Risk Management Approach Applied to Higher Education's Future

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Abstract

In a previous paper (Raanan 2024) various risks facing higher education were presented and analyzed. Many other authors dealt with various risk facing higher education – whether external or internal. What is missing is a discussion of the resulting risk' that eclipses all other, facing higher education as a social institution – as the establishment we all take for granted as part of modern society. In this paper, the risks outlined in the aforementioned work are further analyzed. Then, risk management methods are applied to these scenarios in order to outline the possible responses needed to alleviate the undesired results that may occur when some of them materialize in the near future. Finally, a radical proposal is put forward, one that may help higher education weather the storm – and come out of it stronger, more vital and prosperous.

1. Introduction

1.1.Changes in Higher education

Higher education is changing. The change is evident in almost every aspect of its activities, and in most cases it is rapid, even very rapid. From admissions to graduation, from hiring to firing, from teaching to research, from students to faculty, from finances to social impact, from independence and autonomy to government control and intervention – and in many other aspects of its operations. These changes arise from a multitude of sources, motivations, technologies and from zeitgeists. Some of these changes are beneficial to the mission of higher education, some are detrimental. In both cases, they present risks to higher education. That is easily understood in the case of detrimental changes, but it is also true for beneficial changes as they, too, require that higher education adapt to them. In addition, the rate of change may happen at a neck-break speed as far as the system of higher education is concerned. These issues were discussed by the author (Raanan, 2024). However, the Modus Operandi of higher education remains by and large unchanged. That leaves it susceptible to disruptions. Many authors have dealt with various risks facing higher education. A sample of these works (there are many others) include Bok (2015), who deals with the institution as a whole but not with the higher education system as on organ of society; Swift (2025a, 2025b, 2025c) who discusses financial, regulatory and legal risks; Fakhar, U et al (2025) deal with making higher education more readily available as well as market driven in Pakistan; others deal with cybersecurity risks, inequalities and charting a course for the boards higher education institutions. A work by a consulting firm, published under a university webpage (Protiviti, 2025) lists the top risks facing higher education institutions (in the next 2-3 years(!) as they say in the title) and is based on an analysis of responses by over 1,200 leaders in American higher education institutions. In the category of 'Strategic Risks Issues" they show the following:

Strategic risk issues

Risk	Percentage
Heightened regulatory change, uncertainty and scrutiny	57%
Rapid speed of disruptive innovations enabled by new and emerging technologies and/or other market forces	26%
Organisation not sufficiently resilient and/or agile to manage an unexpected crisis	20%

Table 1 Leading Strategic Risks

Note: The percentage is from the respondents

While regulatory change is not necessarily a negative development, it is probably the uncertainty that has those executives worried.[1] The second most worrying strategic risk is that of disrupting innovations. It is worth noting that this work is a continuation of the previous year's work on top risks facing higher education (Protiviti, (n.d.), but in that one they extended their forecast till 2034. Yet even in this 10-year forecast the focus is mostly on individual institutions and not on the higher education landscape. Similarly, a comprehensive study by Moreira (2025), covering literature on the topic of risk management in higher education over a period of five years does not mention the risk to the whole system of higher education, instead focusing on the individual institution's level.

Disruptions, of course, are not unique to higher education. Many parts of human endeavors are subject to disruptions on a regular basis. In many cases the old, entrenched establishments are caught by surprise by the disruptions and have a very difficult time trying to cope with them. In some cases, a whole section of human activity simply vanishes and is replaced by a newer business model.

The most critical risks facing higher education as a system, as identified by this author (Raanan 2024) are:

- International Competition
- Cross-Border Education
- Lifelong Learning
- Declining Enrollment
- Funding Cuts
- Non-Traditional Students
- Bootcamps
- Government Policies
- Accreditation
- Skills Gap
- Online Education and MOOCs
- Artificial Intelligence and Automation

Now, while all these risks can be approached separately, it is the purpose of this work to take a holistic approach, or helicopter view.

