Michigan State University Crisis: A History of Sexual Assault

Situation:

Since the first reported incident of sexual assault by Larry Nassar in 1997, Michigan State University has been accused of enabling Nassar's abuse by failing to take appropriate action against him. University staff and administration mishandled complaints and silenced students who had made allegations of sexual assault against Nassar, and other members of the MSU community. Ultimately, Michigan State University cultivated a culture of sexual abuse for more than two decades by failing to protect its students.

Nassar first became involved with USA Gymnastics after becoming an athletic trainer for USA Gymnastics' national medical team in 1986. It was revealed that, for nearly three decades, he- as well as coaches, doctors and staff had repeatedly sexually assaulted hundreds of female athletes. In 2016, many of these former gymnasts publicly came forward to share their experiences of sexual abuse by Larry Nassar. This lead to an investigation throughout 2017, and in 2018, an ongoing case ensued until Nassar was founded guilty of sexual assault and sentenced to prison on three occasions: November 22, 2017, January 24th, 2018 and February 5th, 2018.

The issues plaguing MSU were heightened by the administration's inaction and insensitive responses. MSU was aware of its faculty's sexual abuse practices. However, instead of reprimanding those responsible, the university chose to silence the student victims and not offer the victims the counseling and security they needed. Consequently, as the Nassar case became public and gained attention, many Michigan State University students assumed a confrontational approach, such as protesting, to drive change and have their message heard.

Crisis Type:

This crisis is ultimately a management failure, specifically mismanagement and skewed values. Michigan State University's administration failed to take appropriate action to condemn Nassar and protect its students. Even after implementing new programs in response to a federal investigation in 2011, MSU kept mishandling sexual assault complaints. Furthermore, there was negligence and a lack of care and concern for its students on behalf of the administration. Amid the chaos surrounding MSU and its reputation, the university's president, Lou Anna Simon, resigned. However, her resignation illustrated very little concern

for the victims of Nassar's abuse, and rather focused on how the overwhelming negative criticism was too hard for Simon to manage. Instead of being empathetic towards the university's students and acknowledging the university's mistakes, Simon took the opportunity to express her own personal struggles that came with being the President of a university that was constantly under media scrutiny. It was ultimately a reflection of the university's poor leadership and its inability to appropriately manage the crisis. The same unsensitive and arrogant responses also came from members of the board, especially in the beginning, amplifying the problem.

Michigan State University failed to foresee future consequences and rather chose to sacrifice the safety of its students to protect its image. Administration had the opportunity to not only do what was morally right, but to serve in the best interests of *all* its stakeholders. Little did it know, MSU actually damaged its reputation even more by its own incompetence, and by making themselves appear as an unethical university with little care for its students.

The crisis also had elements of human climate, particularly confrontation. Michigan State University's failure to take responsibility over its faculty's misconduct provoked students to drive change themselves. Student victims and their allies would protest and march, demanding accountability, action, and a system of healing for its victims. Students also called for the resignation of Michigan State administrators and board members for their neglect and impotence.

Warning Signals:

Michigan State's negligence and inability to manage the crisis becomes even more clear when you consider the history of sexual abuse by Nassar at the university, which dates as far back as 1997. The earliest reported incident was by a Michigan State gymnast, who was told to not alert authorities by her coach, Kathie Klages. Similar incidents were reported to Michigan State administration by a track athlete and softball player in the following two years. These patterns of abuse and mismanagement continued for another decade until Michigan State University was found to be violating Title IX, concluding that the school's "failure to address complaints of sexual harassment and sexual violence in a prompt and equitable manner caused and may have contributed to a continuation of a sexually hostile environment."

The administration had warning signals coming through the many complaints over the years. Also, there was an increase in conversations about sexual misconduct in society

overall. Last, they had plenty of insight from social media especially as the Larry Nassar case unfolded and the ties to MSU cleared.

