

# BizEd

INTERNATIONAL ISSUE

MARCH/APRIL 2002

---

Tupperware CEO  
**Rick Goings**  
On Creating Global Leaders

---

The Doctoral Crisis:  
**Where Have All  
the Ph.D.s Gone?**

---

The **Future**  
of Accounting  
Education

---



SPECIAL FOCUS:  
INTERNATIONAL

# BizEd Contents

10



## DEPARTMENTS

- 4 From the Editors
- 6 Headlines
- 56 Technology
- 58 Bookshelf
- 60 Calendar
- 62 Your Turn
- 64 Spotlight

MARCH/APRIL 2002



## INTERNATIONAL FOCUS

## FEATURES

26

- **14 Taking on the World**  
Tupperware CEO Rick Goings discusses how to prepare managers for a career in international business.
- **18 Research at Risk**  
The global shortage of Ph.D. candidates will have a profound impact on the future of management education.
- **20 Is There a Doctorate in the House?**  
Doctoral programs around the world are taking dramatic steps to ensure their survival—and their growth—in coming years.
- **26 CIBER Space**  
The 28 Centers for International Business Education and Research teach students, faculty, and business executives how to make connections abroad.
- **32 Building a Better Business School**  
New business school architecture forgoes traditional compartmentalized designs of the past for more open, inviting spaces that encourage interaction and teamwork.
- **40 Accounting Education on the Edge**  
The field of accounting is facing major challenges. Brigham Young professor W. Steve Albrecht lays out the problems and suggests solutions.
- **46 Launching a Free Agent Nation**  
Independent contractors and other self-employed workers are reshaping the face of business—and revolutionizing theories of education.
- **50 A Business School Makeover**  
The Robert H. Smith School transformed its overstressed program into one that is smart and distinguished.

Cover photo courtesy  
of Tupperware

# From the Editors

## Global Community

**On January 1, 2002, the European Union introduced its new currency, the much-heralded *euro*.**

Since then, citizens of Ireland, Portugal, Spain, France, Belgium, Luxembourg, the Netherlands, Finland, Germany, Austria, Italy, and Greece have been getting used to their new common currency, while still using their old, familiar currencies in a two-month transition period. But as of March 1, the euro will be the only money changing hands in these 12 countries. The last time that European countries shared a single currency was at the end of the eighth century, in the days of the Roman Empire.

Here in the 21st century, the European Union sees in the euro a chance to unify a collective of countries and simplify interactions between them. As one Italian citizen told a reporter for *The New York Times*, the new euro gives her a “sense of belonging to a European Union” and promises to create a “big European country.”

As it has affected the European region, globalization also has transformed the world into a more intimate environment, for better or worse. Our very perceptions of the world have changed. At one time, even a phone call from Europe to the United States or from the United States to Asia was considered a significant event. Today, communication, interaction, and travel between countries are increasingly perceived as routine.

Our cover interview with Rick Goings, CEO of Tupperware Inc., introduces our exploration of global issues. Goings points out that there are new lessons to be learned, lessons that business schools not only must impart to students, but also must employ themselves to succeed and lead in a global economy.

More and more often, in a global environment, a problem that affects one, affects all. Not surprisingly, we’ve made problems affecting management education on a global scale, such as the Ph.D. shortage and the decline in enrollment in accounting programs, points of focus in this issue. In addition, we look at schools that are working together to find international solutions through CIBER, Centers for International Business Education and Research. Connections, alliances, partnerships—all are part of the new nomenclature of management education, and they promise to play a large part in tackling difficult problems and keeping our “global village” running smoothly.

Also the result of a collaborative effort, the euro symbolizes an interconnectedness between countries, businesses, and individuals that is becoming more a fact of life. It also represents the inevitability of progress, experiment, and change. And as the key suppliers of talent to global business, business schools not only will help to navigate this era of change, but also, lead the way. **Z**



*Julia Bisson*

# Headlines

## Drivers of Change in Business Schools

While business schools seem to thrive even in times of economic recession, they are not impervious to outside influences that force them to respond to new demands. Exactly what factors drive change in the academic world? Working with input from AACSB International, a group of researchers at Villanova University's College of Commerce and Finance, Villanova, Pennsylvania, asked that question of business school deans and associate deans.

Surveys were mailed to 593 academic leaders shortly after the September 11 terrorist attack; 273 responded. Villanova professors Mohammad Najdawi, Stephen A. Stumpf, and Jonathan P. Doh presented results at the AACSB International 2001 Associate Deans Conference last December.

They found that more than half of the respondents felt that a doctoral student shortage was a key factor driving change at their institutions—even in the midst of a significant economic downturn and national crisis. As indicated in Table 1, the four other top drivers were: the emergence of new competitors, rapid changes in the economy, shifts in funding sources, and changes in how business organizations function.

Less important to academic leaders were factors such as compliance and regulatory issues, privatization and venture capital, and intellectual property rights. Researchers theorized that these issues were either viewed as not relevant to the institution, or were too distant from the core operations of the institution to be of concern.

The Villanova researchers noted that most change drivers were independent, though a few clusters of interrelated factors did emerge. In one cluster, these interrelated change drivers were those that reflected a

global, e-business, anytime, anywhere mindset: the global bazaar and the erosion of geo boundaries; the shifting of resources to e-learning; the possibility of conducting business activity anytime, anywhere; the increased need for speed; and exploding opportunities in e-business.

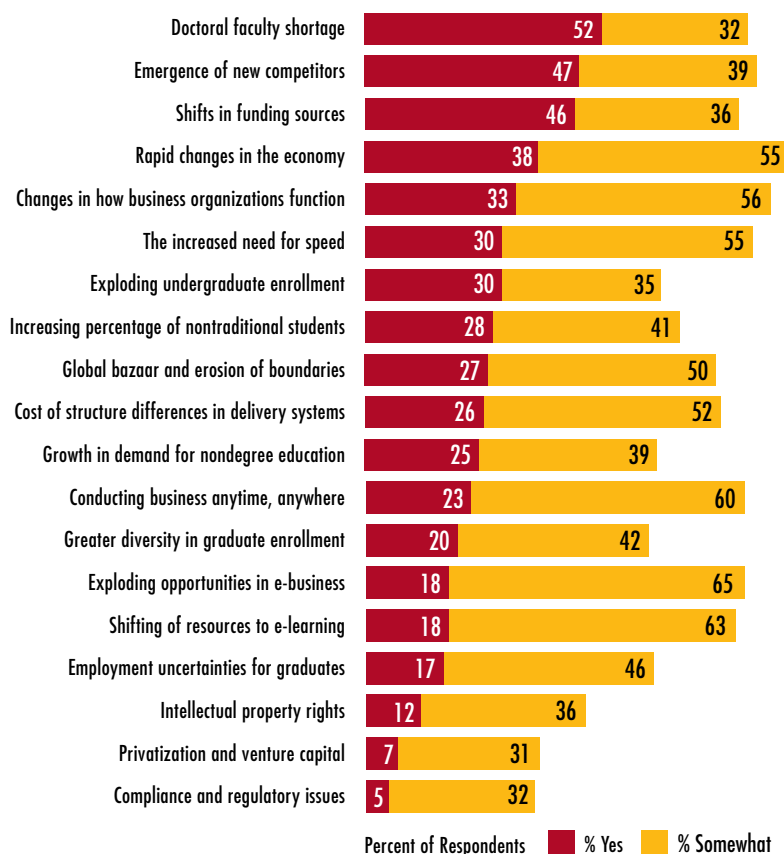
In a second cluster, one that focused on core business changes, the combined drivers were: the rapid changes in the economy and changes in how business organizations function.

When dealing with the changes brought about by these outside drivers, researchers found that academic

leaders were most likely to be successful if they could draw on a number of *skill sets*. While many skill sets were viewed as important by at least half of the sample responding, nearly all respondents considered interpersonal, relationship-building, and influence skills essential for their success, as shown in Table 2.

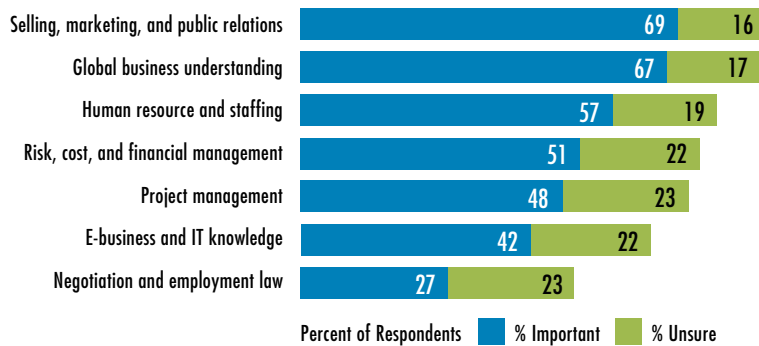
The skill sets were generally independent, but researchers isolated a few clusters of related skills. The first cluster, dealing with *tactical skills*, included: human resource and recruiting/staffing skills; negotiation and employment law skills; selling, marketing, and public relations skills; and problem

**Table 1: Drivers of Change in Business Schools**



**“OUR FINDINGS SHOW THAT DEANS’ SUCCESS IN LEADING AND SUSTAINING CHANGE WILL DEPEND MOST ON THE SKILLS OF RELATIONSHIP-BUILDING, MANAGING CHANGE, BUILDING EFFECTIVE TEAMS, PLANNING AND FORECASTING, DEFINING AND COMMUNICATING A VISION, AND FUND RAISING. DEANS CLEARLY HAVE THEIR WORK CUT OUT FOR THEM.”**

**Table 2: Skill Sets Required by Academic Leaders**



finding/solving and decision-making skills. In a second cluster, value was placed on interrelated skills associated with the *changing economy*, such as e-business and IT knowledge and understanding, and global business understanding.

Not all change drivers affected all schools in the same way, according to these researchers. For instance, highly ranked schools with large endowments and international reputations were less likely to be concerned with the emergence of new competitors. For schools that did perceive greater competition, the following change drivers were more important than they were for the schools not perceiving an increase in competition: the doctoral faculty shortage; the global bazaar and erosion of geo boundaries; intellectual property rights; compliance and regulatory issues; privatization and venture capital; exploding opportunities in e-business; and rapid changes in the economy.

For these same schools, the following skill sets were also more important: strategic planning and forecasting skills; human resource and recruiting/staffing skills; selling, marketing, and public relations skills;

problem-solving and decision-making skills; and fund-raising and grant-getting skills.

“Our findings show that deans’ success in leading and sustaining change will depend most on the skills of relationship-building, managing change, building effective teams, planning and forecasting, defining and communicating a vision, and fund raising. Deans clearly have their work cut out for them,” the researchers note.

More information about the study can be found at [www.cf.villanova.edu/NAJDAWI/presentations/](http://www.cf.villanova.edu/NAJDAWI/presentations/).

## ■ AACSB Annual Meeting Set for Chicago

**More than 1,000 management educators** from around the world are expected to gather in Chicago for the AACSB International 2002 Annual Meeting. The conference begins Sunday afternoon, April 7, and continues through Tuesday, April 9, at the Hilton Chicago on Michigan Avenue.

Keynote speaker Rick Goings, CEO of Tupperware Corporation, will outline the qualities necessary for becoming a global leader. He also

will discuss the need to deliver a curriculum that will develop new paradigms, reinvent business, understand the markets, and adapt for success. Goings will challenge management educators to provide leadership that will make learning “faster, flexible, more focused, and more fun.”

Other program highlights will include:

- “Competing in the Post Dot-com World” with Don Tapscott, international consultant on technology and e-business. Tapscott will discuss how the dynamics of wealth creation and competition have been affected by the failure of the dotcoms, and he will outline new approaches to business strategy in today’s economy.

- The annual business meeting and officers’ remarks. This event will feature presentations from John Fernandes, CEO of AACSB International; John Kraft, AACSB 2001–2001 chair, and dean of the Warrington College of Business at the University of Florida; and Jerry Trapnell, AACSB vice chair-elect, and dean of the College of Business and Behavioral Science at Clemson University.



■ The presentation of the annual Beta Gamma Sigma International award.

Other programs will cover four main topics: leadership, technology, globalization, and new directions in higher education. Sessions are concurrent and interactive. In addition, attendees will be able to interact with fellow management educators in peer-led Affinity Groups that will meet at various times on Sunday.

Returning to the conference is the Annual Meeting Exhibit Hall, where state-of-the-art product demonstrations and informational displays will be presented. The Exhibit Hall will be open during the entire conference.

Social events will give attendees a chance to interact with colleagues in

a relaxed atmosphere during the conference. A welcome reception will be held Sunday evening, co-hosted by AACSB and Beta Gamma Sigma. It will celebrate the accomplishment of business schools that have received initial accreditation or reaffirmation of accreditation in the 2001–2002 academic year. There also will be a reception on Monday evening.

All events will take place at the Hilton Chicago, a luxury hotel in the center of Chicago that is close to museums, theaters, shopping, and nightlife. For information about attending the Annual Meeting, program details, hotel registration information, or Chicago tourism opportunities, visit the AACSB Web site at [www.aacsb.edu](http://www.aacsb.edu).

## Salaries Jump for New Ph.D.s

**Financially speaking, this may be the best time ever to be earning a doctorate degree in business—and going back to school to teach the topic.** For new doctorates in business and management who take jobs at colleges and universities, average base salaries jumped by just over 11 percent in the 2001–2002 school year, from \$77,200 to \$85,900. In many cases, average salaries for new doctorates now are higher than the average salary for assistant professors and associate professors. In addition, in 2001, new hires represented 9.6 percent of the average business school faculty, or approximately five faculty members. AACSB International's 34th Annual Salary Survey, the source for these statistics, compiled data from more than 24,000 faculty members and 4,000 administrators at 474 schools.

The salary increase seems to have been sparked by the shortage of doctoral candidates, combined with a higher demand for them. According to National Science Foundation data, the annual U.S. production of business doctorates has decreased by about 19 percent since 1995. Yet business schools need new Ph.D.s to teach their expanding student populations and replace retiring professors. As it is, survey figures show that one in ten funded doctoral degree positions is currently vacant, the highest vacancy rate reported in at least ten years.

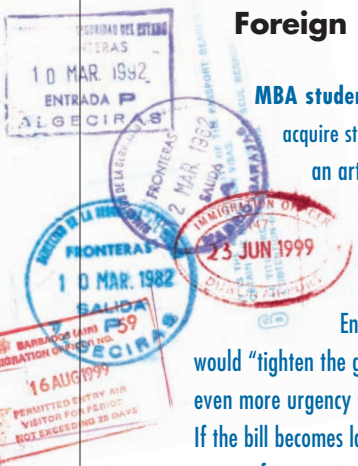
Many business schools will be aggressively recruiting new faculty in the coming months. According to the survey data, 300 responding schools, representing less than half of AACSB's U.S. membership, intend

## Foreign Student Visas Face Restrictions

**MBA students from certain foreign countries are finding it more difficult to acquire student visas in the wake of the terrorist attacks last September, according to an article in BusinessWeek Online.** Previously, it typically took less than a month for prospective students to receive foreign visas, granted by the State Department through the local U.S. embassy. But since the attacks, the Senate has been considering the Enhanced Border Security Act and the Visa Entry Reform Act of 2001 as a single bill, according to the article. The action would "tighten the guidelines for admitting international students." The bills have taken on even more urgency since one of the hijackers was in the U.S. on a student visa.

If the bill becomes law, it will prohibit visas from being "issued to any alien from a country that is a state sponsor of international terrorism unless it has been determined that such alien does not pose a threat to the safety or national security of the United States according to standards developed by the Secretary of State, in consultation with the Attorney General, and applicable to nationals of such states." The countries under suspicion include Cuba, Iraq, Iran, Libya, North Korea, Sudan, and Syria. The bill also would require schools to alert the Immigration & Naturalization Service if students do not show up for classes.

If the bill passes, it is likely to have a significant impact on business schools. In a survey of 30 leading U.S. business schools, *BusinessWeek* found that slightly more than 34 percent of the average MBA class is made up of students from outside the U.S. For some schools, that percentage is significantly higher. It's not clear what will happen next, but for now, foreign students are urged to apply for visas earlier and to anticipate some delays—and added costs—as the INS begins closer tracking of their presence in the U.S.



## FOR NEW DOCTORATES IN BUSINESS AND MANAGEMENT WHO TAKE JOBS AT COLLEGES AND UNIVERSITIES,

**AVERAGE BASE SALARIES JUMPED BY JUST OVER 11 PERCENT .**



to fill about 900 vacant positions with new Ph.D.s or “ABDs”—doctoral candidates who have achieved “all but dissertation.” The reality may not be so rosy, however. Of the 1,071 students graduating with a doctoral degree in 2000, only 61.8 percent indicated that they planned to seek employment in an educational institution.

Just when new Ph.D.s are available to work at business schools, many of them are recruited into growing fields such as management of information systems, which accounted for almost 19 percent of new hires in 2001. In addition, almost a quarter

of the ABDs hired in 2001 went into IS programs. On the other hand, only about 15 percent of the new hires signed up in the field of accounting/taxation, as compared to 18 percent five years ago.

Not all good news about business school salaries is confined to those with new degrees. Salaries for business school faculty across all ranks and disciplines, as well as for business school administrators, have also seen increases in recent years. These range from relatively modest increases of 2.5 percent in quantitative methods to increases of 7 percent or 8 percent in IS-related disciplines.

Copies of the full report are available for \$99 from AACSB International Knowledge Services in electronic or print format. The reports include separate tables for each faculty field or administrative position, detailing the mean, median, percentile, and maximum and minimum salaries for each rank. Charts are further broken down by public, private, accredited, and non-accredited schools. For more information, visit [www.aacsb.edu/knowledgeservices](http://www.aacsb.edu/knowledgeservices), or contact Alice Thompson at [alice@aacsb.edu](mailto:alice@aacsb.edu).

## Schools Honored as Leaders in Stewardship

**Nine schools have been recognized as offering cutting-edge MBA programs in *Beyond Grey Pinstripes 2001: Preparing MBAs for Social and Environmental Stewardship*.** The report evaluates how well MBA programs are integrating social and environmental coursework, activities, and research into business curricula. The survey, first conducted in 1998, is a joint project of The Aspen Institute Initiative for Social Innovation through Business (Aspen ISIB) and World Resources Institute (WRI). All accredited business schools in the United States, as well as more than 60 international schools, were surveyed.

