

Trusteeship

ASSOCIATION OF GOVERNING BOARDS OF UNIVERSITIES AND COLLEGES JAN-FEB-2024



Artificial Intelligence and the Future of Higher Education, Part 1

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Leveraging the
Role of the Board

Between Oversight and Overreach— The Appropriate Role of the Board In Crisis

BY SIMON BARKER

WITH THE PROLIFERATION OF RISKS in higher education (financial, reputational, political, and others), increased scrutiny, and the alarming trend of shortened presidential tenures, boards owe it to their institutions, and to themselves, to clearly define their roles before, during, and after a crisis. Crisis can act as a centrifugal force—the impact of the underlying issue or event often has the power to spin and split institutions apart, beginning with the delicate fabric of trust between the president and the board.

What, then, is the appropriate role of the board during a crisis?

Acting somewhere between paranoia and optimism, the board should balance skepticism and support and be willing to challenge any assertions from the administration that “everything is being taken care of.” Rather than second-guess institutional leadership, the board should:

1. Ensure the administration has access to appropriate resources, expertise, and support, for example from a law firm with a specialty in the area or a crisis communications firm. While crises are often unexpected and therefore not budgeted for, the board must facilitate an effective response.
2. Anticipate the potential financial impacts of the crisis on the institution and how that may require an update of its strategic priorities.

3. Conduct confidential investigations into the underlying causes of the crisis to ensure gaps are identified and closed and lessons are learned. Public investigations should typically be part of the administration’s commitment to address the issue.

4. Determine whether the president—the public face of the institution—is able to recover from the crisis and lead the institution forward as required. The board should provide appropriate support if the answer is yes, and necessary succession planning if the answer is no.

The board’s role is absolutely not to draft press statements on behalf of the president or to serve as a back-channel confidential source for reporters, nor is it to show up at the emergency operations center during an on-campus emergency. Such overstepping is often born out of a lack of

confidence in the administration and lack of clarity on its own role. Four key lessons can improve the board’s ability to play an effective, appropriate role during a crisis.

Lesson 1: Stop Finding Out About Things Once It’s Too Late

The importance of timely information sharing cannot be overstated. Every president knows that the board should not learn about a significant issue through news reports. Obviously, that is too late. But when is the right time to share information and with whom? How do we ensure confidentiality of often highly sensitive, non-public information? When should routine, informal conversations between the board chair and the president be expanded to a formal briefing of the executive committee, if not the full board?

Leaving information sharing to the sole discretion of the board chair is risky and insufficient for two reasons. First, it leaves the board chair vulnerable to criticism should the issue blow up publicly and the rest of the board was kept in the dark. Second, broader information sharing is more likely to result in an accurate assess-



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ment of the risk the crisis presents to the institution.

Identification of thresholds for reporting, especially for critical issues, is imperative and ensures information reaches the right ears at the right time. One threshold should be the activation of the institution's crisis management team, made up of senior leadership. Such an action indicates a recognition by the administration of the severity of a potential issue or crisis. A briefing by the president to the executive committee should be scheduled at that time, and ongoing briefings agreed upon and scheduled. If your institution does not have a clearly identified crisis management team whose activation serves as an automatic trigger for notification, the board's risk committee should identify the most critical issues for the institution's ongoing success and define the thresholds for timely reporting.

Lesson 2: Balancing Legal Risk with Requirements to be Transparent

Crises almost inevitably result in some type of legal risk, either due to the underlying issue or the failure of the institution

to respond to it appropriately. As a result, it is vital to extend privilege over internal deliberations so as to allow for a full exploration of strategic options. The expectation of confidentiality is foundational to effective decision-making. This is particularly important for public institutions, given the possibility of FOIA requests.

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That said, it is important to recognize that "hiding" information can be corrosive to the board's credibility and the public trust, particularly if the board was aware of the issue for a significant period of time but took no action. While expectations of confidentiality are vital in the decision-making

phase, openness and a willingness to share decisions publicly with the university community are equally important once a decision has been made.

Lesson 3: Understanding the Impact and Risk of Public Communication

What should the board communicate during a crisis, and when? Board communication during such times demands utmost care. A board can inadvertently undermine the credibility of and trust in the president and the administration by communicating separately about a crisis. Ironically, statements of "confidence in the president" are frequently interpreted as signals of the complete opposite, and so should be considered with great care.

Joint statements between the board chair and the president can sometimes be effective, as they denote a common purpose and aligned goals; such statements can be most useful in addressing significant structural change, such as closures or mergers. But a crisis that includes a volatile combination of threat, urgency, and uncertainty presents a risky communications

environment for a board to step into. If subsequent developments in the crisis further undermine the credibility of the president, a board chair who has stood publicly shoulder-to-shoulder with the president will also be compromised. Leaving room to escalate is a basic tenet of crisis communications, and once the board chair is involved, there is nowhere else to go.

The times that a board should communicate separately in response to a crisis are therefore few and far between.

Lesson 4: Making Sure Your Institution is Crisis Ready

The time to learn whether your institution is ready to manage a crisis is not when it is in the middle of a crisis! As has been said, “A goal without a plan is just a wish”; preparation is the linchpin. In the corporate world, the distinction between crisis management—strategy, decision-making, reputational risk—and emergency management—operational, life/safety, physical events—is clear and understood. In higher education, however, there has been an overweighting of the importance of emergency management to the detriment of crisis management to the extent that most institutions do not have any crisis management process at all. Assuming it is sufficient that getting smart people in a room who will be able to “work it out” is simply wrong.

Problems with Leaky Boards

Confidentiality during crises is paramount. Sharing non-public information with 30 or 40 board members is highly risky. For reputational, self-inflicted crises (which are the vast majority for higher ed institutions), discussions should be limited to the executive committee, and for public universities only occur in executive session (if permitted by law). The unfortunate reality is that boards inadvertently or purposefully can be “leaky,” that is, highly prone to sharing information in non-confidential settings. Rarely is this directly to a journalist (although board members can be attracted, like moths to a flame, to speak with reporters during crises) but instead assuming friends on the faculty already know or making off-the-cuff remarks in social settings are frequent sources of premature disclosure of confidential information before the board is ready.



Ensuring that the administration has a crisis management plan that not only defines how the institution will respond during a crisis but will help the institution prevent them from occurring in the first place is the first order of business. Making sure it is more than just a piece of paper but an actual capability—whether via proactive use or through training—is equally important. In no other area of a school’s operations would “we will work it out” be an acceptable response, let alone for situations in which the potential impact and disruption to the institution’s financial health, leadership, and reputation are so significant.

Developing a crisis management capa-

bility will reduce risk, provide predictability in response, and increase confidence by the board in leadership’s ability to manage crises. Without that, it is more likely that the board will become over-involved in crisis response to the detriment of the institution, its leadership, and the board’s own credibility and authority.

In conclusion, it is always the perception of an institution’s response to a crisis that has a greater impact on its standing than the underlying event. That is true whether the crisis is a physical event (such as an active shooter) or a self-inflicted crisis of reputation. In both instances, the board can play an important role in determining the effectiveness of the response and the perception thereof. The time for boards to define their roles in crises and prepare their institutions is now. ■

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