The Risky Academy: Environmental Scan for August 2018

ACADEMIC QUALITY

Numbers tell the results of diversity efforts, the decline in enrollment, and the growth in student debt. Among nearly 90 tables and charts are 30 that show which colleges have done the best on various measures, like increasing enrollment, graduating students on time, enrolling the most online students, and spending the most on research. The Almanac of Higher Education 2018-19

Washington Monthly ranks 4-year schools based on their contribution to the public good in three broad categories: Social Mobility (recruiting and graduating low-income students), Research (producing cutting-edge scholarship and PhDs), and Service (encouraging students to give something back to their country). 2018 College Guide and Rankings

DeVos describes plan to "rethink" higher-education standards through new rule-making process on accreditation, the credit hour standard, the faculty role online, and more. <u>DeVos to Announce New Push for Deregulation, Innovation</u>; <u>Issues of Accreditation Predominate in New Rulemaking Announced by Education Dept.</u>

The Department of Education has proposed new rules requiring all colleges to report the earnings of their graduates for each academic program or major. But the data are not yet available for many colleges and programs, and may not be ready for some time after the department's proposal takes effect. The Education Dept. Wants to Hold Colleges Accountable by Reporting Graduates' Earnings. One Problem: The Data Aren't All There.

American universities' democratic commitment has been both empowering and imperiling. It has compelled them to open to previously excluded publics, but it has also encouraged them to accrue a range of functions they were never imagined for—and are often ill-equipped to take on. The appetite for always doing more could prove to be its undoing. The University Run Amok!

A survey shows 82% of executives and 75% of managers think completing a college education is "very important" or "absolutely essential." But while they believe institutions are teaching graduates the skills needed for entry-level jobs, they reported that students usually don't have the skills to be promoted. Public May Not Trust Higher Ed, but Employers Do

Faculty are sounding the alarm about what they call a highly restrictive employee agreement at Purdue University Global—one that requires academics to potentially waive their rights to course materials they create. It also prohibits ex-employees from hiring former Purdue colleagues for a year, or from bad-mouthing Purdue once they're gone. Who Owns Faculty Work at Purdue Global?; 'Gag Clause' at Purdue Global Raises Alarms About Faculty Rights

A yearlong review of Akron's degrees and degree tracks identified 10 PhD programs, 33 master's programs, 20 bachelor's programs, and 17 associate-degree programs that will be phased out because they suffered low enrollment or were duplicates of prosperous programs at other, similar institutions. And, it is leaning into a current trend: competitive video gaming, known as esports. U. of Akron Will Phase Out 80 Degree Programs and Open New Esports Facilities

Even as finances have become more and more strained and student populations have declined, public and private higher ed institutions have added 41,446 degree or certificate programs since

2012. That's a 21% increase in the number from when the dramatic slide in enrollment began. Panicked universities in search of students are adding thousands of new majors

The FedEx arrangement, with the U of Memphis, is designed initially for the 11,000 employees at the company's nearby World Hub, but may soon expand to its smaller hubs in Indianapolis and Oakland. Big Companies Are Investing in Free College. Will Their Commitments Last?

We found one course with 12 sections. One had 25 students, one had 3, another had 5, another had 10. It was eye-opening for the faculty see that. If we could make some smarter decisions around scheduling, we could pull back time and money and do other things with them. **Enough** 'Do More With Less.' It's Time for Colleges to Find Actual Efficiencies.