The University of North Carolina at Chapel Hill’s Kenan-Flagler Business School was honored with three awards for its outstanding leadership in training MBA students in environmental stewardship, social impact management, and management for sustainability.

In the category of environmental management, other winners were: George Washington University’s School of Business and Public Management in Washington, D.C.; University of Jyväskylä’s School of Business and Economics in Finland; University of Michigan Business School in Ann Arbor, Michigan; and Yale School of Management, New Haven, Connecticut. For social management, these schools also received awards: Harvard Business School, Boston, Massachusetts; Loyola Marymount University’s College of Business Administration in Los Angeles; the University of Michigan Business School; and York University’s Schulich School of Business in

**What factors contribute to a meaningful life that combines a global outlook, a sense of community, and a reverence for family? Students from the United States and Canada pondered those issues as they gathered in Clearwater Beach, Florida, last January for the Beta Gamma Sigma Student Leadership Forum 2002. During the four-day program, students attended sessions that helped them define their own leadership goals. Byron F. Nahser, managing partner of Corporantes Inc. and chairman and CEO of The Globe Group, led the session on “The Pragmatic Reflection for Personal and Corporate Success.” The program was sponsored by The Globe Group and Corporantes, KPMG Foundation, and Wood River Printing and Publishing.**



North York, Ontario. In the category of management for sustainability, the Asian Institute of Management in the Philippines and York University's Schulich School of Business were honored.

*Beyond Grey Pinstripes 2001* reports that a growing number of innovative MBA programs are broadening their curricula to include sustainability topics, although the overall num-

*"Beyond Grey Pinstripes is really a call to action to schools to close the gap between what business leaders say they need in recruits, what the global marketplace requires, and what MBA programs are delivering."*

ber remains low. The report stressed that companies need managers with an ability to understand diverse cultural, social, and political systems to cope with vastly different infrastructure and resource issues. However, the report concluded that few MBAs are being trained to think about such matters and few have the skills to successfully tackle these issues.

*"Beyond Grey Pinstripes is really a call to action to schools to close the gap between what business leaders say they need in recruits, what the global marketplace requires, and what MBA programs are delivering,"* said Judith Samuelson, executive director of Aspen ISIB.

For more information on The Aspen Institute Initiative for Social Innovation through Business, visit the organization's Web site at [www.aspenisib.org](http://www.aspenisib.org). For more information about The World Resources Institute, visit [www.wri.org](http://www.wri.org).

## Where Are the Women?

**Why do women make up only 30 percent** of the enrollment at top business schools, compared with 44 percent at law and medical schools? A recent study that asked more than 1,600 men and women MBAs about their school experiences and their careers indicated a range of reasons, from a lack of role models to a perception that women can achieve a better balance in life if they pursue careers in law or medicine. However, a group of committed businesswomen and their corporate partners are setting out to dispel the myth that women cannot find satisfying careers in business.

According to an article on the online news service Women's eNews ([www.womensenews.com](http://www.womensenews.com)), a new national nonprofit group of corporations and business schools has been founded to address the issues of women in business. Temporarily based at the University of Michigan, the group includes representatives from University of Michigan's Center for the Education of Women and the business schools at Columbia, Dartmouth, University of California in Berkeley, the University of Chicago,

the University of Pennsylvania, the University of Texas, and the University of Virginia. Also involved in the coalition are representatives of the Committee of 200, a Chicago-based women's business group; Dell Computer Corp.; Deloitte Consulting; Goldman, Sachs and Co.; Kraft Foods Inc.; and Procter and Gamble.

The group was formed in response to a May 2000 study, "Women and the MBA: Gateway to Opportunity," released by Catalyst and the University of Michigan. The study found that more than 30 percent of all women MBA graduates and 46 percent of African American women MBAs considered business school to be extremely aggressive and competitive. The research also noted that 33 percent of women and 42 percent of men said it was easy to find mentors in the workplace, and that 52 percent of the women and 62 percent of the men said they were satisfied with sponsorship from senior management. Forty-seven percent of the women said that a business career made it hard to achieve a balance between work and home life. However, 86 percent of women with MBAs said they were satisfied with their careers

The newly formed coalition, which has not yet chosen its name, will also try to determine why corporations don't encourage women in middle management to pursue MBAs and why high school girls aren't interested in a business education. More information about the coalition and its members can be found on the Web at [www.c200.org](http://www.c200.org), [www.umich.edu/cew](http://www.umich.edu/cew), and [www.catalystwomen.org](http://www.catalystwomen.org).







## Ethnic Issues in Education

The 15th Annual National Conference on Race & Ethnicity in American Higher Education (NCORE) will be held May 29 through June 2 in New Orleans, Louisiana. Sponsored by The Southwest Center for Human Relations Studies at the University of Oklahoma, the conference features a series of workshops on multicultural issues such as racial profiling, conflict resolution, campus intolerance, and community development.

Participants also can register to attend all-day “institutes” to be held before the conference. These institutes cover a variety of topics from student leadership to multicultural

course transformation. During the conference, participants can attend four dialogue sessions that give them a

chance to exchange ideas on race-related topics. For more information on the conference, visit the Web site at [ncore.occe.ou.edu](http://ncore.occe.ou.edu).

## Top Schools to Train International Executives

Business schools from around the world have joined together to train senior managers in organizations like the United Nations, UNESCO, the World Bank, and The International Monetary Forum. The program is a joint venture between Wharton Business School at the University of Pennsylvania in Philadelphia, Cranfield University in England, HEC in Paris, and ESADE in Barcelona,

Spain. The goal is to train senior executives to manage staff, focusing on the knowledge that human resources are an organization’s main asset.

“Knowledge-based organizations are increasingly important, and there is growing interest in strategically managing intellectual capital as effectively as possible,” says professor Alfonso Sauquet of ESADE. The four schools “embody four ways of looking at the world and have different circles of contacts. This breadth of vision provides added value and will help ensure the program runs smoothly.”

Representatives from the universities concerned recently took part in the opening session at UNESCO to explain how the program will work. Peter Capelli, representing Wharton, and Sauquet, acting on behalf of ESADE, participated in the inaugural session.

## Global Entrepreneurship Shifts

Australia, New Zealand, and Mexico were the most entrepreneurially active countries in 2001, while the United States, long a powerhouse in this area, slipped sharply in the level of business start-ups. Furthermore, most of the countries that make up the European Union, along with the United Kingdom, were among the least entrepreneurial countries, according to a global study of entrepreneurship.

About 150 million people, or 10 percent of the adult population in 29 countries analyzed in the study, are engaged in some form of entrepreneurial activity, according to the Global Entrepreneurship Monitor 2001 (GEM). The study of entrepreneurship and economic growth was conducted by Babson College, London Business School, the Kauffman Center for Entrepreneurial Leadership, and IBM.

The level of entrepreneurial activity, as measured by those adult individuals aged 18 to 64 involved in new business formation, varied sharply from country to country. The lowest level was five percent of adults, in both Belgium and Japan, compared to 18 percent of adults in Mexico. In fact, Mexico, Australia, and New Zealand led a group of five countries with generally higher rates of en-



trepreneurial activity, followed closely by Korea and Brazil. Ireland and the United States followed this group.

And while Brazil and the United States were among the top ten countries in overall entrepreneurial activity, they, along with Norway, experienced a significant decline in new business formation during

2000 and 2001. New business formation in the United States dropped 5 percent, from 16.7 percent of adults in 2000 to only 11.7 percent of adults in 2001. In Brazil, the drop was even more dramatic, with entrepreneurial activity among adults declining from 21.4 percent in 2000 to 14.2 percent of adults in 2001.

The study further disclosed that those countries with a more developed social safety net were at or near the bottom for new business formation. The study also noted that men are twice as active in entrepreneurship as women, and that those in the 25-to-44-year-old age group are most active in starting up new businesses.

An executive report of the GEM findings can be seen at [www.entworld.org/GEM2001](http://www.entworld.org/GEM2001).

## Winners Announced in A.T. Kearney's Global Prize Case Challenge

Five schools competed in the European finals of the A.T. Kearney Global Prize Case Challenge, a competition that invites participants to develop a post-merger integration plan covering the first 100 days following the acquisition of an automotive manufacturer. The Judge Institute of the University of Cambridge won top honors, with the Rotterdam School of Management at Erasmus Graduate School of Business taking the runner-up spot. Others competing in the finals were Manchester Business School, London Business School, and

IESE Business School at the University of Navarra.

Teams were rated on criteria such as result focus, resource requirements, risk management, and communication. "The case is very realistic. It is based on a client engagement," says Ton van Elst, vice president of A.T. Kearney in the Brussels office and a member of the judging panel. "We gave the teams a chance to directly experience the business and consultancy world. Both analytical and organizational skills were tested. Students were challenged and needed to think on their feet. In addition, team members could only resolve the case study if



their questions elicited the answers necessary for a successful strategy and implementation," according to van Elst.

The 2001 A.T. Kearney Global Prize Case Challenge was the fifth since the event's inception and the third to be held in Europe. Each year the competition has expanded, a trend that organizers expect to continue, with business schools joining from South America and Asia Pacific as well as Europe and the U.S. The concept was developed to give first-year MBA students at the world's top business schools a taste of consulting in a realistic environment. **Z**

## SHORT TAKES

**The Yale School of Management, New Haven, Connecticut,** conferred its Yale School of Management Award for Distinguished Leadership in Global Capital Markets on William J. McDonough, president and CEO of the Federal Reserve Bank of New York. The ceremony took place in London at an event that drew together 50 of the world's leading financiers, finance ministers, and central bank governors.

**The Paul Dubrule Chair in Sustainable Development** was inaugurated in January on the Fontainebleau, France, campus of INSEAD. The chair, which will be held by professor Ethan Kapstein, was created by Paul Dubrule, co-chairman and founder of the Accor group. A chair is a permanently funded faculty position regarded as the most prestigious form of support a donor can provide to the school. Endowing the chair al-

lows Dubrule to support leading-edge thinking and research on sustainable development and its implications for environment and management issues worldwide.

**In other news from INSEAD, the school has announced its first exchange professor with The Wharton School** at the University of Pennsylvania in Philadelphia: Bruce Kogut, leader in international management at the Wharton School, will teach MBA and Ph.D. programs during his one-year residency at INSEAD's Fontainebleau campus.

**International trade expert Fermin Cuza** has been named executive-in-residence in the college of Business and Economics at **California State University** in Los Angeles. Cuza is former senior vice president for international trade and world government affairs with Mattel Inc. He will be the college's first executive-in-residence, a position

created to offer selected business executives an opportunity to share their expertise with faculty and students.

**Two professors have been named principal investigators** in ongoing efforts to uncover international pricing schemes that cost the U.S. Treasury \$45 billion in income tax revenue in 2000. **Simon J. Pak** is an associate professor at Penn State University, and **John S. Zdanowicz** is a professor at Florida International University's College of Business Administration. Together they have conducted studies on international pricing schemes since 1992. The 2002 Treasury-General Government Appropriations bill awards them a \$2 million grant to continue their work.

**Four professors at the Rotterdam School of Management** of Erasmus University were among those named late last year as top professors in management in the Netherlands by the Dutch magazine



**Northeastern**  
UNIVERSITY

COLLEGE OF BUSINESS  
ADMINISTRATION

## THE NORTHEASTERN EXPERIENCE *Excellence by Design*

Located in Boston, Northeastern University's College of Business Administration offers a rich, diverse, academically challenging undergraduate program that combines a solid foundation in the liberal arts with a full range of theoretical and functional business courses. Our close partnership with the business community ensures the quality and currency of classroom instruction and provides significant professional opportunities for our students. Through thoughtful design, academic excellence and professional relevance are successfully interwoven to create **The Northeastern Experience**.

Boston, Massachusetts  
[www.cba.neu.edu](http://www.cba.neu.edu)



*Management and Organization.* The top professor, according to the magazine, is John Hagedoorn from the University of Maastricht. He is followed by the four professors from Rotterdam: B. Wierenga, H.W. Volberda, B. Nooteboom, and C.B. Koedijk.

**Fisher College of Business at the Ohio State University**, Columbus, Ohio, has made major changes in its evening MBA track, beginning by renaming the program the Part-time MBA. Other changes include elimination of prerequisite courses, the addition of new classes, greater scheduling flexibility, and a summer start-up. Students in the part-time MBA program also will have more time to fit in the increased number of required courses. The changes were developed as part of the college's commitment to continuous curriculum review and enrichment. Pending university approval, the new part-time track is scheduled to take effect in June 2002.

**In other news from Fisher, the school** announced that **René Stulz**, professor of finance, was elected vice president of the American Finance Association (AFA). Stulz will serve as vice president in 2002, president elect in 2003, and president in 2004. Stulz is the Everett D. Reese Chair of Banking and Monetary Economics at Fisher College.

**Two appointments recently have been made** by the J. Mack Robinson College of Business at **Georgia State University** in Atlanta. Debra F. Cannon, associate professor at the Robinson College of Business, has been named director for the college's Cecil B. Day School of Hospitality Administration. Before this appointment, she served as interim director at the Cecil B. Day School for ten months. In addition, W. Preston Wilson has been named associate dean for executive education for the Robinson College, with responsibility for lead-

ing and managing the EMBA program there.

**David F. Pyke, professor of business administration** at the Tuck School of Business at Dartmouth in Hanover, New Hampshire, has been named associate dean for the MBA program. His responsibilities will include all academic aspects of the MBA program, including the management of the curriculum and coordination of appropriate committees. Pyke came to Tuck in 1987 after receiving his Ph.D. in decision science from the Wharton School at the University of Pennsylvania.

**International business in emerging markets** will be the focus of a new Web site called **globalmarketbriefings.com**. In its first stage, the site will offer information about 19 countries in east and central Europe. Content is being provided by companies such as Deloitte & Touche, Bank Austria, and Cameron McKenna.



# Taking on the World

Tupperware CEO **Rick Goings** runs a billion-dollar company whose familiar products and brand have worldwide recognition. His formula for winning over the world market is straightforward: Understand your global market, and utilize every potential channel to distribute your product on an international scale.

by Sharon Shinn

One of the challenges businesses and business schools face today is how to craft a global outlook—and a global marketing strategy. One company that has successfully achieved a worldwide presence is Tupperware Corporation of Orlando, Florida, which does \$1.2 billion in sales annually in more than 100 countries. For Tupperware chairman Rick Goings, CEO of the company since 1997, exploiting distribution channels is one of the most important components of a global marketing plan.

Goings, who will also be a keynote speaker at AACSB International's 2002 Annual Meeting in Chicago, has strong convictions about the qualities today's executives need to become leaders of international corporations. In a recent interview, he also offered perspectives on what business schools can do to produce those kinds of leaders.



In the U.S., for example, many executives have had limited exposure to  
But if we want to build global managers,

**How can today's managers be better prepared to become global business leaders? What kinds of experiences should they seek and what kind of training should they undertake?**

Global leaders need global exposure and experience. In the U.S., for example, many executives have had limited exposure to other cultures and languages because of the massive size and resources of this country. But if we want to build global managers, we've got to think more strategically about their career paths very early on.

Often I recommend starting junior executives on career paths that give them international exposure. Many start out in the internal audit department, where the staff is away from the home office about 70 percent of the time. Their internal audit assignments typically require them to be out of the office for two or three weeks consecutively. These young executives are usually in their mid-20s, and often they're not married—which can sometimes help to make it a more manageable lifestyle. After they've worked in internal audit for a couple of years, we transfer them into one of the business units. At that point, we can move them into different roles and start giving them cross-functional exposure. That's just one path—they can get international experience and exposure through marketing and sales departments just as well.

It's the same kind of training that the great entertainers experience, whether they're rock stars or stand-up comics. Country music singer Garth Brooks performed in quite a few bars and truck stops along the way, where people sometimes threw beer cans at him; but now he's at Carnegie Hall. It's the same kind of thing in business. The lesson is to give people key experiences when they're junior.

**How can business schools better prepare students to become global leaders?**

Business schools must create environments that make their students attractive to companies. This puts the burden on business schools to create many more experiences for their students—through practicums, for example. That's where the whole approach might need to be rethought. Let's say that there's a typical two-year business school program. Maybe one-third of that time should be spent on some practicum. The first third should be spent getting students to understand strategy, the financial levers, what competitive advantage is all about. Then, *bam!* Put them into an eight-month practicum where 70 percent of their time is spent working. Then for the last eight months, put them back into the business school environment.

I still believe that most business schools aren't doing it right. I know everybody's experimenting with executive programs and weekend programs. Well, fine—it's about time! What's really needed, though, is exposure to global experiences.

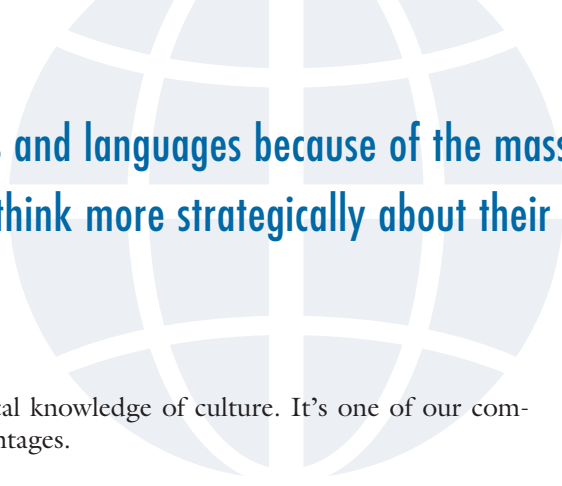
**You've mentioned that you expect a shift in the global centers of the world, although you anticipate that New York will still be one of them. What other parts of the world should business school leaders be watching?**

Just because of the population base, I think we'll see more happening in the Far East. I think Shanghai and Hong Kong will be playing more dominant roles. Three of the new companies we've opened are in China, Indonesia, and India; those three countries hold 47 percent of the world's population. You look at those countries and say, "Things are going to shift."

I also think we'll see a resurgence of European global centers. My belief is that the focus is more likely to be London, rather than Paris, Brussels, or Frankfurt.

**Business schools today emphasize the importance of global positioning. What's the best way for a business to take its product into an international market?**

At Tupperware, we determine our approach to a particular market by going in with people from the area. For example, a European is the head of our European business. When we launched our business in Poland, we took people from our German office who were, in fact, Polish. It was easy to say to them, "OK, how do we adapt and adopt here in Poland?" We're always dealing from an inside-out approach with



other cultures and languages because of the massive size and resources of this country. we've got to think more strategically about their career paths very early on.

regard to local knowledge of culture. It's one of our competitive advantages.

