The role of enterprise risk management programs in higher education risk governance

By Anne Pifer

Heightened enterprise risks are hastening the need for enhanced enterprise risk management (ERM) programs in higher education. The rising demand for student mental health services is one example of the complicated mix of campus risks prompting colleges and universities to reassess their approach to identifying, monitoring, and responding to potential harm.

Elements of an effective ERM program

ERM programs add value to the organization

Beyond simply identifying risks, an ERM program adds institutional value by developing enterprise-level response strategies that foster agility and resiliency across the institution. Effective programs include multiple strategies that are actionable, interwoven into the business and operations, and consider both near- and long-term impacts.

Actionable risk response includes identifying institution-specific obstacles to proactive risk management — such as campus siloes, limited budgets, or resource gaps that can hinder a unified, cross-campus approach — and developing strategies to break down those barriers over time.

IN BRIEF

- The complicated mix of campus risks is prompting colleges and universities to reassess their enterprise risk management framework.

- Addressing heightened risks, such as student mental health concerns, requires a robust enterprise risk management program.

- To be successful, ERM programs should take a long view, involve key stakeholders, focus on continuous improvement, and adopt a systems approach.

ERM programs evolve and adapt

The best ERM programs adopt a long-term view while effectively managing risks in the short term to grow an enterprise risk management framework that is supported at all levels of the organization and effectively embedded in the institutional culture.

To stay ahead, an ERM program must be as dynamic as the risk itself, evolving and adapting over time through continuous improvement and building upon lessons learned from short-term crises. Risk assessments, monitoring, decisions, and action plans should be iterative and refined and enhanced continuously.

To inform these processes, the most mature programs leverage vast internal and external data through trends analysis and benchmarking to support performance and risk indicators for efficiency, effectiveness, and compliance.

Institutionwide risk analytics also supports business intelligence for executive leadership and board committees. As an example, such data can help determine whether risk mitigation efforts are producing results for the highest priority risks, such as student mental health, and flagging new, emerging ones.

ERM programs focus on strategic risks

Leading ERM programs help prevent adverse outcomes and set organizations up to think about and address risk more strategically. Effective ERM programs move colleges and universities from fragmented, reactive models to those that focus on substantial risks at a more intentional pace.

Again, data and trends analysis can be a powerful tool by keeping senior leaders and the board focused on the longer-term horizon and allocating fewer resources to shorter-term disruptive risks. Examples might include population-wide measures of belongingness, number of health leaves of absence, and health center utilization trends.

ERM programs are transparent

For an ERM program to become embedded in the culture, transparency and communication of risks and risk tolerance is essential. It is vital to share risk decisions and monitoring plans with key stakeholders, including board members who can help establish and communicate expectations of the ERM program and its effectiveness in achieving strategic priorities and goals.

Higher education risk governance in an increasingly complex, expansive, and regulated environment

The experts in this article spoke with the Association of Governing Boards of Universities and Colleges about ERM and student mental health in a recorded podcast.

Applying a systems approach to campus health and well-being

An effective ERM program is a valuable piece of the puzzle for addressing the risks associated with student mental health concerns. Threats to health and well-being can affect an entire campus.

"Addressing student mental health concerns requires a whole-of-campus systems approach."

"Just as we implemented a layered response during the pandemic, addressing student mental health concerns requires a whole-of-campus systems approach," according to Sharon McMullen, R.N., M.P.H., director at Huron and former campus health leader.

To establish a supportive and responsive network, leading institutions are working to create health-inspired campuses that integrate services institutionwide to foster mental health and well-being in all areas of student life — from academics and campus activities to residential living.

Examples of health-promoting approaches include providing safe and plentiful opportunities for exercise, developing strategies to address loneliness and enhance belonging, and ensuring access to high-quality mental health care and services. Coordinating these efforts is critical.

"A good first step is a broad campus health risk assessment to understand the current state and surface opportunities to advance health and well-being," says McMullen.

Managing risk in higher education requires addressing issues proactively, creating a culture of awareness and mitigation that begins at the board and leadership levels, and prioritizing heightened risks such as health and well-being. With such strategies, colleges and universities will be better equipped and more intentional in their efforts to survive the unexpected and thrive.

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