As AI enters our daily lives through smart speakers and chatbots, it's no wonder that academics are exploring its potential in teaching. When you've got artificial intelligence handling work that is normally done by a human, how does that change the role of the professor? And what is the right balance of technology and teacher? How Artificial Intelligence Is Changing Teaching

Short-term: increasing focus on measuring what students are learning and providing them with new educational experiences, such as active-learning classrooms and makerspaces. Longerterm: the growth of adaptive-learning technologies, AI, and open educational resources. What's in Store for Ed Tech? An Annual Report for Leaders Lays It Out; 2018 NMC Horizon Report

The push for lifelong learning is fueling competition from alternative providers, but colleges and universities have a secret weapon: the deep bond they form with students, which should lead to a lifelong relationship. <u>Higher Education in a World Where Students Never Graduate</u>

ADVANCEMENT

Ever since the family of industrialist Henry Ford blanched at the perceived liberal leaning of the foundation that bears his name, America's 1% has fumed over institutions that have, in their view, subverted their legacies. Now, big donors are becoming more aggressive in hammering out detailed contracts. College Donors Are Getting Picky

Thirty-two private gifts valued at \$50M or more were announced by universities from July 1, 2017, to June 30, 2018. The latest gifts were devoted to strengthening medical care and research, engineering, business, economics, recruitment of professors, and student scholarships and fellowships. Largest Private Gifts to Higher Education, FY 2018

AFFILIATED ORGANIZATIONS

Mizzou's advisory council was tasked with finding solutions for issues that include hazing, diversity and inclusion, risky social practices, academics, recruitment, and the question of whether freshmen should be permitted to live off campus in chapter houses. MU Greek life could transform after proposed limits on parties, freshmen and alcohol

AUDIT, COMPLIANCE, & LEGAL

"'Transparency' has risen to sacred status, and even moderate change will be difficult. Still, it's time for us all to consider broadening the definitions of what communications should remain confidential and to grant more leeway for the kinds of meetings that are often essential to producing workable compromises." Commentary: Has government 'transparency' gone too far

The legal, public relations, and investigative bills cover aspects of the university's handling of the situation involving 18 years of classes that had no instruction and only required a term paper or two that drew high grades. New legal bills push UNC's tab for academic scandal to \$21 million

"I have done more than 50 criminal cases as an investigator," says Antonino Vaccaro, an associate professor of business ethics. "Every time, the problem is not compliance, it is organisational values. If you have an organisation that is healthy and a bad apple arrives, he or she is recognised, re-educated, or expelled." Do companies really need a 'head of integrity'?

In most cases, administrators could answer basic questions about Title IX and sexual assault. But more than 200 of 632 calls were never picked up by a live person. The lack of response was surprising, given that the callers were posing as students. Researchers, Posing as Students, Quizzed Campus Officials About Sexual Assault. How Did They Do?

DIVERSITY & INCLUSION

Amid criticism of the artwork, the university commissioned a new one and added context to the original. What the U. of Kentucky Did About a Controversial Campus Fresco Depicting Slavery

ENROLLMENT

"Our biggest competitor is not the University of Wisconsin, or Indiana University, or private universities, or community colleges. Our biggest competitor is nowhere. Thirty-four percent of the freshmen that we admitted for the last three years, fully qualified, went nowhere. That loss of human capital to this democracy is something that we should all be very concerned about." A Veteran President Calls on Colleges to Stop the Snobbery

Transfer students, who make up 38% of all students in higher ed, have always helped a university's revenue by replacing students who leave after the first or second year. But behind the new interest in courting them lies one stark reality: Undergraduate enrollment is declining and has been for six years. Colleges and Universities Woo Once-Overlooked Transfer Students

Making Caring Common recommends admissions applications encourage students to display not only excellence in academics and extracurriculars, but concern for others and the common good as well as authentic intellectual engagement. <u>Doing It for the College Resume</u>

The cover of Rose-Hulman's mailer to high school students proclaims "A Watersports Paradise..." Those who open will find the next page says, "It Is Not." Then: "On the subject of water, we plunged into underwater robotics with a team that built remotely operated vehicles—as first year students!" University Laughs at Its Location... Again

FACULTY RECRUITMENT & RETENTION

As the economy shifts, faculty are being recruited by companies for outrageous salaries. But, "Academia is a very specific thing. You have to come up with your own ideas, figure out how to fund it, bring students along and work with them and see it all the way through" and having that "freedom to create and discover" will make the right faculty want to stay. How should higher ed address the problem of losing faculty members to industry?

