

Brandeis University: Selling Art or the Art of Selling Change?

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Major Focus Of The Case

Like many universities, Brandeis faced a serious budget crisis and its President faced a variety of difficult options. One of his recommendations, however, created a huge uproar – to sell valuable pieces of art from its esteemed Rose Art Museum. This threatened action was perceived by many constituents as unacceptable and led to considerable resistance. In addition, students at the University felt left out of the process of consultation and decision making. The President was confronted with negative reactions about both the actual proposed action as well as the process. Could it have been handled better? If so, how? After all, when organizations face budget crises, decisions and action taken are rarely popular, but perhaps it can be buffered by the way it is handled!

Introduction

On January 26, 2009, the *Boston Globe* reported that Brandeis University, located in Waltham, Massachusetts, had decided to close the Rose Art Museum and sell its more than 6,000 works by such celebrated modern artists as Andy Warhol, Willem de Kooning, Jasper Johns, and Roy Lichtenstein. The museum's director, Michael Rush, gave the *Boston Globe* a "No comment" – but did let the newspaper know that he had just been informed of the decision.⁸

The global financial crisis had hurt Brandeis particularly badly. Like virtually all universities, Brandeis saw its endowment substantially

⁸ Edgers, G. and Schworm, P. (2009, January 26). Brandeis to sell school's art collection. *Boston Globe*. Retrieved from <http://www.boston.com>

weakened by the recession. For Brandeis, a young school (founded in 1948) with a relatively small pool of alumni donors, this drop was significant. As a private liberal arts college, Brandeis was entirely dependent on its donors, many of whom had suffered serious financial losses due to Bernard Madoff's firm's fraudulent investment scheme.⁹ The university faced a budget deficit of about \$10 million, and in addition to closing the Rose it considered such measures as reducing faculty by 10%, increasing enrollment by 12%, and streamlining the way it organized majors. The Rose's collection was, according to Rush, assessed at \$350 million in 2007.¹⁰

Brandeis's president, Jehuda Reinharz, said:

*The Rose is a jewel. But for the most part it's a hidden jewel. It does not have great foot traffic and most of the great works we have, we are just not able to exhibit. We felt that, at this point given the recession and the financial crisis, we had no choice.*¹¹

A former member of the board of trustees told CBS news:

*Well, it's all about priorities isn't it? It's what do you value most? We've frozen salaries, we have a hiring freeze, we've cut expenses. If one of the compromises you're prepared to make is we may have to sell select works of art, I think most of the community...they'll understand that.*¹²

The decision of Reinharz and the Brandeis board of trustees (which, according to Brandeis's website, was "the final authority on all aspects of the university's operations"¹³) set off strong responses.

Museum Board of Overseers

On January 27, the day after the *Boston Globe* broke the story, the New York Times wrote a follow-on piece. The article quoted Rush, who said, "I was shocked. I'm still shocked," as well as Jonathan Lee, the chairman of the museum's board of overseers, who stated, "nobody at the museum – neither the director nor myself nor anyone else – was informed of this or had any idea what was going on."¹⁴ The *New York Times* article also raised the question, not about the wisdom or morality of the decision, but of whether it was legal to sell the Rose's collection, since many of the museum's works of art had been given to the university as gifts.

⁹ Wee, G. and Lorin, J. F. (2009, January 27). Brandeis to close Rose Art Museum as endowment slips (update 1). Bloomberg. Retrieved from <http://www.bloomberg.com>

¹⁰ Wee and Lorin. Brandeis to close Rose Art Museum.

¹¹ Edgers and Schworm. Brandeis to sell school's art collection.

¹² Teicher, M. (2009, March 15). The art of survival: can a struggling cultural institution sell its artwork to balance its books? Some say no. Sunday Morning, CBS News. Retrieved from <http://www.cbsnews.com>

¹³ Board of trustees. Brandeis University. Retrieved from <http://www.brandeis.edu/trustees/>

¹⁴ Kennedy, R. and Vogel, C. (2009, January 27). Outcry over a plan to sell museum's holdings. New York Times. Retrieved from <http://www.nytimes.com>

A spokesperson for Massachusetts Attorney General Martha Coakley told the *New York Times* that her office was informed of Brandeis's decision on the same day that the story appeared in the *Boston Globe*. The spokesperson went on to say that Coakley's office would conduct a review of donors' wills and their agreements with Brandeis to determine whether any sales of art violated any contracts. "We do expect this to be a lengthy process,"¹⁵ she said. A Brandeis spokesperson declined comment on the legality of the art sales.

