

## PASSING THE GOVERNANCE TEST

### FIDELIO OVERTURE



#### GOVERNANCE & EDUCATION

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##### WHO'S BEING TESTED

Higher education prepares young people in particular for the workplace of tomorrow, including future leaders. Exams play an important role in that preparation.

Those sitting on the Governance Bodies and Councils of our universities face a very real test of their own.

In the US and the UK, university education is in the eye of the storm. Multiple challenges have coincided, so that the [university campus is all too often making national headline news](#).

In this Overture, [Fidelio](#) highlights two major “exam questions” currently being faced by university Governing Bodies. As in many knotty governance issues, simple answers remain elusive.

#### 1. PURPOSE & EDUCATION

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##### CRITICAL THINKING

University education serves multiple purposes – academic, professional, vocational. It prepares a future generation of citizens and leaders to be valuable contributors to society. In a democratic society the importance of critical thinking is recognised if not always welcomed. Very evidently, universities play a role in developing this faculty.

In recent years we have seen student bodies develop strong and at times polarised views on major political issues of the day, including: climate change; gender identity; slavery; and most recently the Gaza Conflict.

The latter issue, in particular, has played out across campuses in the US and the UK, leading to ugly skirmishes, student sit ins and the cancellation of exams. Other protests have led to statues being toppled and [hallowed lawns being dug up](#).

Governing Bodies are challenged by students to:

- **To adopt a clear position**, frequently by divesting offending stocks from the endowment
- **To allow freedom of speech**, including the right to protest

Legislators and donors may see student protest very differently and Governing Bodies frequently find themselves under fire from opposing directions.

In the US the escalation of these issues has cost the Presidents of at least two leading universities their positions.

As students disperse for Summer it is hoped the campuses will become less febrile but the issues will not go away.

For the Governing Body there are no simple answers, but we do see signs of some universities navigating a way through. This includes:

- **De-escalating the situation** and providing the opportunity for voices to be heard through working groups addressing key issues such as freedom of speech and values and behaviours.
- **Reviewing voice** and in particular the issues on which the University should have an opinion and the issues where the University should not be expected to adopt a formal position.
- **Ensuring that the leadership team is well prepared** when entering the public fray on contentious issues in particular in front of legislators or the media
- **Being prepared to take action to protect students** and the values and objectives of the University but being measured in doing so and communicating clearly.

## 2. FUNDING AND ECONOMICS

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### ACCESS, EDUCATION & RESEARCH

The societal and economic importance of higher education is recognised by politicians. As a general rule, those who go to university are able to earn more. Nonetheless, the business model of higher learning is very challenged, particularly in the UK.

Universities recognise the importance of fair access and society's expectation that under-privileged groups should not be excluded from higher education, including elite universities and schools.

The cost of providing that education is increasing dramatically. Universities have a remit to deliver education and research. But university research [predominance in AI](#) has already been ceded to technology companies.

Leading universities have long been able to attract strong international interest to the extent that some schools have begun to rely quite heavily on the additional revenue that this attractive student cohort provides. As immigration becomes more of a political hot potato, foreign students very quickly get caught up in national discussions on controlling numbers.

## HORIZON SCANNING AND COMMON PURPOSE

Universities are also feeling the heat of change. The tools and channels of providing education are developing rapidly, arguably increasing the value of a face to face and much more personal provision of education that only some schools can provide.

Those sitting on Councils or Governing and Oversight Bodies need to bring horizon scanning to bear so that the university is prepared for disruptive change and opportunity, while at the same time ensuring that the provision of education today is of high quality and value to both student and society.

Interests and perspectives may differ radically although pride in the organisation and its potential is typically a powerful common denominator for those sitting around the university Boardroom table.

The demands on university Governing Bodies are as challenging as those facing corporate Boards. The exam question of how to build a sustainable business model is not to be tackled lightly. Bold, imaginative and well researched answers are needed to pass this most pressing exam.

## ABOUT FIDELIO

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[Fidelio Partners](#) has a commitment to advising Chairs, building Boards and creating value. We do this Search, Board Review and Development. Our track record extends across a broad range of Boards, including listed and privately held corporates, non-profit and educational bodies, government and regulators.

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