Reitman tried to get out of Ronell's thrall. He tried to contact Yale. Alas, the head of admissions in the department was Ronell's close friend. When Reitman reached out to the vice provost at NYU, several times, he learned the vice provost had come from Ronell's department. Rather than reporting the incident, as he was legally required to do, the vice provost encouraged

Reitman to stay away from Ronell. Unable to escape his adviser, whose reach—like that of many illustrious scholars—extended everywhere, Reitman did what a lot of people do in this situation: He made the best of it. He sucked up. The Unsexy Truth About the Avital Ronell Scandal; Harassment and Power; Avital Ronell and the End of the Academic Star; NYU Scholar Accused of Harassment Assails Rush to Judgment as Sign of 'Sexual Paranoia'

A culture of critics in name only, where genuine criticism is undertaken at the risk of ostracism, marginalization, retribution—this is where abuses like Avital's grow like moss, or mold. Graduate students know this intuitively; it is written on their bones. They've watched as their professors play favorites, as their colleagues get punished for citing an adviser's rival, as funding, jobs, and prestige are doled out to the most obedient and obsequious. The American university knows only the language of extortion. "Tell," it purrs, curling its fingers around your IV drip, "and we'll eat you alive." I Worked With Avital Ronell. I Believe Her Accuser.

FINANCE

Rising college cost is driven by three economy-wide forces: 1) Lagging productivity growth is endemic to personal service industries, so service prices rise faster than goods prices. This is called "cost disease;" 2) The higher ed workforce is highly educated and the cost of hiring highly educated workers has risen sharply since 1981; and 3) A college's mission and market require it to meet a rising standard of educational care. Drivers of the Rising Price of a College Education

What is happening at Earlham is emblematic of the financial issues facing much of higher ed. Moody's Investors Service says that 25% of private colleges are running deficits. The news isn't much better for public universities. Last year, revenue at state-run schools grew 2.9% while expenses jumped 4.8%—the second consecutive year that expenses outpaced revenue. Despite strong economy, worrying financial signs for higher education

State coordinating boards have only recently suggested that there should be a relationship between borrowing for an education and the ultimate, anticipated employment value of the course of study. The Texas Higher Education Coordinating Board suggests a student should accrue no more debt in securing an education than 60% of the first-year anticipated starting salary. Treasure, trust transparency and truth

There are six "red flag" behavioral indicators that tend to be associated with fraudsters: living beyond one's means; financial difficulties; unusually close association with a vendor or customer; control issues and an unwillingness to share duties; divorce or other family problems, and a "wheeler-dealer" attitude or cultivated self-image. The Fraudster Down The Hall

GLOBAL & INTERNATIONAL

New final guidance changes the way international students and visiting scholars on F, J or M visas are found to accrue "unlawful presence." Individuals who accrue more than 180 days of unlawful presence during a single stay in the U.S. are subject to three- or 10-year bans on reentering the country. <u>Guidance on 'Unlawful Presence' and Foreign Students</u>

While professor Sun was on a live telephone interview from his home, he reported to the VOA anchor that local police had forcibly entered his residence and demanded he end the interview. When professor Sun refused, the phone line went dead. Efforts by VOA to re-engage with him have been unsuccessful. Chinese Police Remove Professor During Broadcast of VOA Program

A \$717B defense spending bill sent to President Trump for his signature prohibits the use of appropriated funds for Chinese language instruction provided by a Confucius Institute or by a Chinese language program at a university that hosts a Confucius Institute. The prohibition can be waived if a defense official certifies Confucius Institute employees and instructors will have no involvement with the Chinese language program or authority or influence over its curriculum. Defense Bill Restricts Funds for Colleges With Confucius Institutes