**You've said that one of the keys to global success in business is understanding channels of distribution. Can you talk about how distribution channels must be complementary?**

It used to be that everything was focused on the product. Now, there are so many channels of distribution that companies not only must focus on their products, but also on their channel strategies. They have to control their channels and have multiple channels.

For example, about a third of the population in the U.S. likes to go to Tupperware parties. Other people like to buy over Amazon.com. We know that the average Amazon.com customer makes \$100,000 a year. That's not the person who usually goes to a home party. We've decided to attack channels and have them co-exist so that consumers of all groups

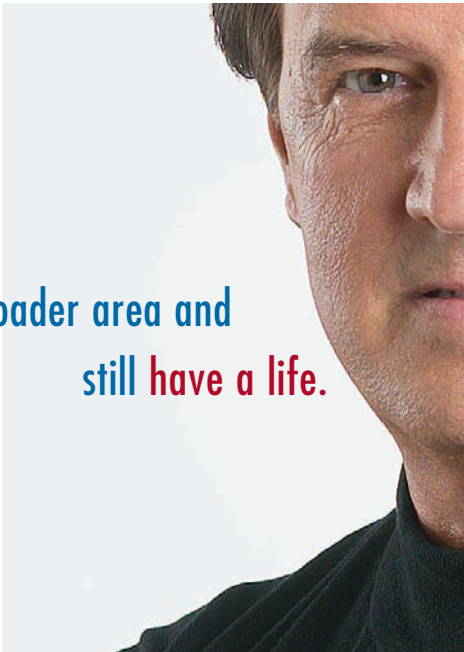
Internet, at a kiosk in a mall, or at a Tupperware party, our local distributor in Kansas City would say, "I don't care—just so she buys it." And we did that by giving that distributor a piece of the action no matter how the product is sold.

**In the management education field, technology has changed the way courses are designed and delivered. How has technology changed the working life of the global executive?**

I'm sitting here with voice mail and e-mail right beside me, a Blackberry on my body, and teleconferencing capabilities on my desk. These are incredible enablers. Technology allows me to keep more plates spinning in a broader

**Technology allows me to keep more plates spinning in a broader area and**

**still have a life.**



have access to our products. It could be two percent here and four percent there, but all of a sudden that's a big number.

**You've added other distribution channels, such as the Home Shopping Network and Internet sales. How have you made these distribution channels complement the efforts of your home-based salespeople, instead of offering them competition?**


How you solve the channel conflict is one of the major things business school faculty are talking about now. You take care of channel conflict by sharing.

For every one of our distribution channels, we made our sales force our partners. If a customer calls the Home Shopping Network and places an order, guess what? Part of the commission is split between all our distributors. They say, "Man, that's a new income source." Every time we come up with a new approach, they know they're our partners in that approach.

In the movie "The Fugitive," the character played by Tommy Lee Jones is tracking down Harrison Ford's character for killing his wife. In one scene, Harrison turns to Tommy Lee and says, "You don't understand! I didn't kill my wife!" And Tommy Lee says, "I don't care." We had to create a strategy so that whether the consumer decided to buy a product on the Home Shopping Network, on the

area and still have a life. Tomorrow I'm playing in a golf tournament. I know that if something critical happens while I'm out of the office, my Blackberry will buzz.

**The Internet and other forms of technology have destroyed most of the barriers to international business, which is the good news. The bad news is that now any business can enter the global market. What should business schools teach about how to stay internationally competitive today?**

It used to be that to have a competitive advantage, you had to be a low-cost supplier, you had to have a product differentiation, or you had to be the only one in the market. Now, there are more and more competitors who also understand low cost and product differentiation. And these competitors are present—they've showed up. In the past, a lot of companies used to win by forfeit because they were the only game in town. Today's corporations, however, have to deal with a whole new set of dynamics. They have to have a 360-degree view of the whole market. 

# Research at Risk

---

**Business schools often cut corners in their research programs—but at what cost?**

---

**T**he typical business school dean faces a perplexing dilemma. Confronted with faculty shortages, rising student and alumni expectations, increasing technology demands, escalating costs associated with playing the rankings game, and competition from academic and business markets for faculty and students, the responsive dean must analyze the cost structure of all programs and activities in the school. From a cost-benefit perspective, the doctoral program is one of the most expensive programs in the school to run and one of the most difficult to fund. Furthermore, given that there is no media hype surrounding doctoral programs, a dean's first reaction is often to decrease the size of the doctoral program and shift those resources to the MBA program.

This reaction seems even further justified by those who criticize one of the main products of doctoral programs in business disciplines—research. Many on campus believe research is too applied and adds little to a fundamental body of knowledge; conversely, some off campus believe that it is too theoretical and has little “real-world” application. Faced with the significant cost of research and prominent criticisms, many deans have been hard-pressed to defend the expense of doctoral programs.

---

**by Andrew Policano**

---

Unfortunately, the shift away from doctoral education and fundamental research now poses a significant threat to the quality of business schools. Intense competitive pressures already have caused doctoral programs to shrink; and as the shortage of faculty intensifies, only the most heavily endowed schools with the best support structures for research can afford the top candidates. Then, these top schools often use public schools in the same ways that major league professional baseball teams use the minor leagues. First, they pass on the “diamonds in the rough” to the publics, letting them train these students for three to five years. Then, they recruit this newly trained talent, attracting these individuals with minimal teaching loads and high salaries.

The result is that, over time, the lion's share of top research will be conducted at fewer and fewer schools. The vibrancy of faculty at other programs and the overall quality of these learning environments will diminish. The number of doctoral programs will continue to dwindle, so that the quality across the board suffers.

However, effective deans can justify the cost of a doctoral program and respond to critics in several ways. Understanding and communicating at least four key points are essential:





**1.** By its very nature, fundamental research seeks to discover knowledge where the exact direction, or sometimes even the exact relevance, is initially unclear. Throughout history, breakthrough discoveries have occurred when the researcher was initially searching for something completely different. Supporting fundamental research creates an environment where researchers take risks and, as a result, advance the field in unexpected yet crucial ways.

**2.** Those who argue against the relevance of fundamental research often cite the layperson's frustration in reading complex, often esoteric articles in current academic journals. However, the application of any research takes refinement. Take, for example, the Capital Asset Pricing Model. In the 1960s, this model seemed a messy, mathematical construct with little "real-world" application; but within a decade, this model became standard, applied practice in the business community. All of the core concepts of marketing have derived from a body of articles originally published in academic journals.

**3.** Schools should form partnerships within the business community to carry out specific research projects. Such projects could involve a team comprising faculty members, students, and corporate researchers. Externally supported research, sponsored by companies or government agencies, is a good indicator of its societal value.

**4.** Even those external constituents who believe in the importance of fundamental research often see an overemphasis on research, to the detriment of teaching. In this case, a dean needs to emphasize the strong compatibility and correlation among excellent research, excellent teaching, and exceptional students. Students who work on projects with research faculty will be more prepared to think creatively and analytically. Individuals with this critical skill are sought out by companies—as well as by management education institutions.

But these individuals are becoming, in essence, an endangered species. Between 1992 and 1998, the number of business doctorates produced in the United States fell by more than 18 percent, from 1,231 to 1,006. And even as the number of doctorates continues to decrease, the fact remains that vibrant faculty members, actively engaged in research and in the synthesis and dissemination of knowledge in their discipline, are characteristic of every top business program. The inescapable truth is that one cannot have a top program without a research-oriented faculty, one supplied by a

quickly dwindling number of doctoral graduates. Although recruiting top faculty is increasingly costly, the amount spent on faculty is the price required to compete in the business school market.

Doctorate-producing public business schools worldwide face a formidable task. They must maintain the strength of their faculty and their doctoral programs in the face of increasing costs and constant media emphasis on MBA programs. If they do not succeed, all business schools risk a downward spiral in quality—in their teaching, their research, and, eventually, in their students.

The best strategy for business schools is to set and maintain high standards for research, promotion, and tenure. Faculty members across campus will be won over by high quality research in business. Quality in fundamental research in business disciplines will be a self-fulfilling prophecy. To make it happen, business schools must view their doctoral programs not as areas to cut costs, but as vital sources of research and promotion of a school's contributions to the field. ■

Former dean of the business school at University of Wisconsin-Madison, Madison, Wisconsin, Andrew J. Policano now serves as UWM's Kuechenmeister Professor of Business.



**Ph.D.**

**T**

**T**wo business school administrators on opposite sides of the world share similar positions, but face different quandaries. At the Nanyang Business School in Singapore, Vish Viswanathan is director of its newly expanded Ph.D. program designed to supply trained educators to a region with few doctoral programs.

However, he must overcome a faculty shortage as the candidates he most wants to hire are drawn to the West, where higher salaries beckon.

“During the last seven or eight years, we’ve felt the impact of this shortage,” says Viswanathan. “Singapore currency weakened after 1997; and, in terms of U.S. dollars, our salaries are not as attractive as they were before. At the same time, salaries in the U.S. have increased dramatically. So schools in many countries—the European countries, Australia, and New Zealand, as well as Singapore—are finding it difficult to attract Ph.D.s to join their faculties.”

At the same time in the United States, Saint Louis University, a private school in Missouri, has reduced its program from 60 active students to two or three.

While most observers agree that the Ph.D. shortage is not a problem that will go away quickly on its own, many educators are prescribing viable remedies to management education’s doctoral dilemma. If business schools with doctoral programs do their part to increase production of Ph.D.s, many believe they not only will revitalize their own Ph.D. programs and strengthen their reputations in the marketplace, but also increase the quality of business education and research on a global scale.

### **Making the Ph.D. Pay**

No business school is an island—or is it? One could argue that, where doctoral programs are concerned, business schools have become isolationists. When it comes down to budgets and board meetings, many deans find they have no choice but to meet their own bottom lines, regardless of the effects on the larger marketplace.

“Many universities have reduced the size of their doctoral programs over the last five to seven years,” says Bernard Milano, president of KPMG Foundation, a global consulting firm with offices in Montvale, New Jersey. KPMG is a top

---

## **Replenishing the world’s supply of doctorates in business has become imperative. Educators worldwide offer their prescriptions for management education’s doctoral dilemma.**

---

Downsizing the program was a cost-cutting measure, explains the school’s dean Neil Seitz. Although Seitz admits that such an action contributes to a faculty shortage, he finds he has no other choice.

“It’s a very difficult challenge for the profession. We might agree collectively that we should all produce more Ph.D. students, but there is no benefit for individual schools to do so. We pay the students; they don’t pay us,” says Seitz.

Both schools find themselves in the middle of a cycle that has escalated in the last few years. As costs go up, many Ph.D.-granting institutions are shrinking their doctoral programs in business, especially those in the U.S. As these business schools shrink their programs, fewer qualified educators enter the pipeline. As the number of qualified candidates in the pipeline decreases, salaries in the U.S. rise. As salaries rise, Ph.D.s from around the world are attracted to higher salaries in the U.S.—and schools worldwide find themselves in a salary war that many will likely lose.

sponsor of The Ph.D. Project, a program that encourages minority participation in business doctoral programs. “Some will suggest that it’s because of an absence of candidate flow; others will say that doctoral programs are too expensive to run, or that they don’t have the right faculty mix,” notes Milano. “But whatever the reasons, it seems that the people who are complaining about the supply are the same people who are responsible for the supply.”

---

### **by Tricia Bisoux**

---

*Mea culpa*, admits Seitz of Saint Louis University. He acknowledges that the faculty shortage will “become an increasing problem” for all schools. “Up to this point, we have been able to fill our open positions with highly qualified candidates, but down the road, we’re looking at some extremely tight numbers,” he predicts.

“Like every school, we have a limited budget, and like most private schools, we rely heavily on tuition. It may be true that all business schools may be collectively better off if Saint Louis University decided to invest more money in Ph.D. students, but it just doesn’t make economic sense for

us. As a dean, what I want is for all other universities out there to produce Ph.D.s,” he jokes. “That would solve my problem nicely!”

All jokes aside, Seitz realizes the irony of his situation, one shared by many of his colleagues. But some believe there may be a viable and cost-effective solution. Making the Ph.D. program pay for itself, especially for schools that do not receive funding from the government, may be one of the most effective ways to stave off a shortage and return to equilibrium this cycle of demand and supply of doctorates.

Ph.D. programs specifically designed for those who go into industry are one way of making these programs cost-effective, believes Yash Gupta, dean of the University of Washington School of Business Administration in Seattle, Washington. “These individuals would come directly from industry and would have the ability to pay, as opposed to those who come directly from academia and do not have the ability to pay,” says Gupta. “Such programs would be self-supporting, and would allow universities to ramp up their capacity to accommodate this group.”

open to all graduates from the business school who have the requisite number of years of experience. Business schools can create loyal alumni when it actively helps them succeed.”

Danica Purg, dean and director of IEDC–Bled School of Management in Bled, Slovenia, indicates that the Bled School is also planning to add an executive DBA to its program. “We began to consider adding a Ph.D. program to our portfolio three years ago. We wanted to strengthen the academic level of our offerings and to enlarge the number of available faculty, particularly in the Central and Eastern European region,” explains Purg. Costs are not a concern, Purg notes, because the candidates for the program will be prepared to pay for their education.

Purg is hopeful that the program will supply faculty to the surrounding region. “The main consequence of the Ph.D. shortage worldwide will be a decrease in the development and quality of faculty,” she adds. “It is necessary that schools in Central and Eastern Europe speed up their efforts to add Ph.D. programs in order to decrease their dependency on faculty abroad.”

---

## Executive doctorate programs allow the university to perpetuate and grow its doctoral program, provide a vital connection to its alumni, and contribute to the pipeline of doctorates.

---

The University of Washington has proposed an executive doctorate program that will fulfill such a need in the marketplace. “The EDBA is at the proposal stage. But as we are planning the program, we are focusing on the fact that today’s world is all about lifelong learning,” explains Gupta. “The competition for people to remain in the workforce and remain productive will be a function of how much they learn, and how flexible and responsive they are to the world we live in.”

Executive doctorate programs promise to benefit a university in three important ways. They allow the university to perpetuate and grow its doctoral program, provide a vital connection to its alumni, and contribute to the pipeline of doctorates, thereby decreasing a region’s dependence on faculty from other countries.

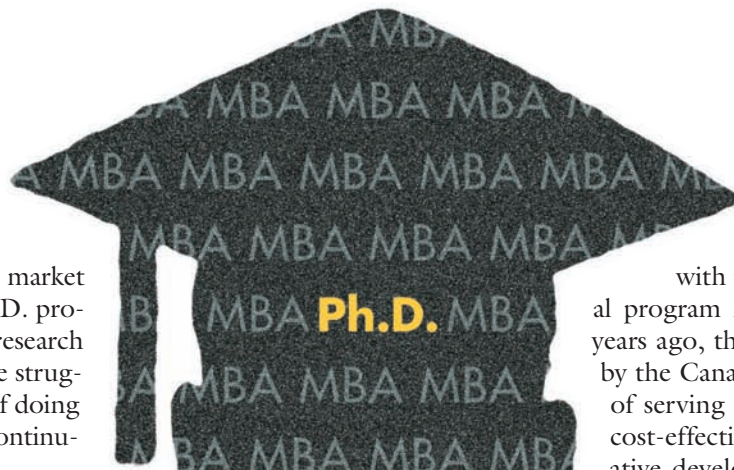
“Many universities do not take advantage of their alumni. By and large, they focus on students. Once students graduate, they’re done—their only role is to give money. But I believe that’s a poor strategy,” Gupta asserts. “Alumni will invest in your university if you invest in your alumni. That’s the basic thesis behind the executive DBA, which will be

### Greater Than Their Parts

Making the Ph.D. financially self-supporting through executive education is only one practicable solution finding support in the business school community. Another solution already at work, and apparently working well, is the development of consortia among business schools. Schools participating in such resource-sharing consortia are finding that the whole of their efforts can be much greater than the sum of their parts.

“As we look for economies in the Ph.D. program, we might look at creating partnerships with other institutions that are of like quality,” offers Mosen Anvari, dean of Case Western Reserve University Weatherhead School of Management in Cleveland, Ohio. “By sharing courses, and even using information technology to facilitate the sharing of courses, we can achieve economies of scale in certain areas.”

With its strong doctoral programs in organizational behavior and operations research, as well as other areas of management, the Weatherhead School of Management is one of the principal actors in business doctoral education. The goal of the Weatherhead program, says Anvari, is twofold. “It’s very important not only that we supply the



Ph.D.

graduates that the academic market requires, but also that our Ph.D. program ties in closely to our research enterprise. Nonetheless, we are struggling with the financial costs of doing so, because those costs are continuing to rise.”

Anvari sees two ways to leverage connections among departments and institutions to increase the power of the Ph.D. program without diminishing its quality. First, he advocates retraining degree-qualified faculty from different, but related, departments to teach courses in business. “A professor in engineering

with this model. When its doctoral program in business was initiated 20 years ago, the consortium was mandated by the Canadian government as a means of serving a larger number of students cost-effectively. Today, through cooperative development of a Ph.D. program where courses span all four universities, the consortium serves one of the largest doctoral cohorts in the world: 268 doctoral students are currently enrolled.

“The cost of the program is reduced by placing in any given class roughly four times the number of students a single school might normally have,” explains Gary Johns, who directs the

could easily be retooled in operations management,” Anvari suggests. “An economics professor could easily be retooled in finance, or a management psychologist could be retooled in organizational behavior.”

Then, there are connections to be made on a larger scale, Anvari asserts. He sees the collective power of a consortium of schools as a realistic way for Weatherhead to strengthen its own doctoral program, while helping other schools do the same for their programs. He points to the relatively small size of most business schools’ doctoral cohorts as the main factor that makes Ph.D. partnerships so attractive.