University Response:

According to some communication response theories, an organization usually assesses the threat causing the crisis and the resources it possesses to deal with it. To study MSU's response more deeply, it can be approached using the elements in the Contingency Theory. there is no public record on the inputs the university acknowledged, except for social media monitoring during January 2018. However, the administration clearly stood in the advocacy side of the spectrum of responses for a long time. Ignoring the response during the previous decades, once the recent crisis exploded, the high-management members stood by the university's innocence and diminished its role in the cases of sexual assault. Even during the first apologies, the ex-president of MSU ignored the university's responsibility by apologizing for Nassar's behavior, not for the university's inaction. It wasn't until almost the end of Nassar's trial that board members finally offered sincere apologies. Also, it was only after that change of direction that the university began taking a step in accommodating the victims. Finally, MSU worked on settlements and started dealing with improving their reputation and fixing the damage done. Below, it is explained further how the responses flowed and evolved throughout the crisis.

As mentioned before, the sexual assault history in MSU developed throughout many years, leading to a big breakout during the Larry Nassar trial. For all those years, the university's staff offered statements to the media and the public, but never really published official texts or apologies. It was mostly after the Nassar case was over that the board apologized for their inaction.

In September 2015, the Office of the President published a "Statement on Sexual Assault" where they expressed concern and outlined all the initiatives the university implemented after undergoing a federal investigation in 2011. In September 2016, Michigan Radio reported that MSU received 461 complaints of sexual assault during the 2016-2016 academic year. To this fact, Jessica Norris, MSU's Title IX coordinator claimed the increase was due to the changes in training and awareness programs the university established to reduce sexual misconduct on campus. However, the cases kept being mishandled.

It was only after the Nassar case unfolded almost completely that the university's administration- president and board of trustees- offered apologetic statements. In December

2017, President Lou Anna Simon apologized for Larry Nassar's actions, as if it was a one-man problem for which the entire university shouldn't be tainted. During that time, some other members of the board offered statements acknowledging that they were listening to the students' accusations.

"I am truly sorry for the abuse you suffered, the pain it caused and the pain it continues to cause today," Simon said. "I'm sorry a physician who called himself a Spartan so utterly betrayed your trust and everything this university stands for."

However, "for anybody to think trustees worried about protecting brand over someone's daughter is ludicrous," he said (Brian Mosallam, MSU Trustee). "Have comfort that I hear you and we are watching."

(https://www.lansingstatejournal.com/story/news/local/2017/12/15/msu-board-trustees-sexual-assault-)

After this, Joel Ferguson, a board of trustee's member, said in a radio interview for a local radio station that the majority of the board supported the standing president. He indicated that Simon was excellent at her job, especially in the fundraising aspect, and that her skills and work should not be overshadowed by this particular Nassar case.

In January 2018, President Simon resigned from MSU. She wrote a very self-focused resignation letter that was criticized and refused any other contact with the media. After more than 150 women began telling their stories in court, MSU's board members finally offered a heartfelt apology to the victims for their inaction during all those years, and announced the new acting president.

Most recently, the university reached settlements with the victims, and new staff members expressed their commitment to keep working hard on the programs against sexual misconduct. However, the recovery process is still ongoing, and there is a lot to restore.

"Michigan State is pleased that we have been able to agree in principle on a settlement that is fair to the survivors of Nassar's crimes," said Robert Young, special counsel to MSU. "We appreciate the hard work both sides put into the mediation, and the efforts of the mediator, which achieved a result that is responsible and equitable."

(https://msutoday.msu.edu/news/2018/larry-nassar-survivors-and-michigan-state-university-announce-they-have-successfully-resolved-e/?utm_campaign=media&utm_medium=email)

Media Response:

Most of the news regarding MSU's mishandling of sexual assault complaints began to appear locally in outlets such as Michigan Radio and Lansing State Journal. These outlets published sporadic articles following different cases and the actions of the university regarding this matter.

