Genesis of the book

The 20-volume *Managing Universities and Colleges* series in which this volume appears aims to provide a set of guides to good practice. The editors’ interest in the subject of crisis was aroused as the result of a chance remark made by a senior professional colleague who mused that, while there was no reluctance to write about the management of change in higher education, in contrast no one seemed keen to put pen to paper on the nitty-gritty issues that really mattered: namely, how to turn a failing higher education institution (HEI) round and how to manage a failing member of staff. This latter issue, which besets every HEI (although we all usually prefer to sweep it under the carpet), remains a problem too far and perhaps others will turn their attention to it in due course (see the recent volume in this series: Pat Partington on *Managing Staff Development*, 2003). The editors, however, in their innocence believed that, in relation to the former issue of institutional rather than personal failure, they could readily convince a team of highly qualified and appropriate senior staff to write a series of case studies under the generic title of *The Failing Institution*. They were wrong: almost all of the initial contacts declined – usually graciously, but nevertheless firmly.

It was an exchange of correspondence with Sir William Taylor, the doyen of ‘HEI company doctors’ and the author of the Foreword, that highlighted the editors’ mistake. Our working title was far too negative and implied a current and continuing state of affairs. Sir William suggested the far more challenging and acceptable title of *Managing Crisis*. However, even with this new title, it proved
impossible to gain contributions on some *causes célèbres*. The reasons
given were varied, but bear consideration. They include:

- A state of sheer fatigue still existing among all of the key
  participants.
- A desire not to reopen old wounds, which, at the time of contact,
  appeared to be healing, although no one was confident that there
  would not remain at least a lot of unsightly scar tissue.
- A belief that all the relevant facts were already in the public arena
  and that reflective analysis would not add anything to them.
- The problem of existing legal actions and the possibility that new
  ones might result from any injudicious words.
- The argument from affront, namely that ‘crisis’ is a subjective term
  and ‘I never thought that my institution was in one.’
- A desire not to be seen as blowing one’s own trumpet and claiming
  the turnaround of the institution as primarily due to the efforts of
  one person: it appears that further and higher education (FHE) does
  not readily support the cult of the personality!

**Contents and contributors**

In the light of the above hurdles, the editors are delighted to have
gathered together such a distinguished group of contributors. Their
names, positions and experience speak for themselves. The brief for
the core UK case study chapters of the book was simple: each author
was asked to provide a little background about the FHEI concerned; to
identify what were (possibly still are) the problems, how the problems
came to light and what has been done (or is being done) to put the
problems aright; and to speculate a little about the future. The result
is seven very important ‘stories’, each of which is worth studying in
its own right and, at the same time, contributes to the broader picture.

The international chapter provided the editors with a considerable
headache, although not because of its quality. Chris Duke took as his
remit the whole structure of the book and included both references
to the literature and general observations. The editors hesitated:
should the chapter be hacked about or should it be left to stand as a
single, coherent contribution? This was the dilemma. After much
soul searching and correspondence, the editors decided to leave the
chapter as it was originally written and, therefore, must crave the
indulgence of the reader about any possible repetition. The decision
was a hard one to make and was in no way influenced by Chris’s
gentle hint that an Australian vice-chancellor (VC) had only just
resigned over a 20-year-old plagiarism!
FHE crises, especially those having a financial dimension (and which do not?), are clearly a responsibility (or at least a concern) of the funding councils. Sir Brian Fender’s chapter, therefore, is of particular interest as it shows exactly what goes on, and the responses that are made, within these ‘shadowy bodies’ when things go wrong. FHE institutions are legally independent bodies, but this status, which we all cherish, also entails the right to go bankrupt. How far will funding councils go to solve a crisis? Will they inevitably become planning as well as funding bodies? Will politicians allow the bankruptcy of a FHEI? The concluding chapter by Peter Scott provides one of the best thinkers and writers in the world on higher education with a wide canvass on which to work. He has not disappointed us.

At this juncture, it must be pointed out that, irrespective of his or her position (or former position) in the organization concerned, each author has written as an individual and in no way claims to speak on behalf of anyone else, or on behalf of any institution or body.

**FHE crises in perspective**

There is a commonly held belief in UK government circles (and probably in the business world as well) that further and higher education institutions are badly managed by untrained amateurs at most levels of the organization. Consequently, when a crisis surfaces in FHE, usually brought to light as a result of the very elaborate and multilayered audit regimes from which the system benefits (and this last term is not used in an ironic sense), then the media, even the relatively gentle education media, immediately look for scandal and begin a feeding frenzy. Yet what is the incidence of real crises in the sector? And especially compared with recent mismanagement and misgovernance scandals on a truly massive scale (Barings, Marconi, Equitable Life, Independent Insurance, Railtrack, Enron, Tyco, Worldcom . . .).