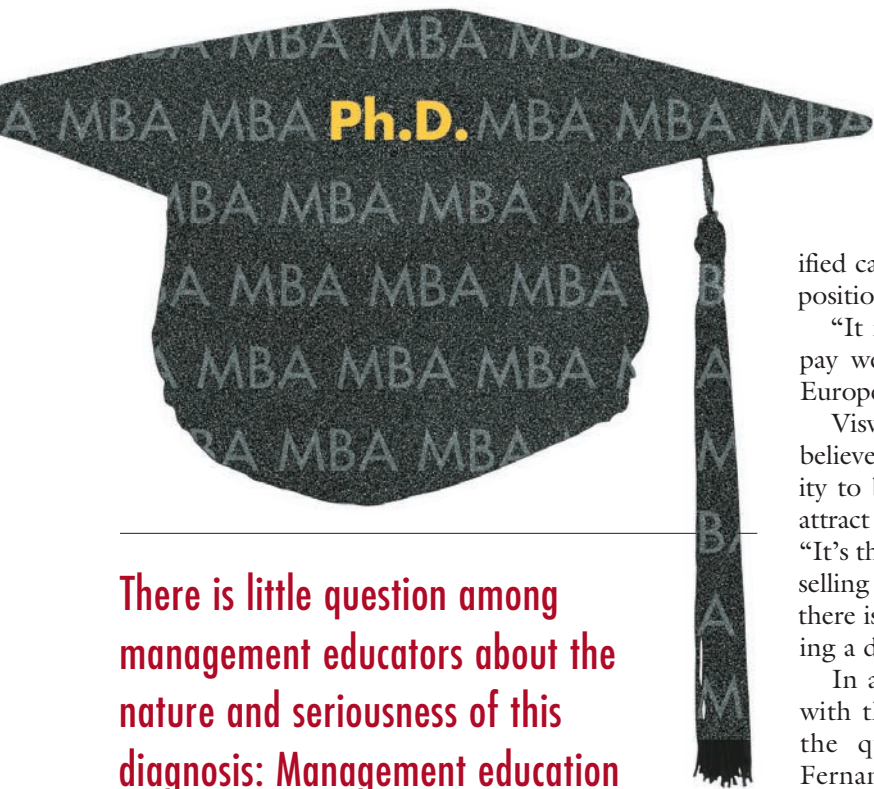
“If I only have five doctoral students, it may be difficult for me to offer all the courses they need,” he says. “However, if I can get the Carnegie-Mellons and Universities of Michigan of the world to come around, we could, through video conferencing or other means, have classes that are of sufficient size to benefit the student, while reducing our costs.”

A consortium of four schools in Montreal, Canada—comprising Concordia University, University of Quebec at Montreal, Ecole des Hautes Etudes Commerciales de Montreal, and McGill University—has found great success

Ph.D. program at Concordia University as well as the joint committee that includes directors from all four schools. Johns admits, however, that running a doctoral program “by committee” does come with its own set of challenges. “With such a large joint program, you can end up with a proliferation of courses. Controlling this potential problem can be difficult, much more difficult than if you’re simply running your own program,” he explains.

The benefits appear to outweigh the disadvantages significantly, however. “The joint program makes our core courses more efficient,” Johns states. “As a result, it offers all four schools the opportunity to take chances. If you have a larger market, you can be more entrepreneurial and try something different, something you might not try if you had to support your own program by itself.”

As professor of economics and chairman of the Ph.D. program at Groupe ESSEC School of Management in Cergy Pontoise, France, André Fourçans points to alliances that his program has with the University of Paris and other business schools throughout Europe. “It’s difficult to have ten faculty teaching to only three students. Since that’s the case with



---

**There is little question among management educators about the nature and seriousness of this diagnosis: Management education is suffering from a Ph.D. shortage that, without action, promises to get worse.**

---

most Ph.D. programs, we've had to find ways around this constraint. We share summer seminars and exchange professors and information. Or, our students can attend another university for six months or more." As a result, Groupe ESSEC has been able to increase the size of its doctoral program from three or four students in the 1980s to 70 students in this year's cohort.

As the Montreal consortium has found, such partnerships may be most effective among schools that share the same local area, but some believe that the boundaries of such partnerships could be expanded through the use of information technology. Although there are obstacles to obtaining a Ph.D. "long distance," supplementing a program through online education, video conferencing, and student exchanges could be the route many schools choose to broaden their doctoral program resources.

### **Matters of Reputation**

Regardless of where a business school is located, the Ph.D. shortage appears to have affected operations worldwide. In large part, U.S. schools have decreased the size of their programs, while increasing salaries to attract an ever-shrinking pool of qualified faculty. Schools in Europe, Asia, and other countries often have Ph.D. programs of considerable size, but they are finding it more difficult to find faculty, as qual-

ified candidates head to the United States for higher-paying positions.

"It is difficult for us to attract faculty, because we don't pay well enough," says Fourçans. "This is a problem for Europe in general."

Viswanathan of the Nanyang Business School, however, believes that the strength of Ph.D. programs lies in their ability to build a school's reputation through research, and to attract students who see in the Ph.D. a sense of purpose. "It's the job of Ph.D. program directors to do a better job of selling the program and to convince qualified candidates that there is much personal satisfaction in pursuing and completing a doctoral degree in business," he observes.

In any case, many believe that playing a waiting game with the Ph.D. shortage can only result in a decrease in the quality of management education overall. John Fernandes, president and CEO of AACSB International, asserts: "If the Ph.D. diminishes significantly, or disappears, you lose the whole area of scholarship that develops the industry's thinking. You lose your research. Without researchers who stretch the thinking of management education, we will lose the element of innovation."

Fernandes notes that AACSB International is launching a Management Education Task Force, a group of AACSB members whose function is to identify threats to business schools and, then, to find ways of overcoming them. The Ph.D. shortage is one such threat that requires business schools' immediate attention, he emphasizes.

"Our doctorate-granting business schools need to find ways to increase their production of Ph.D.s. This means they need to increase their marketing to students and mid-career executives. They need to recruit them, bring them into Ph.D. programs, and graduate them," Fernandes says. It is not a matter of spending more, he continues, but of redirecting and recasting current resources. "Many schools don't pursue these opportunities because they are stuck in the high-cost model of Ph.D. development and compensation."

There is little question among management educators about the nature and seriousness of this diagnosis: Management education is suffering from a Ph.D. shortage that, without action, promises to get worse. However, attracting mid-career executives who can pay for their doctoral education, recruiting doctorally qualified faculty in other fields whose expertise is relevant to management, and developing alliances among like-minded institutions may be at least partial remedies. Optimum solutions will strengthen both individual institutions and the collective vitality of management education. ■

# CIBER

The 28 U.S. schools that receive governmental funding to promote international studies are looking at how to improve global perspectives in their schools and their communities—and how to succeed so well that such initiatives won't even be needed in the future.

**There's virtually no such thing as a local market any more. Corporations around the world** know that success often depends on their savvy about international markets, and business schools are learning the same lesson. "It's not possible for business schools to have a domestic focus today," says Greg Hundley of the Center for International Business Education and Research (CIBER) at Purdue University in West Lafayette, Indiana. "Either you're globally competitive, or you're not competitive at all."

That wasn't always the attitude, however, either for American businesses or American schools. "Business schools were slow to join the global phenomenon," says Carol Rose of the CIBER at the University of Kansas in Lawrence. "Business schools in the '60s and '70s didn't pay too much attention to international issues."

The U.S. Congress had attempted to address the problem in 1958, passing the National Defense Education Act. It was designed to improve U.S. foreign relations by requiring institutions of higher learning to establish programs for overseas study. However, most of the programs focused on liberal arts, and they had little impact on U.S. business or business studies.

The 1983 Business and International Education Program, established as part of Title VI of the Higher Education Act, provided two-year grants to support business and academic partnerships. In 1989, Title VI was expanded, enabling the Department

# Space

by Sharon Shinn

illustration by Tinou Le Joly Senoville





## “One of the functions of a CIBER is to ensure **cross-disciplinary cooperation**”

of Education to fund Centers for International Business Education—or CIBERs, as many departments call themselves by adding “research” to the title. Business schools with CIBERs receive funding for curriculum development, research, and training that will enhance U.S. competitiveness.

The program has grown from five schools in its first year to 28 CIBERs in 2001. The Department of Education expects to disburse more than \$8.5 million to these schools in 2002, but the money comes with a clear mandate about how it should be spent. CIBER schools must offer programs that encourage faculty to bring an international emphasis to their classrooms; offer international opportunities to doctoral, graduate, and undergraduate students; and promote community and academic outreach. Each CIBER fulfills these requirements in a different way.

“When we write a grant proposal, we go back to the intent and initiatives of the legislation, and we cross-cut it with issues of education on the graduate, undergraduate, Ph.D., and



executive levels,” says John McIntyre of the CIBER at the Georgia Institute of Technology in Atlanta. “We look at faculty research, we look at outreach to the business community, and we do a matrix to see how we meet all of the congressional objectives across these generic type activities. Each CIBER comes up with a different mix.”

That final mix is always influenced by the basic personality of the host institution. The fact that KU’s business school boasts a center in international business ethics led its CIBER to plan a series of conferences on that topic. At Purdue, a land-grant technology university, the CIBER sometimes focuses on agricultural issues. For example, the CIBER conducts the Empirical Investigation into International Trade conference, which emphasizes the economics of international trade—a critical area for those concerned with a better understanding of agricultural markets. However, since Purdue’s department of foreign languages and literature is also strong, the CIBER also has an ongoing program in conjunction with that department to develop computer-based materials and multimedia for business language instruction.

### CIBER Records

The CIBERs have amassed some impressive accomplishments—all recorded in a glossy 36-page publication produced by the University of Hawaii College of Business Administration in Honolulu, based on a survey conducted by the CIBER at the University of Texas at Austin.

Some facts and figures:

- More than 2,100 international business courses have been created or upgraded.
- Fifty new degrees and concentrations in international business have been developed.
- Approximately 41,000 CIBER graduates are expected to be working in internationally related positions five years after graduation.
- More than 18,000 faculty members and Ph.D. students have attended more than 600 internationalization workshops.
- More than 2,000 faculty have participated in 350 faculty development programs abroad.
- More than 3,600 commercial language courses have been taught at CIBER universities, with more than 53,000 students enrolled.
- More than 56,000 executives participated in the 12,000 training programs that included an international business component.

### Cross-Disciplinary Catalysts

While offering programs specifically for business school faculty and students (see “Program Highlights”), CIBERs also have a mandate to reach outside their own walls. “One of the functions of a CIBER is to ensure cross-disciplinary cooperation within the university so that professors are not buried in their micro ivory towers,” says McIntyre. At Georgia Tech, he says, this includes “encouraging languages across the curricula.” A French instructor might team up with a professor teaching about the European Union, or a teacher of international economics might partner with a professor of Japanese language.

At the University of Michigan in Ann Arbor, the CIBER integrates business school programs with the liberal arts department. “We are active in ten different foreign languages,” the school’s Brad Farnsworth says. “We also have a summer institute designed specifically for liberal arts students who have no exposure to international business. If you’re a German major or political science major, you can go to the summer institute and find out what a career in international business is like. You get a lot more than career development—you really get a sizable chunk of our curriculum.”

within the university so that professors are not buried in their micro ivory towers.”

At the University of California in Los Angeles, the CIBER has brought beginning Spanish into the business school and launched a pre-orientation program for international MBA students to acculturate them to the American classroom. In addition, the CIBER sponsors two summer language programs, in Spanish and Chinese. While UCLA's Sara Tucker believes the CIBER has been instrumental in establishing such programs, she likes to believe they would—and, indeed, someday might—exist within other departments without the aid of CIBER sponsorship.

“I don't think those things would exist without us, but our goal is always to *make* them so they can exist without us. In the case of the Chinese summer program, we've transferred the marketing to the UCLA summer session. That's a different department altogether, and it has a much broader reach. As a result, the course could probably survive without us,” she says.

She sees the same trend in additional programs sponsored by the CIBER but taking root in other areas of the school. For instance, 50 or 60 MBA students from Anderson go overseas every year for a full quarter, in exchange with another university. “That program operates out of the MBA office. Even if we disappeared tomorrow, it would continue,” Tucker says. “We built a lot of the contacts for those exchanges but we have an assistant dean who's very much behind growth in that area.”

### Cooperative Efforts

Not only do CIBERs build bridges between departments at their own universities, they sponsor joint projects with other CIBERs. One consortium is involved in providing internationalization assistance to historically black colleges and universities. Another, the Southwestern Regional CIBER Conference, attracts faculty and administrators from two- and four-year colleges to help these institutions emphasize international teaching and research. A cluster of CIBERs also participates in the Doctoral Internationalization Consortium, an ongoing project that offers doctoral seminars to promote the international aspects of education in a range of areas.

## Funding the Global Outlook

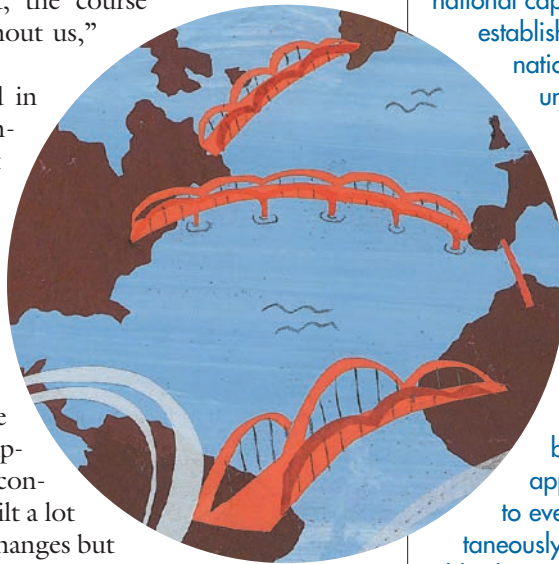
While the CIBER program started with a handful of schools, today the Department of Education supports 28 centers across the United States. The University of Kansas, one of the newest schools to receive funding, had to prove it already had an international outlook before it could attain CIBER status.

“We realized we would have to demonstrate a clear track record that would show we were at a high enough level in our international capacity to obtain a grant,” says KU's Carol Rose. Using other federal grants to build international capabilities, KU took business faculty overseas; established a Web site that contains thousands of international business links; and developed a series of undergraduate courses focused on language and culture in areas like Western Europe, Latin America, and Southeast Asia.

All this groundwork was necessary, says Rose, to prove that KU was serious about its international intentions. She says, “The CIBER grant is not meant to help you get up to speed, it's meant to put you truly head and shoulders above the rest.”

As Rose can attest, becoming a CIBER isn't easy. The funding cycle, which used to be every three years and which staggered application deadlines for schools, has changed to every four years, with all schools applying simultaneously. In 2001, 39 schools applied for the available slots in the funding cycle that will begin October 1, 2002. The next application deadline will be in November of 2005; more information about applying can be found at [www.ed.gov/offices/OPE/HEP/iegps/cibe.html](http://www.ed.gov/offices/OPE/HEP/iegps/cibe.html).

Even schools that receive CIBER funding have to make those dollars stretch in order to meet all the requirements of the broad mission statement. While amounts varied, the average annual grant awarded in 2001 was just under \$290,000. “There just isn't enough money to do all the things required of us,” says UCLA's Sara Tucker. “In the long term, we all need to cut our dependence on federal funds and have our own private sources of money to continue programs. Some schools already do, and some schools are endowed. I think that's everyone's long-term goal, to get an endowment to support programs.”



“When you look at what CIBERs are doing, you can see they’re very much out

The Pacific Asian Consortium for International Business Education and Research (PACIBER)—a collaboration of business schools in North America, Asia and Oceania—offers the PACIBER Diploma program for graduate business students who wish to gain international experience through coursework, study abroad, and internship experiences. Shirley Daniel, executive director of the PACIBER consortium and director of the CIBER at the University of Hawaii, notes that one of the most valuable benefits of being a member of PACIBER is having “first-hand access to deans, international business program directors, and faculty from top schools throughout Asia. This provides us with excellent insights into



business events in Asia, as well as a window on emerging trends in international business education.”

More joint projects between CIBERs are in the development stage. The Purdue CIBER plans to work with Texas A&M to produce a major conference tentatively titled “The Global Food Fight.” Participants will examine two of the forces affecting global agriculture—biotechnology and intellectual property rights—from scientific, economic, and ethical

## Program Highlights

CIBER legislation requires the centers to offer faculty research options, community outreach programs, and a variety of student programs. Each CIBER fulfills these requirements in its own way, although faculty research incentives often take the form of summer grant money provided to professors who want funding for international projects. The rationale is that professors with international experience will imbue their teaching with a global outlook, which then will be passed on to their students.

Outreach programs, on the other hand, ensure that CIBERs are involved with organizations outside the university. Purdue’s CIBER provides consulting services to small- and medium-sized Indiana businesses, helping them understand how to approach foreign markets and export products. The CIBER at the University of Michigan is designing outreach projects that will put corporate social responsibility in an international context and train executives to understand social responsibility in foreign countries.

In New York City, Columbia University’s CIBER produces international valuation conferences that reach out to businesses throughout the Eastern seaboard. Columbia also organizes an annual career services conference that draws participants from about 60 international schools. Last year, a segment of the conference was held at the United Nations, with a speaker from the U.N.’s economic and social affairs department discussing the world marketplace. “The conferences really help the career services departments work with international students here and with American students working abroad,” says Columbia’s Shao Ping Yu.

Georgia Tech partners with a long list of international businesses and associations—as well as local universities, colleges, and high schools. One innovative program sends high school students overseas to purchase crafts that are then sold back in school. “They learn a little about exporting and importing, they take courses in languages, they travel, they receive students from overseas. It’s all business-oriented,” says John McIntyre.

The Texas A&M CIBER runs a study center in Mexico City that serves a variety of needs, offering a base for faculty and student groups, as well as a point of origin for the university’s interactive video system. “We offer lectures from Mexican businessmen and government officials, and we broadcast these to Texas A&M and our sister universities,” says Kerry Cooper. “We also run a lot of research related to Mexico. Right now I’m overseeing a project on control of the Texas-Mexico border. It’s always been an important topic, but right now it’s very important.”

For any CIBER, some of the strongest initiatives are programs designed to give students a broader global perspective. A few highlights:

■ The Georgia Tech CIBER has promoted “business language,” which means that emphasis is placed on business and technology issues when languages like German, Spanish, and Chinese are taught. McIntyre says students “conduct simulations that are structured around business-related exercises. This could be a negotiation, it could be examining a bill of lading. It could be learning about accounting terms or business culture.”

■ The UCLA CIBER sponsors a Spanish Fellows program that equips students with excellent skills in both business and Spanish. “The idea was to take MBA students who were already at an intermediate language level and push them to the point where they could actually do business in

## front on issues. They even play a significant role in **framing** issues."

viewpoints. "It will be an opinion leaders' conference, designed to get national exposure at the level of public debate," Hundley says.