It was partly because of an investigative initiative by The Indianapolis Star that the Nassar case began to gain attention. Once the Nassar case unfolded, the university found itself in a crisis and under the scrutiny of more and bigger media channels. Still today, media keep covering the university's follow-up steps and the dozens of related cases that have come to light.

Social media also played an important role during this crisis. NPR reports that MSU spend more than half a million dollars in media monitoring services by Webber Shandwick. The firm aided MSU in their communications and monitored media, including statements made by Nassar's victims through social media.

Stakeholders Response:

The Michigan State University scandal encompassed many stakeholders. The Board of Trustees, more than 332 victims, current and prospect students and their families, donors, administration and faculty are some of the affected audiences of the largest sexual assault scandal in the history of sports.

According to Michigan Local News (MLive), the Board of Trustees was exposed to public opinion on whether they should finish their terms or support the continuity of the now ex-president of Michigan State University, Lou Anna Simon. Their identities were portrayed on newspaper articles where they were asked by the House Speaker, Tom Leonard, to resign or to be removed from their positions by Rick Snyder, the current governor of Michigan. The response of the Board of Trustees triggered the intervention of Mr. Leonard and Governor Snyder. This situation led to the creation of new bills to extend the time childhood sexually abused victims can sue, which is being pulled by Governor Snyder. This step the governor is taking would impact his reputation positively, a smart way to take advantage of the situation and improve the community well-being. Also, the Board of Trustees changed their statements of support towards ex-president Simon, apologized over certain remarks they made, and some of them resigned. The apologies and support to the victims came after. They were also criticized by students and faculty members because of their choice to appoint Engler as interim president. Engler was frowned upon since one of Nassar's victim confessed that the

interim president tried to bribe her to walk away. Students weren't happy with the decision and they desired for an academic leader to become the interim president rather than a political one. The reputation of Engler was placed at the spotlight since students came out to talk about Engler's comments and his part of guilt on the wronged culture the university has developed the last 20 years. In addition, the Board failed to react by minimizing the problem to include just Nassar when they were ongoing investigations about other staff members of the sports department. The findings of more people involved in the sexual abuses led to an even worse situation for the Board and a lack of trust in their honesty and willingness to change which worsened after the interim president was appointed. According to the reporter, Susan Svrluga, "Their efforts had thus far been thwarted, she (a president of a university leadership group) said, "by a myopic and entrenched administrative structure that has placed political expediency and institutional branding" above the need to regain trust and promote healing. Faculty members had strongly expressed to trustees on Monday that appointing a political leader with no academic experience would not further healing, especially in such a politically polarized climate." Until now, June of 2018, there is an ongoing campaign to pressure John Engler to step down as interim president and several press releases from him and the Board of Trustees have been released to calm down the student community on the measures taken so far. Past scandals such as the intend of Engler of derailing legal action stemming from a massive prison sex abuse and rape scandal with 500 female the governor was involved back in the 1990s. The response of the interim president and the Board of Trustees was quite unsuccessful and surrounded with shame and disapproval from the students, another mistake for the administration of the university.

Regarding current students and their families, various articles with comments and statements have fed the attention of media consumers. Michigan State University's students are confronting a social and personal uncertainty about their future careers and the integrity of their community. Parents have voiced doubts about letting their kids come back next semester to MSU, a decision that can lead to financial and emotional struggle for them. On the other hand, prospect students and families are in a position of uncertainty and distrust regarding the whole institution. People that do not have an opportunity to change their decision on whether or not to attend MSU have their future at stake due to a mismanagement failure. However, the actual case between the university and its students can be better categorize as a confrontation where the students are willing to stick around and advocate for

all the changes the academic institution needs to meet their expectations starting by pressuring the interim president to step down as he is considered a defender of the prison

Social media has played a huge role on this human and management crisis Michigan State University is facing. The students shared the rally on January of 2018 to speak out for Nassar's victims. The student community decided to make an entrance on the spotlight of the scandal as a way to state their support towards the victim and differentiate themselves from the crimes of the administration.