There are at the time of writing 171¹ HE institutions in the UK and approximately 500² FE institutions, including sixth form colleges. During the past decade, despite arguably severe underfunding, there have been no more than a dozen reported crises and only about half of these have generated National Audit Office reports. On an annual basis, this means that only 0.2 per cent of HEIs are affected or, to put it another way, 99.8 per cent have a relatively clean bill of health. In comparison with the private sector (as noted above) or even central and local government (the expensive mishandling of BSE and FMD, the collapse of education services in some London boroughs, the
electoral gerrymandering within Westminster Council . . .), this is a very low figure. There may be individual FHE crises, but the sector is certainly not in crisis. And it is far better managed than it is ever given credit for.

Yet undeniably there are crises of varying degrees of drama and severity, and, moreover, ‘crisis’ can take many forms for a FHEI: the fires at City University and York University; sudden financial meltdown at Bristol University and at Lancaster; a slow loss of financial control at Edinburgh, Aberdeen or UCL; the strategic collapse of Cardiff or Thames Valley; a ‘no confidence’ vote in the VC’s leadership at Goldsmiths or Portsmouth; the ‘overtrading’ at Southampton IHE or Swansea IHE as overseas franchising went badly wrong; the ramifications of the closure of a single academic department, as at Birmingham; a bungled IT project at Cambridge; massive staff cuts at Aston, Bradford and Salford; student underrecruitment at De Montfort; media exposé of ‘places for donations’ at Oxford; student occupation of key buildings at Warwick; legal wranglings over campus ‘free speech’ at Liverpool University; sacking the VC at Glasgow Caledonian; ‘soap’-style academic squabbling over many years within a department at Swansea University; student litigation over the quality of ‘the learning experience’ at Wolverhampton; the impounding by the police of an art book under the Obscene Publications Act and the potential prosecution of the VC at UCE; dangerous failings in laboratory safety at Imperial; media attention over deficient teaching of a single module at Liverpool John Moores; a student raped on her year abroad claiming negligence on the part of St Andrew’s in despatching her to Odessa; campus damage from a mini-hurricane at Sussex University . . . Is your FHEI next?

The management theory and literature: A brief review

Most textbooks on organizational psychology, on strategic management or on the management of change will have an index entry for items such as ‘risk assessment management’, ‘crisis planning and management’, ‘disaster recovery’, ‘contingency management’ or ‘managing turbulence’: see, for example, Thompson (2001: Chapter 23) for a neat section on risk management, on crisis avoidance and on crisis/disaster recovery within a comprehensive management strategy textbook. There will also be an endless flow of ‘one-minute-manager’ guides for dealing with crises, each offering tick-lists and calming thoughts (for example, Jay 2001). A somewhat superior version of that genre is Gottschalk (2002), along with Mitroff (2000) and also Harrington et al. (1996). At the other end of the (not very wide)
intellectual scale are books and articles by management academics (for instance, *Harvard Business Review on Crisis Management* 2000, and *Harvard Business Review on Turnarounds* 2001). Websites offering crisis management information (and indeed services) are:

- [www.crisisnavigator.org](http://www.crisisnavigator.org);
- [www.crisisexperts.com](http://www.crisisexperts.com) (‘Institute for Crisis Management’).

Chapter 24 in *Higher Education Law* (Palfreyman and Warner 2002) is on ‘risk management and insurance’, and we refer to the ‘Active Risk Management in Education’ project at www.bristol.ac.uk/armed, and to HEFCE’s *Risk Management in Further and Higher Education*. For more on legal risk avoidance, risk control, risk transfer and risk retention policies at US HEIs, see Kaplin and Lee (1995: 137–42).

The deceptively neat (and even naive) academic theory is that:

- one carefully assesses the risk faced by the enterprise;
- one takes prudent steps to avoid or minimize some risks if possible, or to shift them elsewhere (typically via appropriate insurance cover);
- one prepares detailed emergency and recovery plans to deal with risks that are retained (often whether one likes it or not);
- one implements those plans as necessary in ‘disaster/crisis management mode’;
- later one reviews the plans to see if they worked (while also, of course, constantly updating them anyway).