[1] The governing administration in the USA is currently creating a massive turmoil in its relationship with leading universities, on all fronts – financial, administrative, academic, governance, enrollment. Other institutions will also be affected or have already started complying with the new, and rapidly evolving, demands that, if fully implemented, the institutions will be far different than they were for many decades.

1.2. Risk Management

Risk management is a relatively old approach to dealing with all kinds of hazards facing organization, of any type. It can be as small as a single person looking to plan his or her life in accordance with the risks they face, or as large as a nation, plotting its way into the future. This author has addressed this issue within institutions of higher education (Raanan 2009). That paper referred to the issues of risk management within the institutions of higher education themselves, like research risks, teaching risks, financial risks, and more – all internal to the institution itself. Many other authors wrote about similar issues but even recently there is no literature about risk management of the whole sector of higher education. A recent survey focusing on the topic of the newest trends affecting higher education[2] (Deloitte 2025), while taking a broader view of the risk landscape, still focuses on the individual institutions and does not address the issue of "where is higher education – as a social artifact – going".

A fairly intensive search, done recently, did not uncover any literature addressing this question. This may be the result of the fact that this task has a rather wide scope, and may be deemed to be too wide to handle, or it may be the result of thinking that it is best left to other venues. Even authors that attempt to address higher education as a whole (for example Hughes, L., *et al.* 2025), whose title starts with "Reimagining Higher Education…" restrict the discussion to the challenges of generative AI adoption. This is not offered as a criticism, just as an example. And, of course, the issue of AI and its impact on higher education is clearly an issue that needs to be explored.

Another possible explanation to the dearth of literature on the topic of "where is Higher Education going" is that its continued existence, even if in a radically changed format, is assumed to be guaranteed – and not subject to doubt or skepticism. In this context, it is worthwhile noting the following:

1. Organizations are most susceptible to disruptions are those that are sure of their permanence. (Christensen, C. M., 1997). Higher education is not immune to this phenomenon, as Christensen himself realized in his two seminal books on the subject (Christensen, Horn, & Johnson, 2008 and Christensen & Eyring, 2011).
2. Teaching organizations were not created during the early development of human society. True, there was teaching done early on – mainly in order to train the next generation of laborer and later to train administrators, but mass public education – and higher education is definitely a part of that system – had its seeds only in the 19th century and expanded to the current system from the early 20th century. (Universities existed prior to that date, but were mostly restricted to the elite.)

[2] The report deals, not surprisingly, with the American higher education system, but the ideas presented there are mostly global in nature.

3. Research became part of higher education when Humboldtian model of higher education was adopted by many institutions. Its inception was in the early 19th (Wikipedia)

Obviously, higher education as we know it today is not 'carved in stone'.

Now, let us concentrate on risk management for higher education.

Risk management is usually carried out in four major steps:

- Risk Identification
- Risk Classification
- Risk Analysis
- Risk Response

The first three phases of the risk management process were discussed, in principle, in the work preceding this one (Raanan, 2024). We will, however, revisit some of them below.

1.3. Aim

The aim of this work is to assess whether there are proper risk responses to the collection of all these risks as an overall risk cloud which may materialize and totally reform[3] higher education. The main drive behind the review is to draw the attention of both the academic community and the policy makers to the fact that the collection of seemingly separate risk, or disruptive forces, facing higher education may have an impact that is far greater than a 'simple addition' of the risks and their consequences and that we may not see the forest for the trees. Indeed, being able to use a helicopter view is not a simple task, especially when the individual risks are each serious enough to warrant individual attention and handling, and may require considerable resources. That said, it does not absolve these two communities of their responsibilities to address the larger, all-encompassing issue of the future of higher education.