The Art World

In both the *Boston Globe* and *New York Times* articles, art experts voiced withering criticism. They condemned, on principal, the general idea of hawking art in tough financial times, and also raised one particular concern: whether it was wise to attempt to sell art in what was, given the recession, an abysmal art market. "It couldn't be a worse time to sell expensive art," prominent curator and art historian Robert Storr told the *New York Times*. "It is not only unprincipled, but bad economics."¹⁶

On January 26 the *Los Angeles Times* carried an article about the Rose that included a statement from the Association of Art Museum Directors: "AAMD is shocked and dismayed to learn of Brandeis University's plans to close the Rose Art Museum and sell its collection. This is a sad day for the students of Brandeis, the University, and its community. ... AAMD's mid-winter meeting begins tomorrow and its members will discuss the ramifications of Brandeis' decision and any actions the Association may take in response to these regrettable plans."¹⁷

The *New York Times* also quoted a flabbergasted Jasper Johns, who said, "I find it astonishing. I've never heard anything like it."¹⁸

Faculty

Faculty also did not respond well to the announcement. In interviews with *Inside Higher Ed*, Brandeis professors complained that they had not, either as a group or through their committees, been asked their opinion of the sale. In addition, the article noted that art and museum associations specifically bar the sale of art for anything other than the purchase of other art.¹⁹

¹⁵ Kennedy and Vogel. Outcry over a plan.

¹⁶ Kennedy and Vogel. Outcry over a plan.

¹⁷ Boehm, M. (2009, January 26). Updated: Brandeis University to close art museum, sell collection. *Los Angeles Times*. Retrieved from <http://latimesblogs.latimes.com>

¹⁸ Kennedy and Vogel. Outcry over a plan.

¹⁹ Jaschik, S. (2009, January 27). Brandeis to sell all of its art. *Inside Higher Ed*. Retrieved from <http://www.insidehighered.com>

Students

Students spoke out loudly and clearly. In an op-ed in Brandeis's student newspaper, the *Justice*, a student lamented not only the decision itself, but also the way in which it was made. The closing, the student wrote, "reached the student body as a fait accompli, with no room for discussion. This decision from on high came as a particular blow to students who have been fighting for greater transparency in the budget cut decisions."²⁰ Another student, Jaclyn Saffir, wrote an op-ed for the *Boston Globe*, "A Lesson for Brandeis: Include Your Students," which was very critical of the process:

Although this week's decision ...to sell the Rose Art Museum collection was an indicator of a bad financial trend for American Universities, equally troubling was that the trustees did not involve students in the decision...

...the biggest unnecessary jab was at students, many of whom felt as if this was just another brick in the wall preventing student input in the university's financial challenges that would ultimately force students to sacrifice. This not only created a student backlash, with protests on campus, but also created headlines that would likely harm the reputation of the institution. While financial shortfalls may not deter some prospective students, a frustrated and ignored student body certainly will.

In the end, the administration officials alienated a group that ultimately could have been on their side. While few would be happy to give up the Rose, most students and faculty understand that sacrifices have to be made and that academics cannot be jeopardized. Yet the announcement did not discuss alternatives or lay out why the decision was necessary.

President Reinharz had a question-and-answer session Wednesday and explained the need for the decision, yet this presentation could have been given before the trustees voted. This would have allowed students to provide input into this process, and in the end, many, perhaps most, would have supported the decision.²¹

²⁰ Leifer, E. (2009, January 27). Op-ed: Rose shutdown risks our image. *Justice*. Retrieved from <http://media.www.thejustice.org>

²¹ Saffir, J. (2009, January 31). A lesson for Brandeis: Include your students. *Boston Globe*. Retrieved from <http://www.boston.com>

A Parent Perspective

A mother of three students who attended Brandeis responded:

We're here to testify that Brandeis has never scrimped on its kids. So when they found they must cut, the administrators made darn sure it didn't crack the core of the university's top rated student centered programs and services. ...The Rose has been a wonderful resource for the community and a proud tribute to its generous and visionary donors. But Reinharz was right when he delicately described the museum as "for the most part...a hidden jewel." ... most Rose visitors find they are alone in its galleries.²²