GOVERNMENT RELATIONS

U.S. tech companies are hoping to get ahead by working with policy makers to help shape potential new federal privacy legislation. <u>Tech Firms, Embattled Over Privacy, Warm to Federal Regulation</u>; <u>Tech Industry Pursues a Federal Privacy Law, on Its Own Terms</u>

HUMAN RESOURCES

Employers can be held liable for defamatory statements made by their employees when those statements are made within the scope of their employment, making it important for employers to mitigate this risk through effective policies and procedures and employee training. Mitigating Risk for Rogue Employee Speech

INFORMATION INFRASTRUCTURE

Threat actors from Iran have been targeting universities across 14 countries in a bid to steal credentials from academic staff, in order to gain access to library systems. <u>Iranian hackers target</u> 70 universities worldwide to steal research

Cyberattacks are notoriously difficult to prevent because of the changing nature of cyber threats. Businesses and consumers are no longer being taken down by traditional viruses, but rather by zero-day vulnerabilities and polymorphic malwares, which are constantly mutating in order to evade detection. Ransomware trends to target after WannaCry

Yale has disclosed a security breach which occurred a decade ago and affected 119,000 individuals. A threat actor managed to access a database managed by Yale and exfiltrate names, Social Security numbers, and dates of birth. Yale University discloses old school data breach

When digital attacks are growing increasingly sophisticated and being blamed for everything from hacking to election fraud, a physical key may be the best barricade between your data and the wrong hands. Beyond Passwords: Physical Security Keys Are Ready For Prime Time

"At least 50% of companies have a limited to no grip on the business implications of a cyberattack on their day-to-day operations. They're thinking about it as an IT problem. They're not thinking about it as a business problem." How simulating crises can help firms get ahead

INTERCOLLEGIATE ATHLETICS

The NCAA will allow top prospects to have relationships with unpaid certified agents. Players invited to the NBA Combine may return to school if they go undrafted and remain enrolled in classes. And players who leave school early will be provided financial assistance if they wish to return later to finish their degree. The new rules will also make school presidents, chancellors, and athletics staff members personally accountable if their programs break NCAA rules. NCAA Tweaks Amateur Rules for College Basketball Players; 'Committed Change' for Men's Basketball; NCAA to allow more flexibility for college basketball players considering the NBA

The president knew enough to recognize that some policies "do not conform to best practices." Staff members did not diagnose McNair's heat-related illness, take his temperature, or treat him by immersing him in cold water, which were "significant" findings. Admitting Significant Mistakes, Maryland Accepts Responsibility for Football Player's Death; University Of Maryland Accepts Responsibility For Football Player's Death

The University of Maryland has placed football coach DJ Durkin on paid administrative leave as it investigates allegations of abuse and disparagement in the program and the death of offensive lineman Jordan McNair. Maryland head coach DJ Durkin placed on administrative leave;

Maryland System Takes Control of Football Probe; Details of a 'Toxic' Environment

Thirty-three NCAA football players died playing the sport between 2000 and 2016, an average of two per season. Six were traumatic, the result of injuries caused by collisions. The rest were non-traumatic, the result of intense exercise. All but one occurred during the offseason. Conclusion: college players are four and a half times more likely to die training for football than actually playing it. 'Junction Boys syndrome': how college football fatalities became normalized

Urban Meyer fired Zach Smith after Brett McMurphy, a sports reporter, reported that Courtney Smith had filed a domestic violence civil protection order against him three days earlier. The university then acted in response to a post by McMurphy alleging that Meyer knew Smith had abused his then-wife, Courtney, in 2015. Ohio State Places Head Football Coach on Leave; Urban Meyer Placed on Paid Leave at Ohio State Following New Allegations; Urban Meyer placed on leave as Ohio State investigates what he knew about alleged abuse; Crisis of the Week: Ohio State Tackles Reports Football Coach Knew of Domestic Abuse; Urban Meyer and the Missed Signs at Ohio State; Did Ohio State's Football Coach Overlook Domestic Abuse? 5
Lessons From an Investigation of Urban Meyer; 'Shameful Chapter' at Ohio State; Ohio State Hits Football Coach With 3-Game Suspension for Not Reporting Alleged Abuse