### Public Awareness

Many CIBER administrators see one of their roles as helping schools and other institutions focus that public debate on important topics. "When you look at what CIBERs are doing and what they're proposing to do, you can see they're very much out front on issues," says Hundley. "They even play a significant role in *framing* issues."

In the wake of September 11, some of those front-runner

that language and feel very comfortable in another culture," says UCLA's Sara Tucker.

■ At the University of Michigan, the CIBER sponsors joint degrees for MBA students earning master's degrees in area studies such as Chinese or Japanese. "An MBA usually takes two years. If you get an MBA in conjunction with a master's in Chinese studies, that's going to take three years, and the CIBER will pay for that additional year," says center director Brad Farnsworth.

■ A similar three-year dual degree program is sponsored by Columbia's CIBER, which is a collaborative effort between the business school and the School of International and Public Affairs (SIPA). "While the business school gives students information in functional areas, SIPA gives context," says Yu. "SIPA covers a wide range of topics, from area studies to conflict resolution and human rights."

■ A study abroad program at KU focuses on full-time MBA students on the Lawrence campus and part-time students in Kansas City. "For part-time MBA students, going to a traditional study abroad program for a semester doesn't work, so we developed a set of weeklong student abroad opportunities for these students," Rose says. Recent programs have been set in France and Mexico, and the CIBER is developing one in China.

■ The UCLA CIBER encourages study abroad programs for its fully-employed MBA students (FEMBA). "The students all do an international field study program. Half of them work with a large company, and half work with start-ups in Australia, France, Chile, Finland, and the U.S.," says Tucker. "The start-up companies are identified by a high-tech incubator in their countries. Teams of five or six students are assigned to work with them and develop a business plan or an investment plan that will help this company present its technology to a venture capital firm."

topics will be redefined. "One of the things we're considering now is how terrorism affects international business," says Shao Ping Yu of the CIBER at Columbia University in New York City. "Before September 11, people had a certain set of ideas about how international trade was going to function for the next few years, and now that's changed."

While CIBERs are poised to react quickly to world events that affect American business, it's difficult to measure precisely the impact they've had in making American business more internationally focused. Globalization obviously would have occurred without them—but many believe their efforts have made their marks.

"It's certainly true that in the late 1980s when the CIBER programs evolved, there was considerable concern about U.S. competitiveness," says Hundley. "There's less concern about that than there used to be. The CIBERs can't take all the credit, but when I look at all that's been done, it's clear there's been a pretty significant payoff."

"To say the CIBER program has had an enormous impact on American competitiveness would be overstating the case, but it's certainly had an impact," says Kerry Cooper of the CIBER at Texas A&M in College Station, Texas. "Because we work with other business schools, both in the region and nationally, the cumulative effect is a large multiple of the federal funding level."

"What I see in the business community is a core of companies that are really committed to being successful internationally," says Farnsworth of Michigan. "And I think we have been able to deliver some really valuable services to that group. Certainly those who attend our executive education programs are finding what we do extremely valuable, but they are self-selecting. They saw the ad and paid the money and came to Ann Arbor to learn. The thing is, they're still a minority. I think we've been much less successful persuading those companies that really have no international interest that they really should spend more time developing exports or becoming internationally active. We're very effective when we're preaching to the converted, and I think we've made them more successful."

To continue to promote the success of international business, McIntyre of the Georgia Institute of Technology believes it's essential for CIBERs to be visible. "The office of the governor knows about us, the university administration is aware of us—they give us a call whenever there's a chance for us to be relevant. It's true that the budget is not very large, but it's true also that universities should institutionalize the programs. Once we get them going, we show that they can be done and done successfully; then we're not needed any more." ■

Business school architecture of the 21st century has undergone a renaissance, one in which facilities are defined by large, open areas that encourage interaction, teamwork, and a sense of community.



by Tricia Bisoux

# BUILDING A Better Business School

Gone are the days of the “big-box” educational facilities with their carefully partitioned classrooms, hidden lounges, and enclosed hallways. No longer are schools constructing the high-concept, often ergonomically challenged concrete and glass structures of the mid-20th century. Although these styles served their times, times, to be certain, have changed. In an age where business is defined by teamwork and hands-on learning, it makes sense that the architecture of business schools would follow suit.

Whether a business school is building a new facility from the ground up or renovating an old facility, the resulting structure must create an environment that suits its mission, expresses its personality and serves the needs of its students. Achieving this goal often takes some thorough, collective soul-searching, says Alan Chimacoff, an architect with The Hillier Group with offices in Princeton, New Jersey. The Hillier Group specializes in design of facilities for higher education institutions.

“Business schools have their own personal views of their communities and of how they

want the community to be and work. It’s important to get deeply into their psyches about what their collective social needs are,” he explains. “Social needs today are increasingly being equated with educational needs, because so much of what happens educationally is happening collectively.”

Current trends in business school architecture reflect a world in which the Internet and wireless technologies have made us a more interactive society. To better inhabit and serve that world, modern business schools are being constructed with five important “C’s” in mind: collaboration, connectivity, comfort, convenience, and, most important, community.

## A Culture of Learning

When Purdue University’s Krannert Graduate School of Management, West Lafayette, Indiana, found itself quickly running short of space, a new, larger facility became a necessity. However, the need for a new facility turned into the perfect opportunity to create a space that was substantially more “user-friendly” than the old.

The atrium area of Jerry S. Rawls Hall has been cited for excellence in the design of educational facilities. *Architectural Portfolio* stated the building’s “center space will be inspiring and at the heart of the school.”



**Construction of the state-of-the-art Jerry S. Rawls Hall at the Purdue University's Krannert School of Management began in fall 2001. The 128,000-square-foot building will be ready for occupancy in the fall 2003 semester.**

“Our old building was very traditional, with isolated classrooms and floors separated from one another,” explains the school’s dean, Richard Cosier. “We wanted to make sure that the new building would be more open, to encourage more teamwork and collaboration. We wanted to build a culture and community within our business program.”

For Cosier, like many of his colleagues, building a community within a facility’s design has become a top priority. “Collaborative spaces, such as executive suites and lounges,

breakout rooms, and places where groups of individuals can work together on projects, have become very important in business school architecture,” says Chimacoff. “I think less and less work is being done individually in business schools, and many more projects are based on teamwork. That is affecting business school design.”

Collaborative areas were at the top of the list of priorities for Jaime Alonso Gómez, director of the Instituto Tecnológico y de Estudios Superiores de Monterrey’s Graduate School of

■ Because of the new emphasis on collaboration, features that would have been considered gratuitous in the past are now top priorities for many business school deans and administrators.

The dramatic, spiral-shaped design of the new graduate school for ITESM in Monterrey, Mexico, incorporates network-connected spaces to encourage interactive learning.



Business and Leadership in Monterrey, Mexico. Gómez also placed collaborative areas on the top of ITESM's list of priorities in the design of its new facility. The facility, which was inaugurated in May 2001, has 20 collaborative workrooms, a 300-seat auditorium, and a cafeteria equipped with the same wireless networks that run throughout the rest of the school.

"We wanted its design to be oriented, not to teaching,

but to learning," comments Gómez. "We wanted areas to encourage Socratic dialogues and debate, and to foster human interaction inside the building and with the rest of the world via video conferences and Internet ports. And we made sure the students would be electronically connected to sources of information."

Because of the new emphasis on collaboration, features that would have been considered gratuitous in the past are now top priorities for many business school deans and administrators. Areas for socializing and food courts, and copious amounts of light have become key factors in creating an ideal atmosphere for learning.

"Our No. 1 priority was *light*," says Jean-Marie Toulouse, director of Ecole des Hautes Etudes Commerciales de Montreal, Montreal, Canada. HEC-Montreal moved into its new facility in 1996. "Our old building, which we were in from 1970 to 1996, was built at a time when daylight was considered disruptive to concentration. As a result, the windows were made as small as possible; offices without any windows at all were not thought to be a problem."

The school's new building has a plethora of windows; not only that, but they can be opened, a feature that engineers working on the project staunchly opposed, says Toulouse. If windows in individual offices could be opened and closed,

## Beating the Budget

The budget is always an overarching factor when designing new facilities, but it needn't keep a school from achieving its design goals. Architectural firm The Hillier Group offers the following advice to building committees that face budget constraints:

■ **Retain the vision, reduce the size.** If a business school does not want to compromise on the quality of materials, says architect Alan Chimacoff, it can work with the designer to reduce square footage. The designer can incorporate in the design the ability to add more space in the future. "One school we worked with had planned for 240,000 square feet, but we realized that the scope of its budget would not be able to achieve that building." By reducing the plan from 240,000 to 220,000 square feet, the school brought its plan within budget.

■ **Build in phases.** It is possible for an architect to create what is called "shell space." Part of the building can be left unfinished and unfurnished, so that a school can grow into the space as its budget allows.

■ **Employ "value engineering."** Value engineering firms can review a project at each stage of development and find ways to achieve

the same result at lesser cost. However, Chimacoff warns, while good value engineers can be lifesavers to a project, bad ones can make decisions that reduce the life of the building. "If a school would like to hire a value engineering firm, it should confer with its architecture department, or architects and contractors whom it trusts. They will know well who's good and who's not."



the engineers argued, it would cause problems with condensation and wreak havoc on central heating and cooling. The solution: to make room in the budget for a special air circulation system to regulate each room individually, says Toulouse. "It was a bit more expensive," he says, "but it provided more convenience and made the space more comfortable for everyone."

With a sense of community in mind, many architects have constructed business schools in the last

The many windows that grace the façade of HEC-Montreal reflect the school's intention to infuse its interior with light.



■ With a sense of community in mind, many architects are designing business schools that make a central courtyard or atrium a prominent feature.



five years to include one prominent feature: a central courtyard or atrium. Once thought to promote idleness, such a central area is now considered essential to learning, as a place where students can study and exchange ideas.

“It’s very important that we have a central place,” says Toulouse of HEC-Montreal, whose facility boasts an atrium with open meeting areas and a vaulted, glass ceiling. “Old European cities always had a central place where people could talk, meet, or read. So the architects created a similar place for our building. If we had to do it again, we’d make it larger.”

In fact, the architects’ only miscalculation, says Toulouse, was in underestimating just how much students would use the atrium area. “Three weeks after we moved into the building, we were short of chairs and we didn’t know why. What we discovered was that the architects

The historic features of Sage Hall, home of Cornell University, Johnson School of Management, were preserved. However, its renovated interior was updated to feature open areas where students can gather and study.

assumed that the students would come into the central area, but not stay very long. What happens is that they sit, drink coffee, study, and talk. So, we doubled the number of chairs.”

Vending machines, cafeterias, and kitchens are also new elements to business school design, says Joe Tattoni, also of The Hillier Group. “Business schools are becoming more like architecture schools and medical schools. People are now working around the clock on projects, so there has to be food available.”

For its part, Krannert’s new \$35 million



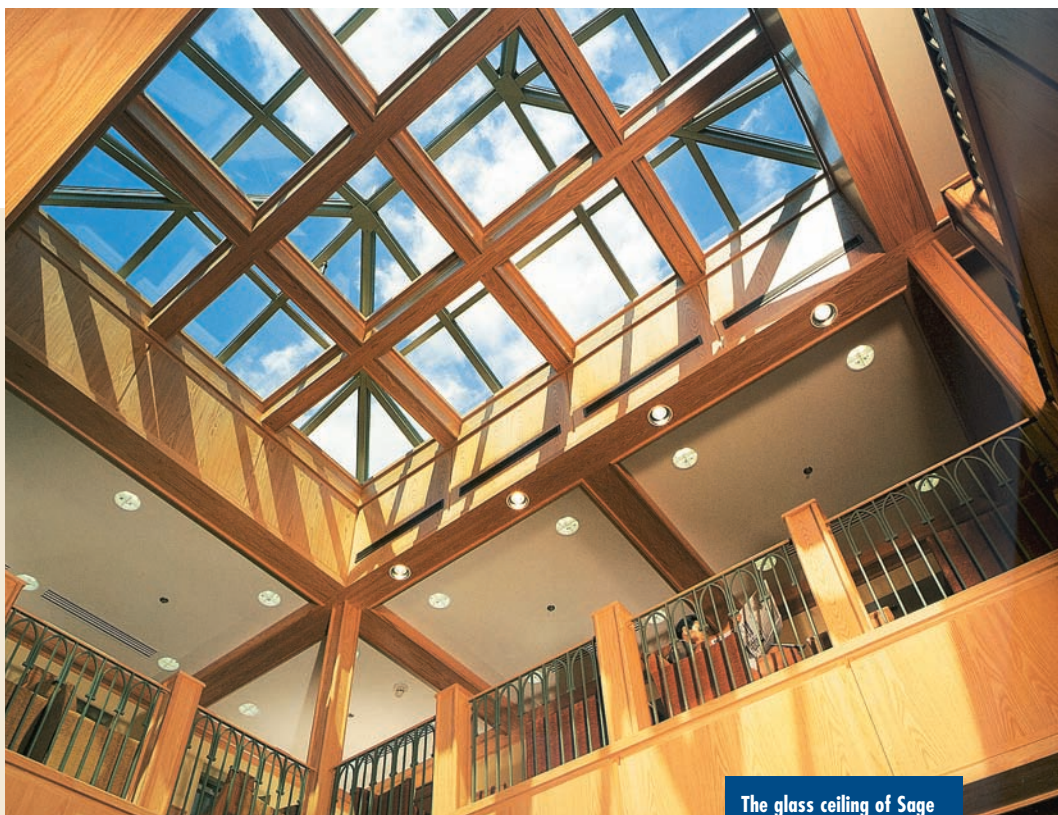
space, named Jerry S. Rawls Hall after the principal donor to the project, is in the construction phase and should be completed by fall of 2003. In its design, says Cosier, “We have more than 30 breakout rooms to accommodate team building. In addition, there will be an interior atrium, vending machines, and kitchen facilities. I think students need to have an open, comfortable environment. This has become more important than ever, as we want to build a culture, as well as a school.”

The atrium in the middle of Sage Hall, shown above and at right, has a glass ceiling as its focal point.

### An Eye on the Future

With the boom in business school education expected to continue and the changes in technology occurring at a rapid pace, new business schools are designed for the needs of the present, but always with an eye on the future. “There is always a need to have a little more space and accommodate growth,” says Cosier. “Once we have the building in place, we would like to add another 50 to 100 students to our MBA program. So, we’ve tried to make sure that we did not skimp on office and meeting space in the building. And we tried to make sure





The glass ceiling of Sage Hall's atrium.

## Turning Obstacles into Opportunity

# The Johnson Graduate School of Management and Sage Hall

For many schools, the road from planning to completion of a new facility often occurs without incident. Not so for Cornell University's Johnson Graduate School of Management, which fought an uphill battle to secure its new home. Sage Hall, a historic building at the center of campus, had stood on the campus for 120 years and had garnered little notice. But the building's prime location—next to the university administration building, across from the hotel, within a few feet of the engineering school—made Sage Hall the perfect site for Cornell's business school.

Before it could claim Sage Hall as its home, however, the Johnson School had to clear a series of hurdles. In fact, the school chose that venue only after two other projects fell through. "We first thought we would renovate and expand our existing building, but soon realized that would be difficult," says Alan Merten. Merten served as dean of the Johnson School in the late 1980s and early 1990s when the project was in its planning stages; he now serves as president of George Mason University in Fairfax, Virginia. "While our old building had a good location near the center of campus, it was a building built in the 1950s and designed to look like a pagoda. We hired an architect, but nothing worked out

quite right. You just can't add a wing to a pagoda—that would have looked ugly."

Next, says Merten, the building committee decided to build a new facility. However, university officials insisted that any new facility must be built away from the center of campus, and the location they provided was not what the committee was looking for. That plan, too, stalled, and Merten and his staff sought another alternative.

That alternative turned out to be Sage Hall, a

building constructed in the late 1800s. It had been the dormitory for the first women who studied at Cornell University, and had housed special trainees for the U.S. defense department during World War II. It had, in fact, been so versatile that "it had no image," Merten recalls.

"It was this lofty building at the dead center of campus, but it had become, for all intents and purposes, miscellaneous," he says.

To give Sage Hall a distinct purpose, Merten first had to win over university officials who were skeptical about turning Sage Hall over to the Johnson School. Next, he had to contend with historical preservationists who objected to the massive interior renovation required to make the building suitable for the business school. Such objections, says Merten, not only delayed the project, but threatened its completion altogether.

To clear these hurdles, he and his staff quickly sought support from university benefactors who could best sway odds in their favor: Sam Johnson, the fourth generation of the Johnson family for whom the business school is named, and Ezra Cornell, a descendant and namesake of the founder of Cornell University. When Cornell learned about the Johnson School's plans, says Merten, "he told me that this building had been kicked around long enough. He said, 'It's time that this building is saved properly for my family's heritage. And I'm going to help you.'"

After a round of meetings to plead their case, supporters for the project began to convince more people that Sage Hall deserved a new purpose, says Merten. "They realized the

■ **“We will see more and more business schools creating joint programs with other schools. There will be more faculty teaching outside the business school and more nonfaculty teaching inside the school,” says Alan Merten.**

options for Sage were to tear it down or let me have it.”

Merten worked closely with Hillier Group architect Alan Chimacoff, a former Cornell student and faculty member, who made sure to combine the building’s rich past with its new modern-day role. From fire safety concerns to wheelchair access to simple aesthetics, the building “was an architectural disaster internally,” says Merten.

Therefore, Chimacoff gutted the interior of the building to make way for more common areas and interconnected learning spaces. Included in the design were executive education classrooms that were well-integrated with the rest of the school, as well as office space for non-Johnson School faculty, to encourage interaction with the rest of campus. In addition, an interior parking lot was converted into the centerpiece for the new facility, an enclosed atrium. “It’s the most dynamic part of the building,” says Merten.

At the same time, Chimacoff made sure to keep the building’s original brick, windows, and a turret that had stood for 120 years. The mix of old and new, notes Merten, “reminds people that this building has been around a long time, and connects people in the modern world to the past.”

The \$40 million renovation of Sage Hall was completed in 1998. Although Merten left the Johnson Graduate School of Management for George Mason University in 1996, just as the renovations of Sage Hall began, he now looks proudly at the building and its new function on Cornell University’s campus. For those who might find themselves at the bottom of a similar uphill battle, he offers sound advice.