This issue is not new and there is quite a lot of discussions and proposals for various actions that should be taken in order to mitigate the risks facing higher education. Some authors address specific risk areas (for example, Silver (2024) discusses the risks created by insecurity for students at public universities, highlighting risks related to major choice, online classes, and funding). Other authors, like Abraham et (2020) provide a guide to board members of higher education institutions (HEIs) on managing certain classes of risk.

[3] This word may be read literally, in the sense of expressed in the Merriam-Webster dictionary (Merriam-Webster. (n.d.)), or broken down into its two components – Re and Form, taking the meaning of "create a new form".

2. Risk Analysis

A closer look at the (non-inclusive) list of risks given above yields some insights. For example, both International Competition and Cross-Border Education involve education provided off-campus, in other countries; Online Education and MOOCs can easily be part of the same general risk that may be called "Off-Campus Education". Declining Enrollment and Funding Cuts, while having some differences – particularly their source – both lead to a reduced income and thus may be dealt with as a single risk called "Declining Income"; Government Policies and Accreditation (also influenced to a large extent by government policies and control) can be combined into a broader risk category called "Regulatory Interference" (or Influence if the term interference sounds too contrarian). Of all the risk categories presented here, this one is the most difficult to mitigate, since it involves national policy making – and therefore requires tools that are normally beyond those found in the toolbox of academic leaders.

On the other hand, Lifelong Learning can be seen as an opportunity, not a risk. If higher education will recognize it as such, it can modify some of its operating modes and provide a very good response to that need. After all, higher education institutions have up-to-date knowledge and they also have teaching skills and facilities (both on campus and via eLearning) to cater to most of those needs.[4] In this way, the institutions may compensate for the reduced income, at least to some degree.

Artificial Intelligence (AI) poses other types of risk, in both research and teaching. The effect of AI on research will not be discussed here, as it is my contention that in the not so far future research and teaching, while possibly co-habiting in the same institution, will be managed separately. (For further elaboration of this concept see Raanan, 2017.) The effects of AI on teaching will be manifested in three closely connected but separate areas:

- teachers' course preparation
- student's assignment fulfillment
- student evaluation

The challenge presented by AI to teachers' course preparation, particularly for bachelor programs, is actually an opportunity and not a risk. The speed of preparation and of collecting relevant course materials can greatly facilitate quicker course design and groundwork, and the breadth of inputs available through AI presents an improvement over most existing, traditional methods.

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[4] An interesting phenomenon of higher education is that it the only institution that, on commencement day, tells its graduates that Lifelong Learning is a reality and a definite must, but then tells them to go look for it elsewhere. It is also the only service industry that throws a big party when its customers leave, instead of trying to offer them continuing support in their quest for lifelong learning.

Student's assignment fulfillment is, obviously, a different matter. AI can do most written assignments given to students, and if used judiciously (by the student) will usually pass the scrutiny of most professors, definitely in undergraduate courses. Lab reports or field trip reports still require independent work, at least as far as contents is concerned, but these too can be greatly enhanced by AI. For example, generating charts, editing reports, adding pictures and so on.

The issue of student evaluation is, in principle, an easy one, although the cost of the solution is high. Homework assignments should not be taken into account as part of the grade and, when feasible, face to face oral examinations should be given to the students. Written examinations, when administered properly – meaning close supervision of the students during the examination and, of course, an absolute prohibition of the use of any electronic devices - can also be used.

3. Risk Response

In this section, a proposed outline of a general, society-facing response is proposed. Since we are dealing essentially with social engineering, the response will take on many and different faces in different societies. However, I believe the basic constructs will be similar across solutions.

Risk response is a pre-planned set of actions that need to be taken once a risk turns from a potential risk to an actual risk that materializes and affects the organization. For higher education, since most of those risks mentioned above are already in effect, strictly speaking we are talking about not risk response but risk-facing reaction.