Nearly 150 former OSU students have reported they were sexually abused by campus sports doctor Richard Strauss, who is now deceased. Investigators are also looking into allegations of a "sexually exploitative atmosphere" in Larkins Hall, the since-demolished gymnasium. More Victims Come Forward in Ohio State's Sexual-Abuse Investigation of Sports Doctor; Former Ohio State Students Report Decades Of Sexual Misconduct By University Physician

Eszter Pryor, a former diver who trained with the Ohio State Diving Club as a teenager, discussed an abusive relationship that she had in 2014, when she was 16, with a 28-year-old diving coach at the university, where the diving club trained. She said she felt stuck in the relationship because there was no athlete advocate she could call and no way to report the abuse without repercussions. 'I Didn't Know How to Stop Him': Ohio State Abuse Scandal Widens

The NCAA cleared the Michigan State athletic department of any wrongdoing in the Larry Nassar sexual assault scandal, and at the same time said basketball coach Tom Izzo and football coach Mark Dantonio are in the clear. NCAA clears MSU in Nassar, football, basketball cases

The OCR "determined it is necessary" to follow up with coaches and student athletes about equal treatment in equipment and supplies, recruiting and housing and dining—three of the 13 categories included in the 2015 complaint filed by four field hockey players. Feds continue gender equity probe of University of Iowa athletics

Phillips told UNC he had not bought gear from UNC student-athletes in the past. But he said he had bought school issued shoes from student-athletes at Michigan, UC-Berkely, and Marquette. UNC suspends 13 football players, including QB Chazz Surratt, for selling sneakers

Whenever I mention where I go to school, people don't ask me about my classes or professors. They ask me about football. I don't mind. Every fall, when tens of thousands of people pour onto the Oklahoma campus for games, I feel proud. Or maybe I should say felt. Part of me can't wait for football season to start. The other part of me wonders: Is it OK to be a football fan in 2018? Should I Still Root for My College Football Team?

MEDICAL & CLINICAL

Allegations of physician abuse at research universities have forced institutions nationwide to reassess their own practices. Schools have revised some policies on doctor-patient interactions, trying to take a proactive stance to protect students—and to defend their universities against the legal, reputational, and financial woes that come with large-scale scandal. Abuse Scandals Involving Doctors Have Shaken Several Colleges. Now Others Are Making Changes.

"Saddled with staggering student loans, many medical-school graduates choose higher-paying specialties, drawing talent away from less-lucrative fields. Moreover, the financial barriers discourage many promising high-school and college students from considering a career in medicine altogether due to fears about the costs associated with medical school." New York U.'s School of Medicine Goes Tuition-Free; Antidote to Med Student Debt; 5 Key Questions About NYU's Tuition-Free Policy for Medical School

At a Trump administration event focused on developing more health-care apps, companies including Amazon, Google, and Microsoft said they would "share the common quest to unlock the potential in health care data, to deliver better outcomes at lower costs." <u>Tech Giants Pledge to Ease Patient</u>, <u>Provider Access to Health Data</u>

ORGANIZATION, GOVERNANCE, & PLANNING

"The best model, I believe, is a university senate—composed of elected representatives and chaired by a president genuinely open to rational persuasion and debate—that brings together diverse constituents, including faculty, staff, and students, encourages spirited dialogue, and provides a direct line to the institution's leadership, including its governing board." Shared Decision Making