“You have to recognize that you’re never going to be a high-priority project on campus. Business schools often are not considered the heart of the university—they don’t have the most students, they’re not the College of Arts and Sciences,” he observes. “But you have to set your goals and pursue them tenaciously. From early 1989, my goal was to get a building in the middle of campus; once we saw we had a chance to get Sage Hall, my goal was to get that building renovated. But we didn’t let the naysayers get to us. We knew what we wanted, and we kept accumulating support one person, one organization at a time.”

And sometimes it’s simply a matter of getting, and keeping, people’s attention, says Merten. “Be obnoxious,” he advises. “And keep your focus on the result.”

that whatever technology came down the path in the future, we’d be prepared to add it.”

Bob Stundtner, a project manager at Cornell University in Ithaca, New York, worked on the renovation of historic Sage Hall, the new home for the Johnson Graduate School of Management since 1998. While the building’s history was preserved, he explains, the building also had to be able to evolve to meet the school’s future needs. “We preserved the colors and patterns of the building’s original design, but included high-speed copper data systems, as well as fiber optics to be able to handle the next generation of data capacities.”

In addition to technology and the size of the student body, administrators must also consider the new ways a business school must foster human interaction, says Alan Merten. The former dean of the Johnson Graduate School of Management,

Merten supervised the planning phase of Sage Hall’s renovation (see “Turning Obstacles into Opportunity,” facing page). He is now the president of George Mason University in Fairfax, Virginia.

“Connectivity has become more important. We will see more and more business schools creating joint programs with other schools. There will be more faculty teaching outside the business school and more nonfaculty teaching inside the school,” Merten asserts. “Business schools are adding more new programs integrated with other entities—the Johnson School, for example, now has a 12-month MBA with

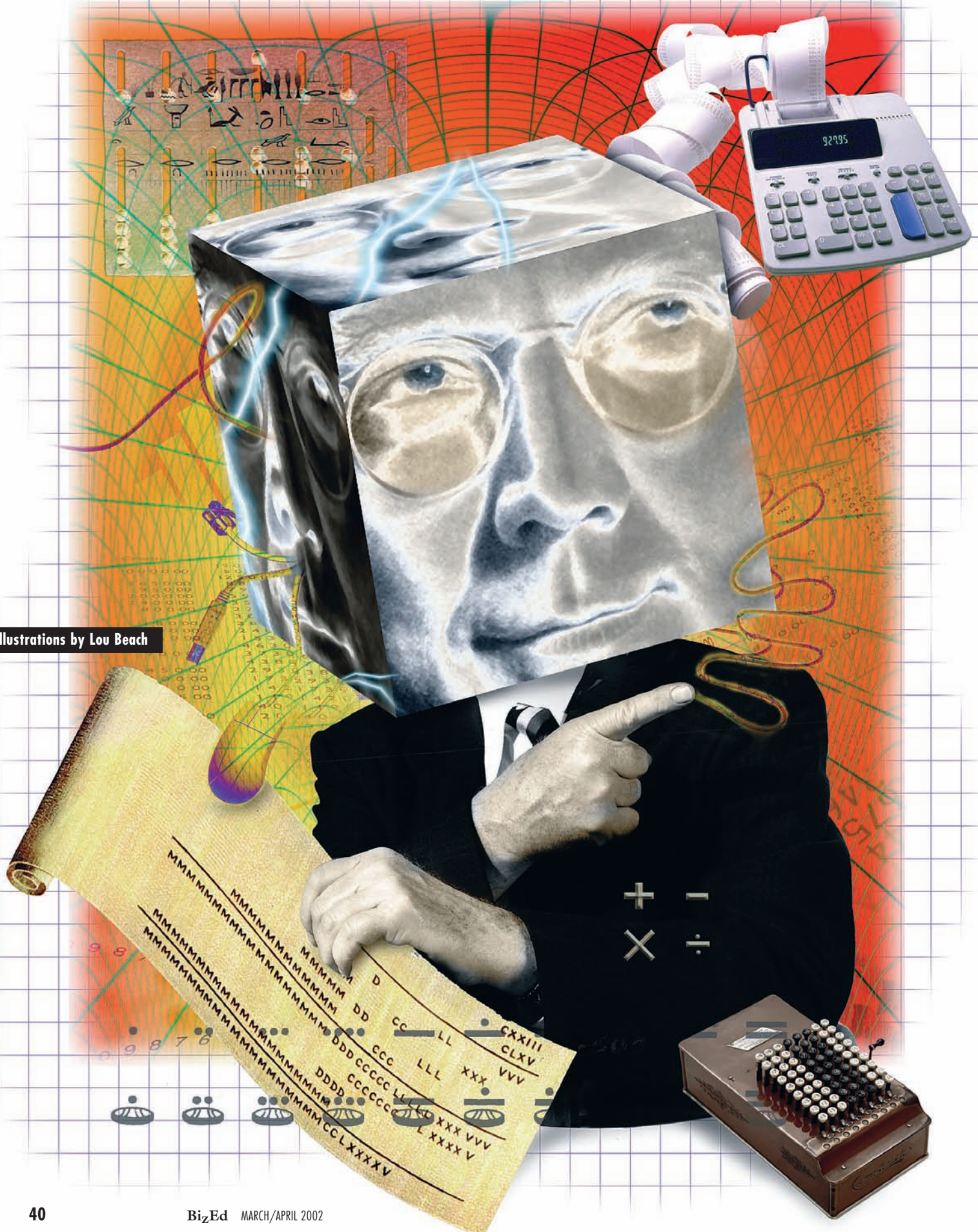
students from science and engineering.” New business school buildings, he says, must accommodate a new level of integration as well as a continuous rotation of occupants.

No matter how external factors affect the process, building a new facility is an exciting time for a business school. The collective decision-making of students, faculty, staff, and alumni epitomizes the very act of community that schools seek to foster in the design of a school’s new residence. While each business school’s design is unique, trends in business school architecture reflect a common future for management education institutions, one that promises to grow only more connected. ■



A study area at Sage Hall.

illustrations by Lou Beach



The future of accounting may lie  
in educators' efforts to transform the  
profession from one based in tradition  
to one that connects to the needs of  
business. by W. Steve Albrecht

## Accounting Education

# On the Edge

Last year, my colleague Robert Sack of the University of Virginia and I concluded that if we were to open a new business school today, we would not include a separate accounting program—at least, not in the way such programs are structured today. Our conclusion was based on our research indicating that accounting programs, as they are traditionally taught, have become anachronisms.

Our study showed that students no longer perceive accounting degrees to be as valuable as other business degrees, and that many practicing accountants and accounting educators would not pursue a degree in accounting if they had their education to do over again. Perhaps most tellingly, many in the profession say that accounting, as it is currently structured, is “broken.” It has become outdated and irrelevant to today’s businesses.

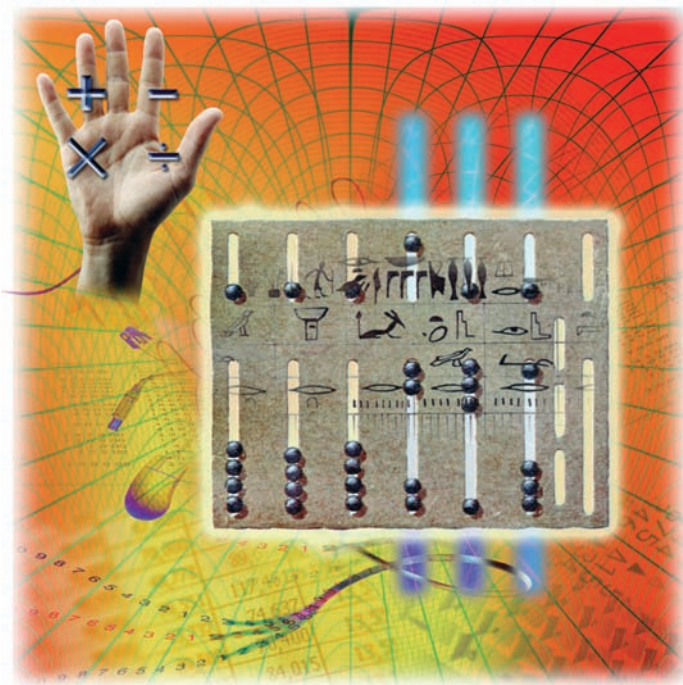
It may be difficult to see a future for a discipline that is the target for so much criticism, but the future for accounting education is still promising. Before we can determine whether or not accounting has a place in management education,

however, it is necessary to understand changes that have taken place in the business world and how those changes have affected business education.

### A New World

In recent years, at least three major developments have dramatically changed the business environment for which we prepare our graduates. Not surprisingly, technology is at the forefront of these developments, especially in terms of making information preparation and dissemination easy and inexpensive. High-speed digital data transmission, hardware that produces information quickly and easily, and software that makes preparation and communication easy and widely available have reduced or eliminated the constraints of time and space for today’s business world.

The second development has been the shift toward globalization. Faster methods of transportation and technological progress have transformed the world into one giant marketplace. Consumers now can buy products from foreign



## Skills in analytical and critical thinking, technology,

*Strike No. 3: Global competitors often have different cost structures that can be exploited to render historically successful business models obsolete. Therefore, accounting, which in many ways is a traditional profession, has fallen behind the times.*

These problems are exacerbated even further by the place of accounting in most business models. At one time, it required students to take several financial accounting classes to learn how to prepare the financial information required to measure success. Now, technology allows many corporations to outsource their accounting preparation to vendors who can provide reliable financial information at reduced costs, simply because they have the right software.

In this new environment of quick electronic data input and outflow, it may be difficult to see a place for accounting. The truth, however, is that it's difficult to see a place for accounting as we now know it. That does not mean that accounting itself cannot evolve right along with the world around it.

firms as easily as they can from the store next door. As a result, an organization such as General Motors no longer can concern itself only with what its U.S. competitors Daimler-Chrysler and Ford Motor Co. are doing. It also has to know what non-U.S. competitors like Toyota, Volvo, and BMW are doing. Furthermore, with the increased availability of inexpensive information, there is no place to hide. If a flaw appears in a General Motors product, the entire world knows and can react to that flaw within minutes of its discovery.

The third, more subtle change becoming ever more apparent is the increased concentration of power among certain market investors, particularly large mutual and pension funds. Mutual funds such as Fidelity Investments and Vanguard Group now hold major stock positions in many companies. In fact, the influence of these organizations is so significant that if they are displeased, corporate executives may find their positions in jeopardy. Such large, institutional investors have raised the competitive bar to a very high level and have shortened the time period wherein success must be achieved.

These changes have had a significant impact on the way we live, but the effect on business has been even greater. And, in the process, they have hurled three strikes against the already struggling accounting profession:

**Strike No. 1:** *Accounting is no longer seen as a profession that is difficult to practice and understand. Today, almost anyone, armed with the right software, can be an "accountant" and produce reliable financial information.*

**Strike No. 2:** *As competitive levels increase among organizations, stakeholders want high performance and they want it now. This demand for immediate results creates a difficult environment for a profession that goes "by the numbers."*

### Out with the Old

Truthfully, I have never been more optimistic about the future of accounting education. However, I am optimistic only if educators abandon outdated practices and adopt methods that reflect the new world order. The focus of accounting classes must change from preparation and memorization of information to interpretation, analysis, planning, and, most important, decision making.

Several points sum up the deeply ingrained, yet largely no longer effective, practices that much of accounting education still follows:

**Curricula**—*Accounting curricula tend to be driven by faculty interest, not market demands. In such a structure, the knowledge is often outdated and irrelevant, and does not expose students to highly relevant concepts such as globalization, technology, and ethics.*

**Pedagogy**—*Our rule-based, memorization-centered, test-for-content educational model lacks creativity, depends too much on lectures and textbooks, and is inefficient. More important, its "one-right-answer" approach does not prepare students for the ambiguous business world they will encounter.*

**Faculty**—*Accounting faculty are often isolated from their peers in other business school disciplines.*

**Skill development**—*Our educational model focuses too much on content at the expense of developing skills our students will need to be successful in a changing marketplace.*

**Technology**—*We teach accounting as if it were still costly. But information is cheap, so the aspects of our curricula that are devoted to information gathering and recording are, in large*

communication, and teamwork are essential to moving the profession into a new era.

## Moving **from Tradition** to Innovation in Accounting Curricula

Course	Traditional Value	Value in the New Environment
<b>Elementary Financial Accounting</b>	Covered the basics of double-entry bookkeeping and the financial statements from a preparation point of view.	A basic understanding of double-entry accounting as a necessary analytical tool and of financial statements is still critical. However, this course will make its greatest contribution when its emphasis is shifted from “preparation” to “analysis.”
<b>Elementary Managerial Accounting</b>	Covered the basics of cost accumulation and budgeting, as well as how to use financial information to make decisions.	In this new era, less time must be spent on cost accumulation and budget preparation. This course instead should emphasize the use of financial information to make value-added decisions in various business model settings.
<b>Intermediate Accounting Courses</b>	Covered financial accounting standards and the preparation of financial statements in more depth. In many ways, these courses have been nothing more than elementary accounting “fast” and “deep.” Their focus has been on preparation and memorization.	More than any other course, the intermediate sequence has been affected by technology. In the new environment, these courses must focus on interpretation, analysis, and real-world financial cases and data—not memorization of standards and statement preparation. They must cover business cycles in various business models and teach students to make decisions in uncertain and complex situations.
<b>Advanced Management/ Cost Accounting</b>	Covered advanced managerial accounting topics and often involved the application of statistical models to accounting data.	Assignments based on preparation and memorization must be replaced by more analysis, planning, interpretation, and decision-making assignments.
<b>Income Tax</b>	Covered income tax preparation, IRS code and regulations, and tax planning.	This subject’s future focus must be on research skills and on teaching students how to resolve tax disputes, find answers to complex tax problems, and provide tax planning. Preparation should be kept to a minimum and should probably involve applications of tax software.
<b>Auditing</b>	Covered auditing standards, legal liability, report writing, ethics, and auditing procedures. At many schools, it required significant memorization.	Auditing must be taught from an analytical perspective. That is, students must be armed with tools that they can apply to various auditing and business problems. Real cases should be used, and memorization replaced with tools and topics such as data mining, risk analysis, and judgment.



# Accounting education can prepare students to think critically, assess risk, and plan

## New Skills for a New Profession

Type of Work	Knowledge Needed	Skills Needed
Analyze financial transactions and use accounting information in planning and decision making	<ul style="list-style-type: none"> <li>• Understanding of financial and managerial accounting</li> <li>• Awareness of standards and how to research them</li> <li>• Understanding of how financial information can be used to make value-added decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Analytical and critical thinking skills</li> <li>• Technology skills</li> </ul>
Communicate financial information to others	Same as above	<ul style="list-style-type: none"> <li>• Oral communication</li> <li>• Written communication</li> <li>• Technology skills</li> </ul>
Participate in decision making	<ul style="list-style-type: none"> <li>• Vision setting</li> <li>• Process development</li> <li>• Risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Teamwork</li> <li>• Leadership</li> <li>• Negotiation</li> </ul>

part, a waste of time. Anyone using the right software can replace accountants with this skill in a heartbeat.

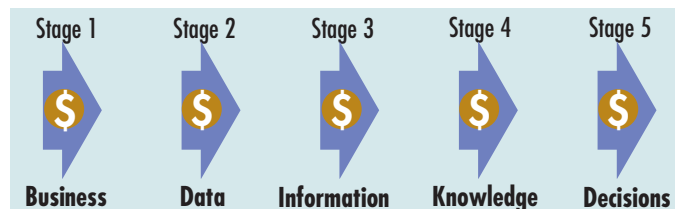
Of course, not all schools have taught or are teaching accounting in the same way. Nonetheless, the approaches listed describe what I believe are the most common approaches; and they are approaches that may cost accounting its place in the canon of business disciplines.

### Accountancy and the Value Chain

Robert Elliott, former KPMG partner and past president of the American Institute of Certified Public Accountants, spoke often about the value that accountants can and should provide. He identified five stages in what he called the “value chain of financial information”: recording business events; summarizing those recorded events into usable data; manipulating the data to provide useful information; converting that information into knowledge that is helpful to decision-makers; and using that knowledge to make value-added decisions.

The scary part of this analysis is his judgment of what the segments in this value chain are worth in today’s changed world. Primarily because of the impact of technology, he concludes that, within today’s perception of valued services:

- **Stage 1** activity is worth no more than \$10 per hour.
- **Stage 2** activity is worth no more than \$30 per hour.



- **Stage 3** is worth \$100 per hour.
- **Stage 4** is worth \$300 per hour.
- **Stage 5** is worth \$1,000 per hour.

Accounting educators, he concludes, are teaching too much at the lower end of the value chain and not enough at the upper end.

### Sparking the Evolution

The good news is that none of these are problems that cannot be fixed. In fact, the new business environment could foster additional accounting courses that give students exposure to new settings where an understanding, not simply a memorization, of financial information is useful.

Successful business organizations do four things very well:

1. They successfully articulate a vision that is shared by all stakeholders.
2. They implement processes to transform that vision into reality.

# for the future better than any other discipline can.

3. They assess and mitigate risks that inhibit the success of processes and vision.

4. They communicate the vision, processes, and risks effectively to vested stakeholders and other interested parties.

Going forward, accounting education can only be meaningful if it can provide financial information, measurement, and analysis skills that add value to each of these functions. Well-trained accountants will provide tremendous value to organizations as key members of decision and support teams. However, accountants who focus only on preparation soon will find that their skills will no longer be needed.

