 years in the building, and the endowment was larger when they cut the ribbon than when they put a shovel in the ground.

Now, I mean, that's a blessing. It's really a tribute to Harold Williams' great leadership. It's a tribute to the bull market, and those of you in this audience, as I've said, and other settings who know me at all would have known that the day I was appointed to this job, you should have immediately sold any equities you were holding in your retirement portfolio, since the story of my life is going after people who've had a wonderful time when the market is going up and then trying to untrack, as I did in 1991 when I arrived. And the Cal State University board said, 'We think the state may be headed for some economic difficulty,' and then announced that there was a \$14 billion deficit in the budget.

So now we are talking about how we used that endowment portfolio to undergird these different types of institutions, but on the other hand how we diversify our revenue streams so that we're not resting on just one source, how we can leverage it so that we can help many other arts institutions and

how we can be certain that, when inevitable gyrations occur, there's some protection for these programs. And more and more, what the board has said about that is find partners, leverage resources and get much more involved in the shaping of cultural policy and advocacy.

Now what's interesting here in this sort of anecdotal part of the building bridges between institutions in the name of public discourse is this—the first Munitz theorem. Governing boards that encourage you in theory to leap out into the public arena and shape and drive public discussion find great discomfort, in fact, when you do so. Because it's wonderful in theory to debate X number of issues, but when you actually then choose one or more of them and then engage publicly in talking about them and someone, amazingly enough, determines that that might not have been the right topic or the right perspective, the very same people who encouraged you to get out there on their behalf and lift the general quality of public interaction are interested in talking to you about being a lot more cautious and a lot more slow-moving and realizing that this is a private and not a public institution.

This gets compounded, with all due respect to the media people in the audience, by the fact—and I'm sure this will come as an extraordinary surprise to everybody in this room—but, by and large, the public media in California is a lot more interested in bad news than good news and, therefore, whenever there is a stor—so take a live example. The story of the Getty wants to diversify its revenue stream in order to be much more active in the shaping of cultural policy, the establishment of public policy advocacy positions and the enhancement of shared resources—so that, for example, Mrs. Clinton was here and we jointly announced a Getty-White House millennium project on natio—saving America's treasures and national conservation that Deborah helped shape. What the Los Angeles Times is interested in is solely whether or not there's any arts organization in town that might feel threatened by the fact that we're talking about diversifying our revenue stream. And amazingly enough, they actually found one or more people who were — and weren't reluctant to say so.

And so the reality is—and—and I love her and she's here and so it's easy for me to say, but the fact is the press, by and large, in my judgment, either doesn't know how to and/or doesn't have much interest in reporting the quality of public discourse and the complexity of the exchange that occurs when one attempts to engage, and, therefore, it's twice as risky because the solution is either to say nothing at all or to attempt to say something and to build some bridges, knowing full well that you're fighting an extraordinarily steep climb upward in attempting to have public discourse via the main method of public interpretation, and this entire group could come up today with spectacular insights, but there's not a damn thing you can do collectively about whether or not 99 percent of the population understood what you were doing and what you were up to. You depend on the transforming, communicating, translating vehicle.

And even in the arts world, I was amazed—I—I got this job a year ago and was—the person who was happiest that I was coming was the person that most people thought would be least happy that I was coming, who was John Walsh, who was the head of the museum. Everybody— again, the popular anecdotal notion was that we were headed toward this great conflict, whereas anybody who knew how smart John was should have realized in a millisecond the joy he would feel at the arrival of a pure Philistine. I mean, there was a—there—there was—there was no way on earth that I was going to be threatening to John Walsh in any fundamental decision about the museum other than the important long run, which is how much money he had to spend on treasures? I'm specifically thinking—I work in East St. Louis...

MUNITZ: Right.

REARDON: ...and, of course, we have the great Catherine Dunn of—her museum...

MUNITZ: Right.

REARDON: ...and her life's work there. That would be something that we would be very...

MUNITZ: Yeah. It's been a terrific response. And again—I mean, the genius of what we did—I can use that word because it was Deborah and her team and not me—but what we did was we made a \$1.1 million grant to Dick Moe at the National Trust to partner up with the millennium-White House project through Ellen Lovell and Mrs. Clinton, and the scheme is that they will take the \$1.1 million and use it in basically average—What?—about \$50,000 increments...

Unidentified Woman: Yeah, up to.

MUNITZ: ...up to \$50,000 as a match for local communities that will raise the same amount and identify their sites, not mandated by us, [but by] them. But that local communities would come in. We would have the incentive. You'd know it was in place. And the advantage for us—and this is the glory of being here, and I promise you there are many besides the sight and the weather—is that we also, having the conservation institute, can provide the technical expertise, the science labs. I mean, it's a perfect example of Getty. Another one that Ted and Jill have been working on and that I really have enjoyed that, again, we cooked up with Dick Riley was here and then I described to Mrs. Clinton over the summer—we have a partnership between Getty, the National Endowment for the Arts, the Department of Education and the Jet Propulsion Lab to have a contest next year for school kids whose winners will give the most refined definitions of the habitat on Mars in the year 2020, having to reflect a sophisticated awareness of both the cultural and the scientific conditions that will prevail. What's the ballet in zero gravity?