One year before Maryland football player Jordan McNair died, the school's athletic department submitted a proposal that would have fundamentally changed how health care was delivered to athletes, a drastic overhaul aimed at better aligning the school with NCAA recommendations. The president rejected the proposal because he did not want to allow medical personnel decisions to be made by another institution. A year before Jordan McNair's death, Maryland president nixed plan to overhaul athletes' health care; Strain on Maryland Leadership Grows Amid Fallout From Football Player's Death; As Football Scandal Unfolds at Maryland, Professors Fear Lack of Athletics Oversight

"Higher education plays a unique role in the support of free speech and the exchange of ideas that lead to better understanding. In that pursuit, it does not mandate perfection." However, the Board approved a motion during a special meeting to remove the name of John H. Schnatter from the school's Institute for Entrepreneurship and Free Enterprise and return funding to Mr. Schnatter's Family Foundation. As Colleges Distance Themselves From Papa John's Founder,

<u>Ball State U. Sticks With Him</u>; <u>Ball State trustees stand by Papa John Schnatter</u>; <u>Statement</u> from Ball State Board of Trustees about Aug. 16 special meeting

The problems at USC point to the heart of a culture where trust was in short supply: Presidential communications were largely stage-managed and formal. Decision making happened from the top down. Meaningful faculty participation in governance disappeared. How a Successful Presidency Failed, One Day at a Time

Since this is his first full academic year in office, President Thomas wanted to immerse himself in the student experience. That meant sleeping on a college-issued mattress, sharing snacks with fellow freshmen, and staying up past midnight. "I had a pretty rough night the first night. The next day, they were like, 'None of us sleep on the mattress. Didn't your mother come and make your bed?" A College President Slept Like a Freshman for 2 Nights. Here's What He Learned.

PUBLIC SAFETY

Two people contacted police after hearing Johnson make the threats and said they believed he was being serious. Johnson said, "I honestly just feel like going home and getting my gun and killing everybody." A few minutes later, Johnson allegedly said, "I seriously just feel like doing a mass shooting." WVU student arrested after allegedly threatening to commit mass shooting

REPUTATION & BRAND

Temple found what it characterized as small, unintentional errors in some information shared with U.S. News about the university's education and medical schools. Some of the false data submitted to U.S. News for its rankings may have also been submitted to the Princeton Review for its rankings. More Fallout in Temple Rankings Scandal

It turns out that eight of the colleges ranked a year ago submitted information that was sufficiently incorrect that it would have changed their places in the rankings. And so U.S. News has declared them to be "unranked," a punishment that lasts until Sept. 10, when the new edition comes out. 8 More Colleges Submitted Incorrect Data for Rankings; Updates to 8 Schools' 2018 Best Colleges Rankings Data

SPONSORED RESEARCH

The new "single IRB" rules could lead universities to charge fees for the use of their institutional review boards. Some scientists worry that any additional expenses will threaten work that does not receive significant financial backing. Why a Federal Rule Change Has Some Scholars Worried They'll Be Priced Out of Their Own Research

Only two of the top 50 public institutions for R&D spending in the humanities in FY 2016 devoted more than 5% of their overall R&D spending to the humanities. Purdue spent 0.6% of its R&D on humanities; IU Bloomington spent 0.5%. Colleges With the Greatest Research-and-Development Spending in the Humanities, FY 2016

The legislation includes an increase in NIH funding and boosted resources for opioid treatment, prevention, and recovery programs. Both of the bills included in the package were passed by the full Senate Appropriations Committee with near-unanimous support. Senate Approves Third Appropriations Package, Marking Passage of Nine Bipartisan Funding Bills

STUDENT EXPERIENCE

A former Butler lacrosse player says the school and a campus fraternity failed to protect her from a dangerous student, a football player, who had already allegedly raped a female volleyball player multiple times. The lawsuit claims the woman reported the incident but Butler failed to take appropriate action. Woman sues Butler and a former fraternity after saying she was raped on campus in 2016; Butler fraternity house shut up, locked up after 2016 rape allegations