The President Responds

Shortly after the announcement and its backlash, Reinharz publicly backpedaled. In a letter to the Brandeis community dated February 5, he said it was never the intention of Brandeis's board of trustees to close the museum, nor to sell all of its artwork. "The Museum will remain open," he wrote, "but in accordance with the Board's vote, it will be more fully integrated into the University's central educational mission. We will meet with all affected University constituencies to explore together how this can best be done."²³ He apologized for the confusion over the information about the board's intentions and also for the fact that, as he said, "I did not find a more inclusive and open way to engage the Brandeis community in the deliberations that led to the Board's decision. I take full responsibility for causing pain and embarrassment in both of these matters. To quote President Obama, 'I screwed up.'"²⁴ Nevertheless, the reality was that the Rose, if the board had its way, would cease to be a public museum, and Brandeis would still reserve the option of selling some of its works of art.

²² Raub, D. F. (2009, February 6). A Brandeis mom's view of the Rose. *Jewish Advocate*.

²³ Reinharz, J. (2009, February 5). Letter: Brandeis president apologizes for handling of museum issue. *Boston Globe*. Retrieved from <http://www.boston.com>

²⁴ Reinharz. Letter: Brandeis president apologizes.

Reactions

In an article published on February 6, Bloomberg seized on the notion that Reinharz's words did little to change the state of play. Bloomberg reported:

The chairman of the museum's board of overseers, Jonathan Lee, said Reinharz's statement is window dressing. *'This apology is a nice thing, but it doesn't change anything,' Lee said in an interview today. 'We're not going to be a real art museum any more. They're killing the museum. The museum director is going. We're not going to have big-time shows.'*²⁵

On February 11 the *Boston Globe* reported that Rush had held a 90-minute town meeting at the museum. In attendance were students, faculty, and members of the broader community – all of whom got a surprise visit from Jeanette McCarthy, the mayor of Waltham. The mayor said that the Rose was very important to the city, adding that “art is a priority” and that “it would be terrible for it to go.” The *Boston Globe* also quoted Brandeis English professor Ramie Targoff saying, “Everyone in this room will see that it is a sacred spot for many people in our community.”²⁶

The fight heated up on April 23, when the Rose's board of overseers issued a press release charging the Brandeis administration and board of trustees with usurping the overseers' authority. “Despite the existence of the current Board of Overseers for the museum,” the release stated, “Brandeis has named a new committee to ‘explore future options for the Rose.’”²⁷

The release discredited the newly formed committee:

*Two months after first announcing and then restating its intentions to close the Rose and sell off the artwork, the University released the mandate for its 'Committee for the Future of the Rose.'... According to Brandeis, the committee is designed to 'explore options' for the future of the Rose, but is specifically prohibited from determining the fate of the works of art that are the heart of the institution, leaving that to the administration and Brandeis Board of Trustees. Although the committee includes representatives from various constituencies, including the Rose Art Museum Board of Overseers, members were hand-picked by the administration and the Rose was not allowed to choose its own representative.*²⁸

25 Lorin, J. F. (2009, February 6). Brandeis 'screwed up' in handling art museum's fate (update 2). Bloomberg. Retrieved from <http://www.bloomberg.com>

26 Terris, B. (2009, February 11). Hundreds seek ways to keep public access to Brandeis museum. *Boston Globe*. Retrieved from <http://www.boston.com>

27 Rose Art Museum board of overseers: systematic dismantling of the Rose Art Museum well underway even as Brandeis claims otherwise. (2009, April 23). The Rose Museum press release. Retrieved from <http://www.businesswire.com>

28 Rose Art Museum board of overseers: systematic dismantling.

The release included this statement from Meryl Rose, an overseer and a member of the family that founded the museum:

By forming the committee, Brandeis has turned a blind eye to the fact that the Rose already had an active board, in the Rose Art Museum Board of Overseers, to map out its future.

She continued:

What is also terribly saddening to us ... is the role the Brandeis Board of Trustees played in this matter. We know that the trustees have only the best interests of the University at heart. ... Unfortunately, they have been led astray by a disingenuous administration motivated to push an agenda that involves looting the school's culture to simply balance the books.²⁹

On July 27 the *New York Times* reported that three overseers of the Rose had filed suit against Brandeis in Massachusetts state court in an effort to halt the sale of the Rose's art and the closing of the museum:

Jonathan O. Lee, Lois Foster and Meryl Rose, a member of the family whose donations created the museum in 1961 – contend that Brandeis's plans to close the museum 'contradict the charitable intentions' of the museum's founders, 'abrogate Brandeis's promises that the Rose would be maintained in perpetuity' as a modern and contemporary art museum, and violate its commitments to those who donated art to the museum.³⁰

The *New York Times* further noted that a statement issued by lawyers representing Brandeis called the suit frivolous and without merit.