And those—that kind of synergy and collaboration and partnering and leveraging is what intrigues us and keeps us going. And the response has been terrific, and it was fascinating because, again, when this first came up, some of the reaction of some of our board members was that this was an elaborate scheme on my part to rescue a president who's an old good friend, and it was very interesting to have to explain how separate those two events were, and we have one or two who still aren't convinced. Yeah, Neil.

NEIL SMELSER: I think we've talked on a couple of occasions about what—what I think is a shared perception on our part about the changing quality of

administrative leaders in higher education, by increasing the proportion of what? — shopkeepers, damage controllers, keeping the constituencies happy by semi-promises that were never quite—quite kept and a—diminishing numbers of visionaries.

MUNITZ: Yeah.

SMELSER: Now I think that you've probably given us some insight as to why that might be. The press is certainly a part of it.

MUNITZ: Right.

SMELSER: The increasing complexity of constituencies is a very big part of it.

MUNITZ: Correct.

SMELSER: Because if you take one vision, you've got five people saying that's the wrong vision...

MUNITZ: Yeah.

SMELSER: ...so why even have one vision...

MUNITZ: Right.

SMELSER: ...when you're going to make five enemies per vision? And these are—these are—it's a structural thing that...

MUNITZ: Plus, you can't learn—I mean, what other—here—if you were interested—if you were, Jill Murphy—I mean, if you were someone in your 20s who was brilliant and experienced way beyond your years and you thought in your life between 35 and 55 you would like a run at being a college and university president, there are two things you would never, ever do: One, tell anyone else, and two, do anything public about trying to learn how to do it. Now what other profession in the universe works under those conditions? And then we wonder why college and university presidents are—and the average tenure at the AAU is falling below five years, and those are the most attractive presidencies out of 3,500.

So we make the profession an amateurish one. We have search and evaluation processes that make it more and more difficult to—to dream any dream out loud, much less try to deliver that. We saddle them with constituencies inside that are basically trying to examine whether or not they've done something wrong, not whether or not they've done something good to support—never letting—saying something publicly good about it, and then we give them governing boards, particularly in the private sector, that are fundamentally looking at the fund-raising issue and are, therefore, examining them by criteria that didn't get them there in the first place, or in the public sector who've been chosen by political governors pushing their own agenda. I—I don't know why we're surprised—to me, the surprise is that the Judith Rodins of the world are still there doing the job and fighting the battle.

SMELSER: Is there any way or anything you can say about reversing that, what seems to have been an inevitable trend?

MUNITZ: Yeah. Well, everybody's trying. I mean, Jerry Belile's chaired a wonderful commission—Harold Williams served on it—for the Association of Governing Boards that Kellogg and others founded, both strengthening the academic presidencies that made what I thought were some courageous recommendations because they were addressed, in part, to their own constituency and governing boards. My worry is, like many things in this society, Neil, that it doesn't fundamentally approach changing until it has a nervous breakdown. And it's like being a psychotherapist and hoping your patient has a collapse so you stop worrying about the elementary neurosis and psychosis and you get onto rebuilding. Now—and that's a terrifying thought.

And the—I had this exchange— some of you know John Vasconcellos, who's a longtime—now in the state Senate, but for many, many years was in the state Assembly, chaired the budget committee. He's been thoughtful about higher education. And we were talking about this, and he said to me, 'Barry, the people of America only started caring about the Vietnam War when middle-class white kids started getting hurt.' And it—and it was an interesting comment. And the link, Neil, was this notion of—that you have

to tiptoe up to the precipice of disaster in this country to get people's attention in this complex infrastructure issue. And so you get to this bizarre situation of praying it gets worse so enough people will care enough to make a fundamental change. And that's very scary.

Unidentified Man: But what's the change? What's the fundamental change?

MUNITZ: I think the fundamental change has to be a conspiracy between governing boards, the selectors of governing boards and the preparers of college and university presidents and museum directors and symphony directors that treats the profession like a profession, acknowledges the legitimacy of trying to get better at it, acknowledges the reality of the conditions that prevail when you take it on, and acknowledges that the only way it continues to get stronger is that the way you get and teach the board members is to have some buffer between the politics and the fund raising, on the one hand, and the reality of a selection process, whether it's a screening mechanism the way the ABA can be useful in Supreme Court selections or a different mechanism.

I think the fundamental change is to realize that leading the non-profit sector is a serious profession that will only get better if the board members who choose and have to protect those leaders understand what they're doing and that if you seriously then want them to engage in quality life-enhancing public discourse, they are going to get into trouble in the traditional sense of trouble and are going to need support and protection, not find themselves out so quickly on such a fragile wire that the slightest nudge brings you the next victim.

OK. Well, let me then—yeah, you're right on time. I'll get you going. Enjoy the rest of the day.