The proposed rules narrow the definition of sexual harassment, holding schools accountable only for formal complaints filed through proper authorities and for conduct said to have occurred on their campuses. They would also establish a higher legal standard to determine whether schools improperly addressed complaints. New U.S. Sexual Misconduct Rules Bolster Rights of Accused and Protect Colleges; DeVos's Rules on Sexual Misconduct, Long Awaited on Campuses, Reflect Her Interim Policy

President Michael K. Young outlined 11 immediate actions Texas A&M is taking to improve how it deals with Title IX investigations and sanctioning. The extensive changes are the result of internal and external investigations launched by President Young more than 9 weeks ago. Texas A&M Releases Reports On Title IX Policy And Procedures

"The concern with "safety" is that it's a very powerful word, and we're letting its meaning progress into something more like an unperturbed state. If you're a professor, and one of your students says they don't feel safe, 15 years ago you'd think, "Oh my God, I have to call the police." But now, when people say it on campus, it could be a situation where you have to call the police, or it could just mean someone feels uncomfortable. When you create an ambiguity around safety, that's dangerous." "This Is Something That We're Doing to a Generation"

At Florida State, the Student Resilience Project plans to go one step farther by teaching students not only how to cope with stress, but also how to deal with adverse childhood experiences (ACEs), including abuse or family mental illness. FSU is implementing the trauma-resilience program with the hopes of preventing affected students from coping with trauma through harmful behaviors like substance abuse. How one university teaches resilience at orientation

A class-action lawsuit accuses Stanford of discriminating against students with mental health issues by coercing them into taking leaves of absence, rather than trying to meet their needs on campus. The case lays bare the conundrum universities face—amid a national epidemic of students dealing with depression, anxiety and suicidal thoughts—in responding to mental health issues. Feeling Suicidal, Students Turned to Their College. They Were Told to Go Home.

During the comedian's show, he brought a female volunteer on stage, made several sexually suggestive comments, and joked about how he was able to touch her. The young woman left the stage crying. "It was completely inappropriate. You basically just watched someone get harassed and sexually be uncomfortable on stage and it's not okay," said a male freshman. Purdue students take offense, walk out on comedian; Purdue: Comedian Agreed To PG-rated Show, Won't Be Asked Back

Three students claim their right to free speech has been chilled from speaking openly about their views on subjects including gun rights, illegal immigration, abortion, the welfare system, gender identity, affirmative action and Title IX. "University officials have a ton of power to trigger this process," Speech First Attorney Jeffrey Harris said. "That can lead to viewpoint or content targeting." Judge: Free speech not threatened by University of Michigan anti-bias team

NEW ERM RESOURCES

Following an analysis of 125 reputation crises over the last decade, research found that the value impact of reputation crises has doubled since the introduction of social media. Moreover, neither company size nor reputation premium offer any protection against value loss in the wake of a crisis. Reputation events included product recalls, executive malfeasance, or cyberattacks, and the data shows that companies could add 20% of value or lose up to 30% of value depending on their reputation risk preparedness and management behavior in the immediate aftermath of a crisis. A successful recovery, according to the study, depended on instant and global crisis communications, perceived honesty and transparency, and active social responsibility at the organization. Randy Nornes, enterprise client leader at Aon, says, "Although risk management awareness and tools have evolved, reputation risk continues to weigh on corporate executives as one of their leading concerns. For the past 10 years, reputation risk has occupied one of the top spots on Aon's bi-annual Global Risk Management Survey. Savvy companies that develop and use a robust risk management framework can not only better navigate reputation events but can often see a net gain in value post-event." Aon delves into the surging growth of reputation risk

This monthly publication is being sent to all IU Risk Owners and others participating or interested in the IU Enterprise Risk Management (ERM) program by Merri Beth Lavagnino, Chief Risk Officer for IU, in order to increase awareness of current trends affecting enterprise risk in higher education. Please reply to her at mbl@iu.edu if you would like to be taken off the mailing list, or if you have others you would like to add to the mailing list. Thank you!