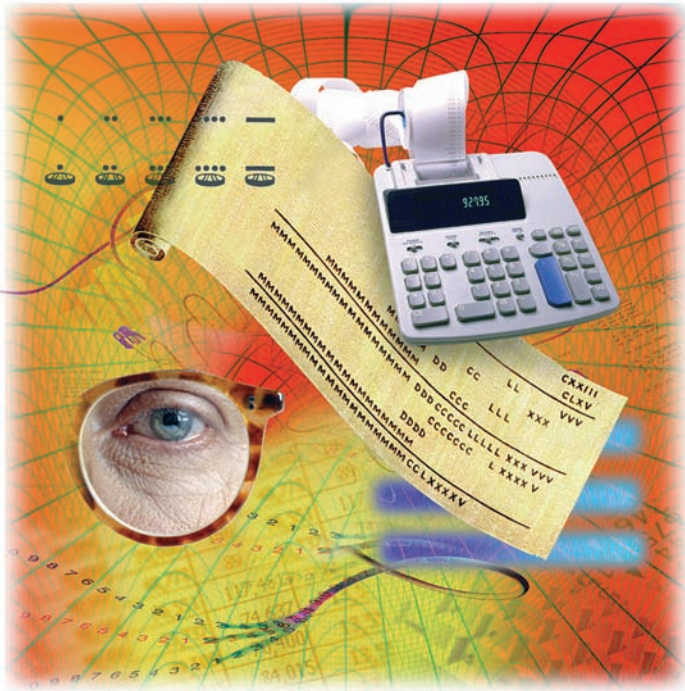
Courses in fraud examination may help students understand how financial information can be used to prevent, detect, and investigate fraud, for example. Litigation support and personal financial planning courses may also help to create an improved, more relevant accounting curriculum. In addition, courses that help students understand how to deal with business risks, focus on corporate governance and due diligence, and delve into the analysis of financial information in mergers and acquisitions as these topics relate to accounting also are necessary. The skills and knowledge generated from such studies could convert accounting from an information generating profession to one that uses information to solve problems and carry an organization's vision to fruition.

### Working with a New Set of Tools

Because their roles have changed so dramatically, future accountants will need a new set of tools. Skills in analytical and critical thinking, technology, communication, and teamwork are essential to moving the profession into a new era. Accounting education has a bright and an even increasingly important role in business schools and business in general if it is taught with that role in mind.

Schools with successful accounting programs will use innovative pedagogies and case analysis to involve students in active rather than passive learning. Successful programs will work closely with other business school disciplines, such as marketing, finance, and information systems, to help students understand how their financial analysis, planning, and interpretation skills will apply to all aspects of business.

In this new environment, the accounting accreditation efforts of organizations such as AACSB International and the faculty development efforts of the American Accounting Association and others are more important than ever. Accreditation will provide benchmark and peer review assistance to help schools adjust their curricula and pedagogy to suit the new environment they inhabit and to distinguish value-added programs from those that simply



waste students' time. Similarly, faculty development efforts will help educators develop the new skills and knowledge that they must have to keep pace with the accelerating speed of business.

Schools that fail to transform their curricula will find themselves at the points I described at the beginning of this article—eliminating their accounting programs as demand ebbs and disappears. Isolated, preparation-oriented, and memorization-based accounting programs will not and should not survive in the future of management education.

### Accounting's Last Chance

In the final analysis, whether or not accounting education has a future depends on how proactive accounting educators and business school administrators are. If we are content to teach low value-chain activities, our students will gradually decline in number and be replaced by low-level, technically trained professionals.

On the other hand, if we are proactive in revising our curricula; if we focus on interpretation, analysis, planning, and decision making; and if we modify our learning environments from passive to active, accounting education has a bright future. Accounting education can prepare students to think critically, assess risk, interpret financial information, and plan for the future better than any other discipline can.

If we fail, it will not be because accounting education had no future. Rather, it will be because we didn't seize the opportunities that were available to us and adapt our programs to the rapidly changing and evolving business environment. **Z**

Steve Albrecht is the associate dean and the Andersen LLP Alumni Professor of Accounting at Brigham Young University's Marriott School of Management in Provo, Utah.



**SELF-EMPLOYED "MICROPRENEURS"  
ARE CHANGING THE WORKING  
MODEL OF BUSINESS, ACCORDING TO**

**Daniel Pink,**

**AUTHOR OF *FREE AGENT NATION*.**

**IN A RECENT INTERVIEW, PINK  
DESCRIBED THE NEW PARADIGM  
AND POSTULATED THAT ITS  
GROWING NUMBER OF CONVERTS  
ALSO MAY SIGNAL A DRAMATIC  
SHIFT IN TRADITIONAL BUSINESS  
EDUCATION MODELS.**

**Launching  
a  
Free  
Agent  
Nation**

**The phrase “nine-to-five”** conjures up the quintessential image of the modern workforce, with everyone arriving in the office simultaneously and everyone walking out in unison at the end of the workday. But that notion is rapidly disintegrating and being replaced by a wholly new kind of worker—one who operates from his home, sets his own hours, and chooses his own projects. Daniel Pink has dubbed these free agents as “tech-savvy, self-reliant, path-charting micropreneurs”—and he believes they will define the next century of business.

Pink also believes these new workers are redefining the traditional approach to education. Many will be students who were home schooled at the grade school and high school levels. And at the college level? Pink thinks the free agents of the future may decide to put off higher education, going directly from high school to the workplace, and choosing to attend college only intermittently to acquire specific knowledge. It’s an outlook that recasts the future of business *and* education.

Pink, who is based in Washington, D.C., traveled around the United States interviewing hundreds of self-employed and temporary workers to develop the premise for *Free Agent Nation*. He is a contributing editor for *Fast Company* magazine and a freelance journalist.

**In your book, you forecast that fewer people will get college degrees in the future. Instead they’ll go directly from high school to the workplace. But if someone doesn’t have a degree, especially when applying for a management position, what kinds of qualifiers will employers consider to know this person is right for the job?**

Part of it is going to be her portfolio of work from previous engagements. How do you measure whether or not an artist is any good? Well, you take a look at her portfolio. And I think that more and more “regular” workers, those who aren’t artists, will have the equivalent of a portfolio, whether it’s a piece they’ve written, a strategy they’ve devised, or simply the balance sheet of a project that shows they actually met their numbers. Those kinds of things are going to matter much more. Many times, degrees have only been proxies for that kind of information.

**You’ve noted that for-profit universities are doing a good job of serving free agents, in the management field and elsewhere. What are they doing**

**that’s different from what’s happening in traditional universities?**

They’re accommodating the institution to the individual, rather than forcing the individual to accommodate himself or herself to the institution. That means they provide everything from classes online to classes at night to classes in many locations to a smorgasbord of offerings. In my view, many online education providers are very customer-centered institutions that are providing some value. I think a lot of community colleges around the country are doing this as well. It’s the higher level “prestigious” universities that are having trouble making the transition. At a certain point, people won’t be flocking to Ivy League colleges because of the mere reflected glory of the Harvard name. All institutions lose their luster after a certain amount of time if they’re not revived and rejuvenated.

**But aren’t there always going to be students and employers who prefer the brand name of an Ivy League school education?**

Sure. In the 1950s, the phrase “made in Japan” was the sign of a second-rate product; but in the 1980s, “made in Japan” was the sign of a great product. The value of these labels or imprimaturs changes over time. I don’t think the Ivy League imprimatur is going to lose all of its value, but I think it’s going to lose some of its value as it becomes less of a marker for what someone can do in the workforce.

**What can Ivy League business schools—or any traditional schools—do to adapt to a changing work environment?**

I think they need to have a much better sense of who their customers are and a much better sense of what the market demands. I think colleges and universities are going to have to deepen the long-term relationships they have with students. Right now their typical long-term relationships are built around alumni associations—and those are really built around nostalgia and affection for the alma mater.

There’s nothing wrong with that kind of relationship. However, colleges also can serve a more pragmatic purpose in a workforce where people are compelled to constantly, *constantly* upgrade their skills, constantly learn new things, constantly sharpen various aptitudes, and constantly find new connections and pathways to work and to other people. Some colleges and universities are doing this already. They offer tours, for example, where the professor takes alumni to Greece, and they all go through the ruins and learn about Greek history. But I think you can also see something *like* that occur when colleges help alumni develop new workplace skills.



**PROFESSORS** will need institutions less than the institutions need them.



A great professor won't necessarily have to affiliate exclusively with a **PARTICULAR INSTITUTION.**

**Many business schools are hosting executive education conferences right now. Are these the sorts of events that enable schools to teach the skills you're describing?**

I think that conferences could be a big part of business for business schools or universities. These conferences usually are held with different degrees of formality, hooking up people who are alumni with other alumni in the same field. It becomes a one-on-one relationship, which is the oldest way of learning and a very important one. It's a way that can be revived, and colleges and universities can provide some of that connection.

I also think alumni magazines can be a source for that connection. Most people read alumni magazines to find out which of their classmates are doing what. Imagine an alumni magazine being less a celebration of how great the school is and getting more into service journalism. For instance, *Money* magazine publishes articles that describe "Seven Ways to Do This" and "Eight Ways to Do That." I think that could be a significant supplemental service for alumni magazines. Along with having a business school professor's theories profiled in a magazine, these magazines might include a sidebar that says "Ten Ways to Apply Her Theories to Your Career."

**Earlier, you mentioned online classes. In the future, how important will distance learning be for business professionals?**

I don't think distance learning or online courses are any kind of great panacea, but they're useful supplements. People have a much wider variety of options today. More and more, they're going to look to the particular mix of education that's right for them, rather than simply accepting whatever standard education arrangement is inherited. People will be able to pick and choose. They'll tailor their education to what works for them. Certainly online courses and distance learning will be a big part of the mix.

**Whether they're going back to business school part-time or taking online courses, you anticipate that many students of the future will be holding down jobs while pursuing an education. How do you envision the breakdown between the numbers of people who are in the traditional workforce and the numbers who are free agents?**

I think more people are going to become free agents, but I think the whole arrangement will be very fluid. You'll have a lot of people who are going to migrate back and

forth between the Free Agent Nation and Corporate America. When you go to work for yourself, it's not as if you have to renounce your citizenship in Corporate America. I think you're going to have more people with dual passports.

The world of work is becoming even more idiosyncratic and more individualized than the world of education. People are creating their own career paths, fashioning projects and work arrangements that are right for them at that particular moment in time, disassembling them when they no longer work, and then creating some other sort of structure.

One common career path is graduating from college, working like crazy for an organization in your early years, having a family and deciding to go out on your own, and then entering the traditional workplace again when you have an empty nest. It really depends on a person's own finances, values, and family structure. According to the U.S. Census Bureau, we now have—for the first time in a long time—*fewer* mothers with infants in the workforce. That could mean that during boom times mothers didn't need to work for economic reasons, but I think it means that people are fashioning all sorts of different arrangements for themselves.

If you go down the block in your neighborhood, you'll notice that everybody has a slightly different work arrangement. It's more and more idiosyncratic. Instead of "one size fits all," it's what I call "my size fits me."

**USA Today recently published an article noting that there are fewer telecommuters in America than experts had predicted by this point. How does this conflict with your theory?**

You know, we always tend to hear very hyperinflated predictions of what's going to happen. When telecommuting becomes possible, you have people saying, "Everyone is going to telecommute!" Things don't work that way. Especially in technology, the conventional wisdom is that we tend to overestimate what's going to happen in two years and underestimate what's going to happen in ten years. It's the same with these work patterns. There's no *way* everybody can become a free agent, there's no *way* everyone can telecommute. But you'll have *more* people.

I also think, after September 11, we had a surge of people who became interested in telecommuting. For one reason, there are people who are justifiably antsy about going to work in a giant office building. And two, people just want to be close to their families. They know life is not permanent.

Professors who operate as free agents are



going to be more **HIGHLY REWARDED.**

**How does the concept of free agency operate in Europe and Asia? How is it different from the way it works in the United States?**

Free agency is a little stronger in the U.S. for a couple of reasons. For one thing, I just think our cultural DNA is mapped much better to the whole free agent way of thinking. Individualism, lighting out for the territories, making a fresh start—all that is very American. In addition, our laws, as prohibitive as they are, enable this style of working to a greater extent than the laws of most other countries. The labor laws are fairly flexible; and, for better or for worse, we have a much less robust social safety net, so people are forced to make their own way. By contrast, in Europe there's a bit more of a cultural transition. In addition, many of the laws and policies make it even more difficult to pursue free agency. That said, free agency is taking root in England and to a certain extent in other parts of Europe.

In Asia, it's been really interesting. Japan has had a tradition of "the salary man," which is analogous to the "organization man" in the U.S. Japan also has a tradition of lifelong employment, a sort of disdain for entrepreneurship, and the philosophy that the nail that sticks up gets knocked down. Partly because of those kinds of attitudes, Japan is groaning under the weight of a ten-year recession right now. I think Japan is struggling to put more free agents in the workplace.

**There's also the problem of the general aging of the population in Japan, isn't there?**

That's somewhat true in the U.S. as well. I think what will eventually happen is that we'll have to raise the retirement age. The Center for Disease Control in the United States reported recently that the average life expectancy for Americans is 76.7 years. In the first part of the century, the life expectancy was 40. When President Franklin Roosevelt signed the bill in 1935 to make Social Security into law—when they made 65 the retirement age—life expectancy in America was only 62. However, I don't think today's baby boomers are going to want to retire at age 65.

**Do you think people who've spent the majority of their lives working for an organization are going to choose to become free agents after they retire?**

Absolutely. First of all, we're essentially going to run out of working age people, so there's going to be a terrific demand for talented older workers. Second, I don't think talented older workers are going to want to work full-time.

They're going to want to work on their own terms. Older Americans don't have to overcome the largest single obstacle to becoming free agents: a lack of health insurance. Because of Medicare, they all have health insurance.

**Speaking of older workers, you predict that many of them will be going back to college—not after they retire, perhaps, but sometime in mid-career.**

I do think you'll see more older people on campus. I think you'll see students going to college at different points in their lives, instead of once. It'll be somewhat like the way people go to the doctor. It's not as if you go to the doctor once and then everything is fine. You go to the doctor, then you go back for a checkup, and then you go back when you're sick. I think it'll be more like that.

**An aging student population may be one change on college campuses in the next five to ten years. What other changes do you think will occur?**

I think—I *hope*—that colleges will be under more pressure to bring their prices in line with their value offered. Inflation in the cost of education has been greater than inflation in the cost of health care.

**What sorts of changes do you see for the profession of teaching?**

I think you'll see professors needing institutions less than the institutions need them. A great professor won't necessarily have to affiliate exclusively with a particular institution. She can go out on her own and offer her own business course. I think professors who operate as free agents are going to be more highly rewarded. Right now, at most universities, professors seek tenure, which is the antithesis of free agency.

**In general, what advice would you give college students pursuing a business degree in a world where so many options are open to them?**

I think it's the same advice I'd give to anybody else who's in college, which is: Do what you love. Don't do what's expected of you. I think work can be a source of meaning and joy and purpose, and people shouldn't necessarily think of it as a form of drudgery. Students should aspire to do great, meaningful things and not listen to all the naysayers who tell them those things can't be done. I would say the same thing to someone who's majoring in humanities—although someone majoring in business probably needs that advice more. **Z**

# A Business School Makeover

**Transforming a good undergraduate program into a great one requires an attention to politics, the ability to make tough choices, a willingness to risk the anger of stakeholders—and an unwavering commitment to the best interests of the school.**

In 1997, the Robert H. Smith School of Business at the University of Maryland was suffering from too much success. Business had become one of the most popular undergraduate majors at the university, and the school was experiencing overwhelming pressures to satisfy an incredible demand for courses. That year, the Smith School enrolled 3,500 junior and senior majors, more than double the number it had enrolled just five years before.

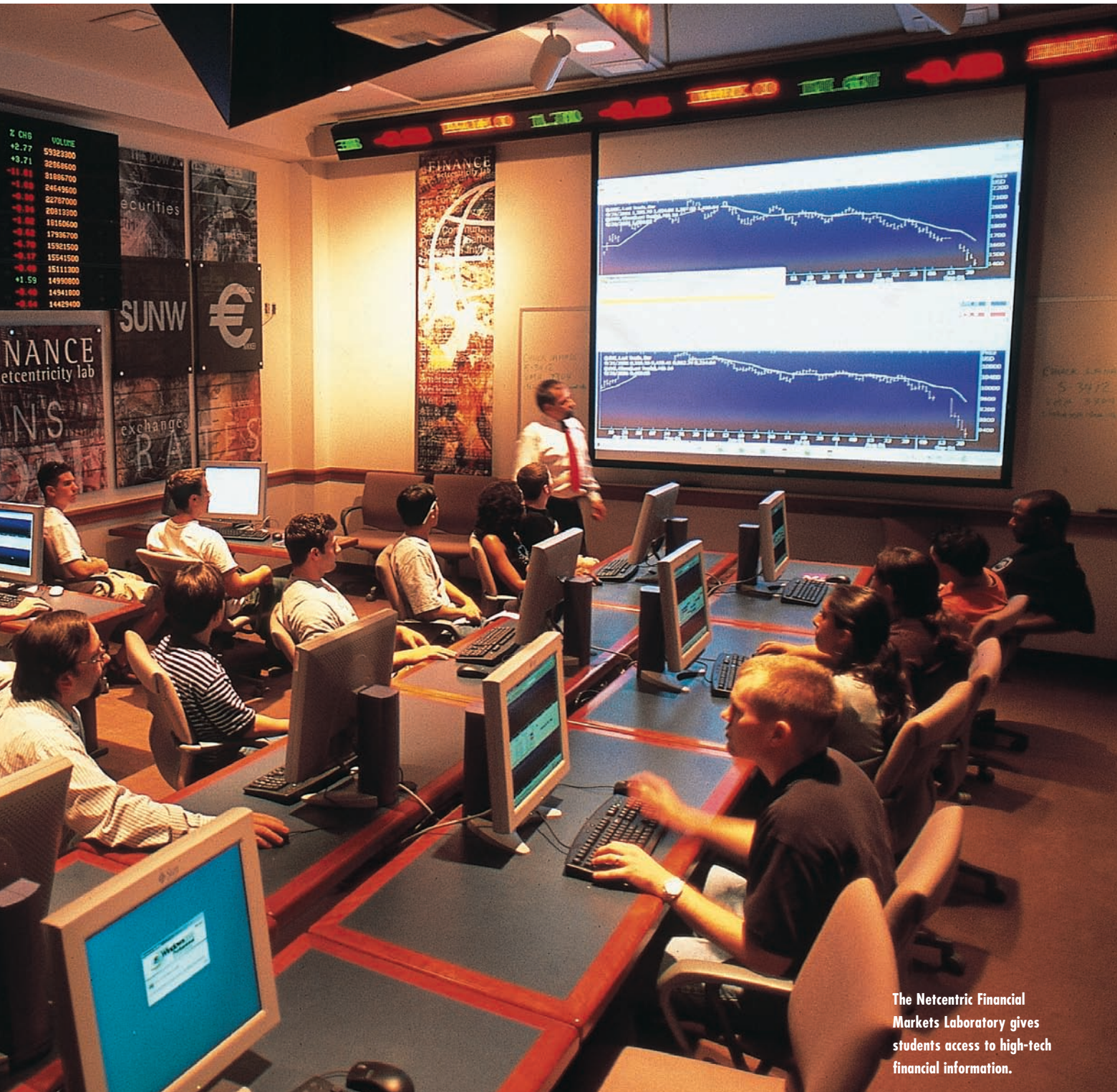
Our problem was compounded by the fact that, although the minimum GPA requirement for acceptance as a business major was 2.8, students could find numerous exceptions to get around the minimum qualifications. The result was a steady increase in undergraduate business students, which created significant problems.

