



ORGANIZATIONAL PERFORMANCE

How Penn State turned a crisis into a disaster: An interview with crisis management pioneer Steven Fink*



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* Disclaimer: The views expressed herein are those of Steven Fink and do not necessarily represent those of *Business Horizons*, Elsevier Ltd, the Kelley School of Business, or Indiana University.

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In November 2011, the biggest scandal in the history of college sports exploded into the American consciousness. Jerry Sandusky, a retired assistant football coach at Penn State University, was accused of sexually abusing multiple young boys. He was later convicted on dozens of counts and given a 30-plus-year prison sentence. The Pennsylvania Supreme Court recently rejected his appeal.

What made the scandal a cause célèbre was that iconic football coach Joe Paterno and three high-ranking Penn State administrators were accused of covering up Sandusky's crimes. In 2013, the lead prosecutor in the Sandusky case stated in a televised interview with *60 Minutes Sports* that there was no evidence that Joe Paterno covered up anything. As of this writing, the three administrators involved are awaiting trial.

Penn State's board of trustees fired both Paterno and the university's president when the scandal broke. The latter move created a leadership vacuum that the board itself tried, but failed, to fill. The results were disastrous. Indeed, many critics have hammered Penn State's handling of the crisis and its fallout. *Business Insider*, for example, listed the Sandusky situation among its top public relations disasters for 2011 and ranked it as the biggest disaster of 2012.

As a two-time Penn State alumnus, I wondered how the board of a great university—many members

of which were accomplished business leaders—could have mishandled a crisis so badly. Enter Steven Fink, the president and CEO of Lexicon Communications Corp. (www.CrisisManagement.com), the nation's oldest and most experienced crisis management and crisis communications consulting firm. Fink has been dubbed the 'Dean of Crisis Management' for his pioneering work in the field.

As noted at his personal website (<http://www.stevenfink.com/bio.htm>), Steven Fink served on the crisis management team in the administration of then-Pennsylvania Governor Dick Thornburgh during the infamous 1979 Three Mile Island crisis: the nation's worst commercial nuclear power accident. By its remarkably calm handling of that potentially devastating crisis, this team was widely credited with having averted a panic among the population of south central Pennsylvania and the rest of the nation. Indeed, *The New York Times* proclaimed that modern-day crisis management was born at Three Mile Island. Fink later served as an unpaid adviser to the then-Soviet Union during that country's tragic nuclear crisis at Chernobyl.

Steven Fink has represented some of the world's most prestigious companies and organizations, including leading colleges and universities, in both proactive crisis management training and reactive crisis management response. He has consulted with various branches of government—foreign and domestic—on highly sensitive crisis issues, some involving matters of national security and international diplomacy, and has provided crisis management-focused litigation support and expert witness testimony in a wide range of high-profile, crisis-related legal cases.

Fink frequently serves as an expert crisis management commentator for news outlets such as *Nightline*, *The NBC Nightly News*, *The TODAY Show*, *ABC WorldNews Tonight*, *The CBS Evening News*, *The CBS Morning News*, *BBC World News*, *NPR's Morning Edition*, and *All Things Considered*, as well as networks including CNN, MSNBC, CNBC, and FOX News. He has been interviewed by and quoted in myriad national news and business publications including *TIME*, *The New York Times*, *The Wall Street Journal*, *Newsweek*, *Los Angeles Times*, *Chicago Tribune*, *The New York Sun*, London's *Financial Times*, *BusinessWeek*, *Industry Week*, *Investor's Daily*, *The Christian Science Monitor*, *The Guardian*, the Associated Press, and others.

The handling of the 2011 Jerry Sandusky child abuse scandal by the Penn State board of trustees has been of particular interest to Steven Fink since the crisis first erupted. I wanted to know his evaluation of the Penn State board's performance, as well as what lessons other organizations can learn from Penn State's situation. In answering my questions, Fink drew in part on

comments he made in October 2013 at a standing-room-only talk at Penn State (<http://ps4rs.wordpress.com/2013/10/25/viewing-the-penn-state-crisis-through-the-lens-of-a-professional/>).

David J. Ketchen, Jr.: You have offered strong criticism of how the board of trustees at your alma mater and mine, Penn State University, handled the Sandusky Scandal. Not everyone agrees. In a February 2014 USA Today op-ed, Jeffrey Sonnenfeld—a senior associate dean at the Yale School of Management—wrote, "Rather than fight, as many alumni demanded, the Penn State board...examined the facts, and saw the failures of oversight and inadequate protection of children. They faced a classic recovery dilemma, and courageously made the right choice...contrition." Why should Business Horizons readers believe you and not Professor Sonnenfeld?

Steven Fink: I have been doing crisis management work all over the world for more than 30 years and have been involved in every conceivable type of crisis you can imagine, including nuclear disasters, massive oil spills in pristine waters, children dying from eating contaminated hamburgers, and even major crises involving colleges and universities. I've seen it all. But I have never seen a crisis management and crisis communications fiasco as bad as the Penn State crisis. As a Penn State alumnus, it was all the more painful to watch. Nevertheless, my observations are, I maintain, objective from a professional crisis management point of view.

Some years ago, I completed the first book ever written on the subject, *Crisis Management: Planning for the Inevitable*, which remains to this day the most widely read book ever published on the topic. As part of the research for that seminal work, I surveyed the CEOs of Fortune 500 companies and gained real insight regarding how companies and large organizations respond in crises. In the spring of 2013, my latest book in the field was published, *Crisis Communications: The Definitive Guide to Managing the Message*. As I was writing that book, the Penn State crisis erupted, and I had ample opportunity to fully analyze the many errors made by the Penn State board of trustees. That analysis is contained in a chapter titled 'Say It Ain't So, Joe!—The Penn State Crisis,' which details—step-by-step—the mistakes that were made by the board, why they were made, and what should have been done at each critical turning point.

I do not know Professor Sonnenfeld; I am not aware of any crisis he personally has managed, successfully or otherwise, so I do not know how

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