In order to sketch a broad view of the proposed risk reaction, we need to remember the three main responsibilities of institutions of higher education:

- To teach and educate the young generation and prepare them for the job market
- To do research, both basic and applied, to better understand the world around us and propose solutions for problems facing society, both current and future problems
- To serve as a reservoir of knowledge

Only the first responsibility will be addressed here, as the last two responsibilities are less at risk than the risk elements listed above. Actually, some of the phenomena that are mentioned above, like internationalization, may in effect support both of these responsibilities – research and the accumulation of knowledge. Of those risks in the list above, the following pose the greatest peril to teaching in the institutions of higher education:

- Lifelong Learning
- Declining Enrollment
- Funding Cuts
- Non-Traditional Students
- Accreditation
- Online Education and MOOCs

The proposal is, simply, "If you can't beat them, join them" (Shapiro 2021). The harsh truth is that HEIs should realize the (unpleasant, for them) reality that in the teaching part of higher education we are facing a power shift (a term made famous by Alvin Toffler in 1990)[5] – power has moved from the institutions to the students/public. In market terms – from the suppliers to the consumers. Teaching in higher education should embrace these risks and provide responses that do not combat them but rather respond in a way that neutralizes them. In a manner of speaking, using the Japanese Jujitsu principal method - use the opponents force and momentum against them. In

[5] Interestingly enough, Tofflercc recognized that knowledge is the ultimate power.

our case, the concept is to offer the teaching services of higher education as the public wishes to utilize them. Lifelong learning – get it from us! Non-traditional students – we can teach you Ideally, these services should be available, essentially, 24/7 – continuously almost. Some courses (or parts of courses) will be provided online, using various tools of eLearning, MOOCs included, and be available upon demand. Others will feature live lectures but those, too, should be available much more frequently than twice a year, during the (fixed-schedule) semesters (not to mention courses that are offered every other year or every few years) – whenever there is an accumulation of sufficient demand for it. With some teaching methods, courses can be made available continuously, any time a student wishes to enroll. Note that this proposal can mitigate most of the risks above: lifelong learning is enabled and supported by HEIs; declining enrollment is offset, at least somewhat, but it is possible that the new enrollment exceeds the decline; funding cuts, too, are counterbalanced by the additional income stream; non-traditional students can also be accommodated by offering a rainbow of accreditation options.

This all sounds very easy – just offer more courses, be flexible with requirements and with attendance and study programs, and all problems disappear. Clearly, this is not the case. These changes require massive rearrangement in the teaching part of HEIs. Employment agreements will change; administrative support will change; faculty members will have to be more flexible and less strict about their on/off teaching periods; facilities will have to change; and probably a lot more. Given the rigid structure of most faculty employment systems and contracts (mainly the result of collective bargaining), the almost insurmountable difficulties of changing tenure and employment in general and the long-time sense of being in charge of the learning process will make these changes very difficult to carry out. Administrative changes are usually easier to make, mainly because of the power structure of HEIs that leaves the administrative employees less capable of presenting serious obstacles in the way of change.

History is full of stories of organizations that would not budge in the face of changing winds – and collapsed completely. Hopefully, HEIs will have the presence of mind and the wherewithal to cope with this crisis in a more successful way.

4. Summary

The transformative forces threatening higher education were presented and expounded. Those risks can broadly be divided into four different categories:

- Off-Campus Education
- Declining Income
- Regulatory Interference
- Evolving learning modalities

The risks were briefly analyzed, and a proposal was put forward: indulge the market forces! Provide the means for the morphed demand, the transformed needs and desires of the lifelong learners. It is well known that people learn using different methods and approaches throughout their lives. A method that benefited them during their early years, during a period that may be described as 'the educational preparatory phase of life' is, almost by definition, ill-suited to their needs during the later phases of their lives. It is unthinkable that the learners will conform, during those later phases, to the inflexible methods of higher education. Now that technology has made available a vast array of learning opportunities, people are opting to use them. Therefore, it is up to the supply side – higher education institutions – to embrace the changes and come up with value propositions to match the diverse learning methods. That is the only way for most higher education institutions to keep thriving in these turbulent times.

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