Investors and donors of Michigan State University are another stakeholder on the scandal since the university was accused of misusing funds to hire the IPG—owned Public Relations firm Weber Shandwick for tracking victims' social media. This misuse of funds and the financial implications of the \$500 million settlement will hurt investors of this institution since it will have to take out loans in order to cover this "repayment" to society, taking into account that the loans will have to have a higher interest rate since the university's rating went down as a result of the scandal. Investors and donors would see a lower return and a loss of capital at the university since facing sexual charges are not going to be an easy path to go through.

Furthermore, the sponsors of MSU and the USA Gymnastics were called by the students and victims to stop their relationships as a way to punish the crimes of both organizations. As an example, AT&T decided to terminate its sponsorship relation with the USA Gymnastics since one of their former employees was a victim of Larry Nassar. The sponsors of the university and the national team are also being backfired by this crisis, since sticking with the institutions or terminating their relationships is an expected response by the community and the media.

The worst sexual abuse scandal of the US sports has not just hurt the image of MSU but also of the current and prospect students and faculty members. A potential stigma over anyone related to this crisis might harm their image.

Impact:

Michigan State University is suffering one of the worse, or the worst, crisis of its history, and flipping the page will not be easy, quick or without more potential backfire. The known 332 victims of sexual abuse followed by the lack of transparency of other wrongdoings and implications are costing the university at least a settlement of \$500 million

dollars and its diminished reputation as a trustworthy and professional institution that cares about its students. However, the New York Times released an article indicating that the university is expecting to enroll its largest-ever freshman class in Fall 2018. The impact might not be clear until next year. Still, there is a need of planning on how to rebuild the internal and external brand of the university.

Michigan State University's Board of Trustees lost all credibility to rebuild the reputation of the academic institution. Therefore, they brought the president of University of Virginia to provide guidance in the search of a new president. A multitude of students have stood up and complained against the university and Nassar with boards saying "Nassar enablers: We're coming for you." "Administrative silence is violence." "They didn't care until we knew." Adding the funds' misuse to the university's mistakes further jeopardizes the future of the institution by aggravating the lack of transparency. Peter Secchia, one of the donors, has his image on the roaster for criticizing the lack of action from the victims and their families. The measure intended to take the first step towards a new university culture was a failure from the administration since the students' opinions (the victims) were not considered from the beginning. The decision of choosing John Engler as interim president just led to another potential crisis for the university that is still growing and that has given a broader and more powerful voice to the students who aim to change the errors of their chosen institution. The administration has faced a letter signed for more than 120 victims of the sexual abuse in MSU to make resign the interim president, another defeat for MSU in its effort to regain the community's favor. The more time passes, the less credibility the university's administration is being left with.

The sponsors, such as Auto-Owners Insurance, a Lansing based company, decided to drop its logo from MSU's sponsorship list as they condemn the actions of the administration. The impact of some sponsors leaving the university and the pressure for changes from other sponsors might influence the future of the university in a negative way that would tie up with the lower credit rating given by Moody's.

The threat of losing accreditation and the loss of federal aid are also current concerns to the faculty and the students, who would ultimate bear the consequences. The university might survive these challenges with the help of alumni and the state who would encourage and support a reformation of MSU. In addition to institutional changes, the court costs and potential loss of philanthropic donations and the negative outlook S&P gave to MSU conform

the prospect substantial financial liability this academic entity will face in the coming years. According to the Wall Street rating firm Moody's Investor Services, MSU's long-term debt rating fell from an Aa1 to an Aa2 estimating a rough amount of \$975 millions in debt. The risk of default on its debt by MSU has raised, and therefore the budget for the years to come might be affected.

Recommendations:

Michigan State University's sexual abuse scandal was poorly managed because the administration did not focus on protecting its most important stakeholder: the student victims. It was evident that Michigan State was more concerned with the university's esteemed reputation, rather than the health and safety of the students who were affected by the various cases of sexual assault on campus. Their ill-advised response and statements were discussed in detail above, in the "university response" section. In response to those, there are many ways in which MSU could have more properly and effectively managed the crisis.