Practical reality, however, is rarely as neat and tidy as management theory, as even the best resourced and supposedly prepared organizations can discover. Moreover, ‘crisis’ may be not in the form of a sudden disaster (fire, key personnel dying, equipment failure, IT virus etc.) needing a short and sharp management response over a fixed period or in one locality, but in the form of a steady corporate-wide decline over time needing sustained management effort to achieve a turnaround (if indeed one is at all possible). Air crashes, the Titanic sinking, pollution incidents, product contamination, nuclear power plant accidents, the fraudulent trading losses at Allied Irish Bank or Barings are the ‘sudden disaster’ type of crisis; Enron, Marconi, Equitable Life, Railtrack and Independent Insurance are examples of systemic corporate failure, as also with University College Cardiff (see Shattock 1994: Chapter 6) or the still unfolding University of Cambridge CAPSA IT fiasco (see Palfreyman and Warner 2002: 95–7; see also the OxCHEPS occasional paper on HEI governance).
The US Institute for Crisis Management defines a crisis as: ‘A significant business disruption which stimulates extensive news media coverage. The resulting public scrutiny will affect the organization’s normal operations and also could have a political, legal, financial, and governmental impact on its business.’ The advice of crisis consultants (such as Douglas Hearle) is that the corporate executives need: to act fast; to be the ones to reveal facts first; to spell it all out fully; to be factual; to be frank and forthright; to remain focused; to ensure the appropriate facilities are available; to seek feedback; to be prepared to express feelings and compassion to any people hurt. There may well, however, be a conflict between the legal advisors warning ‘Say little. Admit nothing’, and the PR folk advising ‘Come clean. Take the initiative. Assert control.’ Integrity and credibility will favour the latter, but remember that your insurers may not be too happy if you admit liability. On the HEI’s external relations strategy see Albrighton and Thomas (2001).

While the fire at City University may be an example of the former type of disaster-crisis, this book is more about the generalized-crisis that needs to be addressed by ‘a turnaround’, by a process of ‘transformational change’. The management literature suggests that the features of such a change process include:

- an emphasis on open and honest communication;
- a willingness to listen to employees and draw upon their expertise;
- offering constant feedback;
- setting conservative, limited goals at first; only later, and building on initial modest success, try more aggressive goals; start small and win often;
- experiment, and learn from failure;
- constantly review, revise and enhance;
- provide staff with a vision, a manifesto;
- act as a team, as a coalition;
- win people over; don’t demean and humiliate (unless you think life is best lived and HEIs best managed on a Hobbesian basis of being ‘nasty, brutish and short’).

That said, the HE manager seeking profound guidance from the management literature is in for a disappointment. The ticklists may help in a crisis; but what passes for academic thinking about longer-term institutional and cultural change can be rather banal, unstructured, not analytical and overly anecdotal (with an undue emphasis on the Great Man who alone turned it all around). Perhaps the best general reads are Kanter’s The Change Masters (1983) and Kay’s Foundations of Corporate Success (1993); see also on corporate
culture and strategic planning for HEIs Chapters 2 and 3 of Warner and Palfreyman (1996), Watson (2000) and Duke (2002); Keller (1983) too is worth looking at. As already noted, Thompson (2001) is a good general text on strategic management, with plenty of flow charts on the planning process, SWOT analysis, the product strength matrix etc. That said, there really is no substitute for common sense, tempered with a little managerial humility.

So why do organizations face crises? There is little we as HEIs can do to avoid weather or other natural disasters; we all will have an emergency plan and a crisis recovery plan, along with insurance and the hope that the 1960s flat roofs are sufficiently well maintained so as not to leak in a storm. But some organizations are crisis prone, with poor strategy, poor control systems, cost-cutting leading to neglect, failure to learn from experience, a ‘group think’/‘yes-man’ culture, no holistic vision, poor internal communication . . . Thus, the crisis evolves gradually; no one scans the environment to check for threats and challenges; there is complacency or even self-delusion, ‘group-think’ and denial. Sadly, the HEI has no monopoly on clear, rational thinking, nor any immunity from developing a short-sighted bunker mentality, as the following case studies depressingly and convincingly show. But one can learn from the experience (and mistakes) of others.

Notes

1 This figure varies from year to year as, on the one hand, mergers between HEIs reduce the total and, on the other, it is increased by new institutions gaining HE status under the terms of the 1992 Further and Higher Education Act.

2 This total too is variable, but usually downwards as a result of mergers.

3 For some useful case studies on managing corporate crisis in the private sector see Monks and Minow (2001: Chapter 6). On the huge and broad issue of ‘management’, the sensible starting point is ‘What is management?’ (Magretta 2002), and after that the supply of management books, theoretical and practical, good and bad, is, of course, endless.