²⁹ Rose Art Museum board of overseers: systematic dismantling.

³⁰ Kennedy, R. (2009, July 27). Lawsuit seeks to save art museum at Brandeis. *New York Times*. Retrieved from <http://www.nytimes.com>

Epilogue

In October 2009 Reinharz unexpectedly announced to the university community his intention to step down, ending his 15 years as president of Brandeis. Under his leadership, Brandeis's endowment had risen from \$194M to \$559M, applications for freshman admissions had increased from 4,321 to 7,758, and the university had become much more selective: the acceptance rate had gone from 68% to 32%. The chairman of the board dismissed speculation that Reinharz was "pushed out because of a band of disgruntled faculty, still smarting from last winter's controversy over the Rose Art Museum."³¹

Reflecting on the furor, Reinharz said:

*The mission of the university is delivering the best education we can. Most of the controversy came from the Art world and I understand their passion, but I would dare say that many of them do not particularly care about Brandeis. Their care is for the Arts, but we are a university, first and foremost.*³²

Finally, in his Brandeis University Magazine "exit interview," Reinharz reflected on the Rose:

*First, it would probably have been a better course of action to have wider consultation with faculty and staff. Second, it was not necessary to issue a press release... [But] the Rose needs to be understood in the context of many other cuts we made ...including 76 staff positions.*³³

On October 15 it was announced that:

*A Massachusetts judge has denied a motion by Brandeis University to dismiss a lawsuit brought by three overseers of the school's Rose Art Museum who were seeking to stop the university from closing the museum and selling its works...the university pledged not to sell any artwork that had been donated by the overseers ... and said it would give the Massachusetts attorney general an opportunity for review if it decided to sell works donated by others.*³⁴

On December 31 in an insert, "Bloom Was Off the Rose," the *Boston Globe* summed up the year's events at Brandeis after the announcement of the closing of the Rose Museum. The piece concluded, "After a public outcry spread from the campus to the art world, the university backed down and decided to keep the museum open, but let the director's contract expire and reserved the option to sell some works."

³¹ Hogan, C. (2009, October 2). Brandeis abuzz about Reinharz: the university takes stock of the man who transformed it. *Boston Globe*.

³² Hogan, Brandeis abuzz.

³³ Cornstein, K. (Fall 2009). All good things. Brandeis University Magazine, p. 13.

³⁴ Kennedy, R. (2009, October 15). Brandeis won't sell art donated by overseers. *New York Times*. Retrieved from <http://www.nytimes.com>

Discussion

1. In leading change, how you do things is as important as what you do. What can be learned from this case about what not to do and what should be done in making major changes?
2. Even the most effective leaders are often not well informed about how to lead change. How effective was President Reinharz in his 15 years at Brandeis and what could he have done different in handling the Rose Art Museum situation?
3. Who were the key constituencies in this case and what should their appropriate level of involvement have been and when should they have been involved?
4. If you could turn back the clock and had the opportunity to approach this situation differently, what would you have recommended step by step to the board?
5. Given the realities of what happened, what would you recommend that the board could do to address and possibly repair the damage that has been done.

Key Lessons In Leading Change

1. Some change decisions are not going to be popular, but perhaps are necessary, so how the process is managed will be critical
2. When and who to involve in change is a critical management choice. In general, the earlier the better. And in general, it is important to identify and include ALL the key constituencies
3. Public sector organizations have more constituencies to be considered than most organizations, especially when what is at stake is not just about “numbers” but also mission and values.
4. If leaders mismanage the change process, it will likely lead to more resistance than what was likely to arise on its own. Conversely, if the change process is managed well, it can allow difficult choices and decisions to be made.

BIOGRAPHY

Todd Jick is on the faculty of Columbia Business School. Previously, he was a Professor at Harvard Business School, London Business School, and Insead. He is the co-author (with Maury Peiperl) of the leading textbook in change management, called Managing Change, McGraw Hill, 2011, 3rd Edition. He has published numerous articles and more than 50 cases in the area of Change and Leadership. He has sat on a number of corporate boards and received Columbia's top teaching award.

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