First, the university could have done better by simply having a more proactive approach regarding the culture of sexual assault on campus. Innumerable cases of sexual abuse committed by Michigan State staff illustrated a growing trend that should have forewarned the university to act on the matter and, at least, prepare a crisis communication plan.

Once the crisis began, the university could have followed some basic advice on how to manage crisis communications. In the communication spectrum, the organization should have begun by accepting responsibility, offering sincere apologies, and beginning to execute a plan towards fixing the problems, none of which properly happened. These actions could have reduced a lot of the criticism and confrontation cause by the insensitive responses offered. Furthermore, doing so could have set MSU a step farther towards positively healing its reputation.

In terms of fixing the mismanagement and skewed values problem, the organization could have:

- Fired those responsible for sexual misconduct.
- Implemented better systems to detect and correct these problems in a timely manner, especially after the increase in complaints clearly indicating a bigger issue.

- reassessed and adjusted the processes and policies to reduce that kind of behavior on campus.
- permitted, even sought, outside parties to help the investigations and set effective programs.
- improved and increased its organizational oversight.
- Worked to change culture and encourage transparency and honesty- both internally and externally.

From what the public records indicate, MSU failed to take most, if not all, these steps. Back in 2015, the statement made through the office of the president claimed that the university implemented new awareness programs and was encouraging its community to come forward. However, other news articles report that the complaints increased, but were still being mishandled.

On the other hand, all these mentioned, plus the lack of empathy towards the victims caused many stakeholders to confront the university's administration. Again, if the university had followed some basic humane steps, their reputation would not have been as badly damaged, and confrontation could have been avoided or reduced. Using the suggested steps of how to manage confrontation, here are some ways in which MSU could have improved:

- Mitigation- MSU could have assessed its vulnerability. It is not a huge entity, but the history and increase in sexual assaults complaints indicated a preventable threat.
- Intelligence- MSU should have evaluated its stakeholders and predicted the potential feelings and reactions of MSU's community, especially after the Nassar case became public. The higher administration should have considered the general emotions towards recent public cases of sexual assault, as well as the increasing power of students. historically, students have been known to possess an ability to get organized to seek change. Add to that the support of their friends, families, and other stakeholders, plus their presence in social media. The organization should have taken this into consideration to draft responses.
- Preparedness- clearly, forces were battling each other in the higher administration. IF
 they had followed the previous steps, the confrontation could have been foreseen and
 prevented or reduced. The organization might have foreseen this, but the highermanagement was too focused on themselves and their interests.

- Enforce the law- Thankfully, MSU did not enforce the law during the protests and other manifestations. This was probably one of the few steps taken in the right direction.
- Defensive actions- MSU should have considered all the stakeholders, not just the higher management and board when responding to this crisis. They could have heard what these groups demanded and implement some of the proposed actions. In this particular case, it would actually have benefited the organization.
- Take initiative in dealing with the media- MSU could have taken a more engaging
 approach with the media. They were very careful and defensive from the beginning.
 They could have improved their side of the story by being honest, accepting
 responsibility, apologizing and informing the media of the steps the organization
 would be taking to fix the problem.

It must be pointed out that after the Nassar case ended, the new administration has been trying to address some of these areas differently and direct the organization to a better position.

In conclusion, MSU hosted a culture of sexual assault for years. Therefore, some people must have known that this crisis was potentially coming. Furthermore, the moral problem was an issue that should have been taken care of independent of whether any of the cases became public or not. The university could have, first, acted regarding these matters and solve the issue before it became a giant monster. Second, when the crisis hit, the university's staff could have immediately taken the sides of the victims, admit the mistakes, apologize, and acted to fix the problem. A combination of skewed values, bad priorities, pride and disagreements among the top management led to a track of unsensitive and arrogant responses. Even though some of the board members apologized in the end, the university lost a lot of ground and propelled negative emotions in the victims and other stakeholders.

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