The unwieldy size of the student population made it difficult for the Smith School to provide adequate services. We did not have the funding or personnel to provide appropriate levels of advising, mentoring, and career management and placement services for so many students.

In addition, the faculty carried higher than desirable teaching loads. While the trend at major public business schools was toward



by Howard Frank and Patricia Cleveland



The Netcentric Financial Markets Laboratory gives students access to high-tech financial information.

PHOTO BY SCOTT SUCHMAN





The new wing of Van Munching Hall, scheduled to be operational this spring, will double the business school's square footage and bring nearly all undergraduate classes together under one roof.

teaching three courses per year on average, it was difficult for us to keep the level to four.

Another dilemma centered around student access to business courses. Because of the need to meet the needs of our own students, we could not provide service courses to non-business majors, which created friction between the school and the university.

Furthermore, no sense of community existed among Smith School undergraduates; and, as a result, there was no widespread show of loyalty among undergraduate alumni. The size of the undergraduate class was only one root cause for this situation. The other was the fact that the students were not connected to the school during their freshman and sophomore years.

We knew something had to give if we were to transform the undergraduate program into one characterized by exceptional academic offerings and services. Defining what we needed to do was easy. By the end of the 1997–98 school year, we had identified five critical action items:

- Decrease the number of students.
- Resolve the teaching load problem.
- Enhance courses.
- Create a sense of community.
- Improve the technology and physical infrastructures.

Next, we had to accomplish the difficult task of winning the university's support and implementing the solutions.

### **Fixing the Numbers**

The numbers issue was a thorny one. University admissions officials wanted to maintain wide access to business courses for undergraduates. In addition, there was a campuswide misperception that the business school was rich and overflowing with resources. We quickly realized that the Smith School had not made an effective case for a smaller and more talented undergraduate student body.

We argued the case relentlessly, clearly defining the issues in terms of improving service to students and faculty, and growing the prestige of the school and the university. However, it was only when the dean voiced barely veiled threats to “flunk out a third of the students” that we won control of the number and quality of students admitted as business majors.

One of our first steps was to raise the minimum GPA for admission as a business major from 2.8 to 3.0. We also eliminated “provisional admissions,” a practice whereby freshmen could declare business as a major without meeting prescribed requirements. Under the “provisional admissions” policy, the school was forced to accept many undergraduates, only to

## We negotiated the fast-track construction of a new wing for Van Munching Hall, which would double our space to some 225,000 square feet. This \$38 million facility will be fully operational in late spring 2002.

drop some of them later because they did not meet our standards after taking the business gateway courses. We eventually had to eject hundreds from the business school, weathering a firestorm of protests from students and parents.

Even after we eliminated “provisional admits” and increased the GPA requirement, the numbers were still too high. Therefore, we decided to cap our admission at 800 juniors and 800 seniors.

We also created a category called “direct admits” to describe a small number of select high school graduates who met the minimum requirements of a 3.2 GPA and 1300 SAT. In 1999, our 151 directly admitted freshmen had earned an average 3.74 GPA and 1338 SAT. The 214 just admitted in fall 2001 earned an average 3.97 GPA and 1360 SAT. As these direct admits reach their junior year, they count against the 800-student cap and reduce the number of transfer students who can be admitted as juniors.

Our current goal is to grow our freshman class to about 400 students. Assuming that these 400 advance successfully to their junior year, we will have 400 remaining spaces for transfer students admitted as juniors. We will admit these qualified transfers in order of their GPAs, starting with the

highest, to meet the cap. We’ve also added a “demonstration of leadership” requirement to allow us greater refinement in admissions decisions.

### Upgrading the Infrastructure

Though decreasing the numbers may have been the most difficult issue, the inadequacy of our technology and physical infrastructures also presented challenges. The infrastructures could not support the 3,000-plus students in our undergraduate, MBA, MS, and Ph.D. programs. As a result, Smith faculty had to teach some undergraduate courses outside the state-of-the-art Van Munching Hall, the Smith School’s home. This underscored the inequitable state of technology resources across campus.

To support classes outside Van Munching, we invested in a number of \$20,000 technology carts for use in those classes. Within Van Munching, we upgraded every computer by borrowing the dollars required and financing the debt over a three-year period.

In addition, we negotiated the fast-track construction of a new wing for Van Munching Hall, which would double our space to some 225,000 square feet. Though this \$38 million facility was not on the university’s long-range plan as of January 1998, we broke ground in 2000, and the facility will be fully operational in late spring 2002. The Smith School soon will be able to offer nearly all its undergraduate classes under one roof.

### Reducing Teaching Loads

In major research institutions, as the faculty teaching load goes up, research productivity and new knowledge generation go down. This equation was not acceptable at the Smith School.

To help deal with our teaching load problem at the undergraduate level, we created a new category for faculty members and filled it with Teaching Professors. These are non-tenure track professors with doctoral degrees, state-of-the-art knowledge in their fields, expert teaching skills, and three-year contracts with one-year notice. They participate fully in department and school meetings and are eligible for all teaching awards. Their merit salary increases are based 75 percent on teaching quality and 25 percent on service.

Since we have added Teaching Professors, we have been able to keep our largest sections of 300- and 400-level courses to about 45 students each. The exceptions are required core courses, and these we



PHOTOS BY SCOTT SUCHMAN

## For many undergraduates, experiences outside the classroom can be just as important as those inside. With this in mind, the Smith School in fall 2000 launched a series of activities to help build a community of undergraduates.

break down into small discussion sections of about 30 to 40 students. As a result, tenured and tenure-track faculty teaching loads average 8.5 credit hours per year. In addition, we use visiting professors to enhance our research productivity, whereas in the past we hired them to relieve our teaching load.



PHOTOS BY LISA HALFERT



Students perform team-building exercises at an Undergraduate Leadership Retreat, an event organized to help build a sense of community within the Smith School of Business. In "Blind Object Rebuild," sighted team members use nonverbal cues to direct blindfolded members to rebuild an object. Challenge Discovery, an action learning organization, facilitated this and other exercises at the retreat.

### Enhancing Quality

Three years ago, to promote continuous improvement, the dean of the Smith School directed each department to redesign one or two undergraduate courses per year. The goal was to ensure that each course would reflect the latest in business knowledge and practice.

At this time, more than 20 courses have been redesigned. One such course is business statistics, which underwent a total redesign. Now more practically oriented, it is taught by a master teacher specially recruited to teach the course. Students benefit from smaller discussion sections, an increased number of teaching assistants, and significant technology integration. In the past year, the course has advanced from being one of the Smith School's lowest ranked offerings—as statistics courses are in many business schools—to one of the highest. The professor recruited to teach the course was nominated and was a finalist for the university's "Teacher of the Year."

We also seized this opportunity to enhance teaching quality. The dean reinforced the school's commitment to exceptional teaching through several actions:

- He refused to promote an associate professor.
- He designed and implemented specific plans to address the deficiencies of individual faculty members.

■ He created a Teaching Enhancement Committee to develop strategies to improve teaching quality.

Today, teaching quality at Smith is at an all-time high, with student ratings of faculty averaging 4.2 on a 5-point scale.

### Creating a Sense of Community

For many undergraduates, experiences outside the classroom can be just as important as those inside. With this in mind, the Smith School in fall 2000 launched a series of activities to help build a community of undergraduates.

One new initiative is the Freshman Convocation, which brings together members of the Smith School community to welcome new freshmen. The Gateway Club, a Smith School student organization that provides professional, social, and personal



PHOTO BY SCOTT SUCHMAN

development activities for freshmen and sophomores pursuing business majors, co-sponsors this event.

We also launched the Leadership Retreat, which brings together officers from the 14 undergraduate student organizations to develop action plans for their organizations, and to hone leadership and other skills.

Our annual Undergraduate Student Banquet has evolved from a poorly attended event that attracted only 50 students, to a gala affair that attracted about 400 students, alumni, recruiters and other corporate representatives, faculty, and staff in spring 2001.

One of our newest community-building initiatives will be the launch of our Business Scholars Program in fall 2002. All of our directly admitted freshmen will enter the Smith School as Business Scholars, mentored by faculty and others from the very beginning.

Since the Smith School continues to limit the number of students admitted as business majors, we must extend our resources campuswide in other ways to grow our sense of community. That is one of the reasons we established the Smith School's Entrepreneurship Citation Program in the spring of 2000. The program joins selected undergraduates from business and other areas to encourage them to create and grow high-potential enterprises.

## Generating Resources

Our undergraduate program transformation obviously has required changes in funding attitudes and actions. In 1998, we were about 85 percent to 90 percent state-funded. Today, we are about 40 percent state-funded, and our gross budget (at about \$40 million) is more than double its 1998 level. Increased revenue is derived from private funding, centers and contracts, executive education, and differential tuition from our full-time and off-site part-time MBA programs.

Funding for the new wing of Van Munching Hall has come from various sources, including the State of Maryland, the University of Maryland, and private gifts. Another funding source has been construction bonds issued by the university but guaranteed by the business school, which has full responsibility for principal and interest. We also have been willing to incur debt at times to fund the necessary enhancements.

## Lessons Learned

As guardians of one of the most popular undergraduate majors at the University of Maryland, we offer the following advice for those who want to implement major academic program change:

- Make and stick to the hard choices. Be constantly vigilant to make sure that others are supporting those choices.
- Be innovative. Innovation led to the creation of Teaching Professors at the Smith School, helping both to relieve faculty course overload and enhance teaching quality.
- Be thick-skinned. Enforcement of our limited enrollment policies angered some students, parents, university officials, and other stakeholders. But the result is a stronger Smith undergraduate program, of which all constituencies can be proud.
- Go against the grain to find the resources to support enhancements. Challenge the conventional practices of inflexible timelines for capital projects. Be willing to incur debt.

The Smith School's undergraduate program is well on its way to becoming truly distinguished. We're looking forward to moving into our new wing this spring and to welcoming our first class of Smith Business Scholars in fall 2002.

From the outset, we knew that this transformation would not and could not be about being "loved." It had to be about being successful. The irony is that because of the success we've achieved, our students love the Smith School. **Z**

Howard Frank has been dean of the Robert H. Smith School of Business since 1997. Patricia Cleveland joined the Smith School as assistant dean of undergraduate studies in 1998.

# Technology

## Open Source Takes on the World

A battle is heating up over the operating systems of desktops, servers, and networks around the world. On one side is Microsoft Corp. of Redmond, Washington, which manufactures the lion's share of the world's software. On the other is the open source movement, which has the potential to change the nature of hardware and software as we use it today.

"Open source" refers to software whose underlying source code is available for free. Independent programmers can customize it to their own needs, even update and alter its functionality. Two technology companies—IBM of White Plains, New York, and Sun Microsystems of Palo Alto, California—are at the forefront of open source development.

Sun's open source operating system, Solaris™, is based on its popular Unix operating system. Libraries such as the U.S. Library of Congress

## Keep IT Well-Integrated

A study from McKinsey & Co., a management consulting firm based in New York, warns that businesses that view information technology separately from other departments are making a mistake. For example, businesses such as hotels and banks, which often integrate technology only into isolated parts of their operations, have seen losses or modest gains in the last few years. In contrast, it cites Wal-Mart, the large retail chain headquartered in Bentonville, Arkansas, as an example other businesses might emulate. As a result of its complete integration of IT into all aspects of its operations, Wal-Mart has seen its market share leap from 9 percent in 1987 to 30 percent in 1999.

"WE'RE EVOLVING FROM THE PC MODEL, SO THAT DEVICES STUDENTS USE TO ACCESS INFORMATION ARE NOT NECESSARILY PCS. OPEN SOURCE SOFTWARE CAN BE DOWNLOADED ONCE, AND THEN RUN ANYWHERE FROM ANY STATION."

are moving to this platform; e-learning programs also are leaning to open source options, explains John Tuohy, Sun's higher education marketing manager.

"We're evolving from the PC model, so that devices students use to access information are not necessarily PCs. Open source software can be downloaded once, and then run anywhere from any station," he explains. For instance, a Sun product called Sun Ray allows students to store their information on a "smart card" so they can start and stop their sessions on the mainframe, from any station, seamlessly.

This flexibility of open source products may be one of their biggest selling points, agrees Sheila Harnett, an engineer with IBM's Linux Technology Center. The Center employs about 250 engineers who gather and refine code for Linux, one of the best known operating systems in the open-source market.

"You may have one instance of the Linux operating system running on an open source main frame. But maybe 1,000 students can use that mainframe and its software at the same time," she says. Because each station requires only a simple monitor hookup to a network, rather than a full-fledged PC, upgrades and repairs are simplified.

Linux was invented in 1991 by Linus Torvalds, then a student at the University of Helsinki in Finland. Torvalds, who now works for Transmeta Corporation in Santa Clara, California, manages Linux's "kernel," or primary code, and owns the Linux trademark. Programmers worldwide make changes and send them to Torvalds and his group, who incorporate the best into the software.

That process is the underlying engine that keeps the open source community running, explains Harnett. "Because it's open source, the software matures very rapidly," she explains. "The community is working on many different pieces, which are maturing at different rates." The upgraded product is then distributed by companies that specialize in open source, such as Red Hat Software of Durham, North Carolina.

Although open source, by its nature, is free to the general public, companies that distribute the software make money from connected goods and services: hardware, compatible software applications, and support services. Nonetheless, as

### DATABIT

In 2001, members of America Online, the world's largest online community, spent \$33 billion online. This number represents a 67 percent increase over 2000, according to the Pew Internet and American Life Project.

open source's biggest player, Linux still is running second in distribution of server software—27 percent to Microsoft's 42 percent, according to one study. But its low startup costs are winning many over in business and higher education.

Colorado State University's College of Business, for example, partnered with IBM last August to become a national technology hub for U.S. universities. Not only will all students have access to their own Linux server, but they also will be able to "simulate all information technology functions that currently exist in business today," according to an IBM press release.

For its part, Microsoft Corp. has publicized its objections to open source software, citing its apparent disregard of intellectual property rights and licensing, as well as the business industry's reliance on traditional models for commercial software. The company is advocating what it calls a "shared-source philosophy," in which it makes its source code available to its customers but protects its rights to that code.

While the debate between Microsoft and open source advocates continues, however, market watchers will be keeping their eyes on open source companies' efforts to capture a greater market share. Open source promises to have significant impact on businesses in the future, emphasizes Harnett.

"More and more business enterprises are using Linux in their IT infrastructures, which has a direct relationship to business school curricula," she says. "Giving students experience with these applications is important, so that they will be able to go into business and immediately contribute."

## India Offers the World IT Services

**A new industry in India is offering job opportunities to its young graduates—and valued IT services to companies outside its borders.** According to a story from Reuters, Indian companies are becoming the "back-offices" for companies around the world.

Called "e-enabled services," tele-marketing, accounting, payroll, and other functions are increasingly being given to off-site vendors. Although vendors in other countries have offered these services in the past, India is becoming a prime supplier because of its "cheaper, English-speaking, and IT-savvy workforce," Reuters reports.

This is no small phenomenon. With companies such as American Express and British Airways setting up shop with such Indian "call centers," the country is at the beginning of a boom in the e-enabled services

## More Women Buying Online

**For the first time, more women than men are shopping online, according to a study from the Pew Internet and American Life Project. In the past, most Internet users were male. However, that trend is reversing. Between November 22 and December 25 last year, 58 percent of online buyers were women. As online shopping becomes more streamlined, the study concludes, more women and men are finding it a more convenient, pleasant experience.**



industry. The National Association of Software and Services Companies predicts revenues to increase from 40 billion rupees in 2000 to 810 billion rupees in 2008. By 2008, it predicts the workforce in this industry to increase from 68,000 now to 1.1 million.

## Business Law Hits 'Cybercourt'

**Following the lead of other courts in the United States, the state of Michigan is developing a business "cybercourt" system, which integrates into its process technologies such as video conferencing, wireless communication, and electronic recordkeeping to expedite lawsuits between companies,** *Computerworld* reports. State officials estimate that its cybercourt will be up and running by October.

In courts where the technology is already in use, such as in Greensboro, North Carolina, judges hear testimony from witnesses and lawyers in different locations via videoconferencing, while the electronic filing of documents further streamlines the process. At present, there are no juries in business cybercourt.

At \$25,000 to \$50,000, business cybercourts can be cost-prohibitive to start, North Carolina's Superior Court Judge Ben Tennille told *Computerworld*. But it's definitely the direction that courts are headed. Once it's up and running, he says, "it's more efficient, and it's simply more economical." ■

### DATABIT

**In the U.S., investment in IT has gone from an 11 percent growth rate in the period between 1987 and 1995, to a 20.2 percent growth rate in the period between 1995 and 2000. Growth in worker productivity during the same time periods also has shifted, from 1.4 percent to 2.5 percent, respectively.**

# Bookshelf

## ■ Bosses with Heart

Here's an interesting fact that pops up about one-third of the way through *Primal Leadership*, a new book that examines how a business leader's interpersonal skills can save or destroy a company: "Interviews with 2 million employees at 700 American companies found that what determines how long employees stay—and how productive they are—is the quality of their relationship with their immediate boss." Other facts presented throughout the text shore up this statement. People who love their jobs tend to work harder and be more productive; people who hate their bosses generally don't love their jobs.

Simple math leads to the conclusion that great bosses create successful companies. Many of the qualities that determine a great boss, according to authors Daniel Goleman, Richard Boyatzis, and

Annie McKee, are those that were catalogued in Goleman's *Emotional Intelligence*. The writers explain "leadership competencies" such as self-awareness, self-management, social awareness, and relationship management, and they persuasively show how essential it is for any good manager to possess these skills. The authors also dissect six distinct approaches to leadership—visionary, coaching, affiliative, democratic, pacesetter, and command-

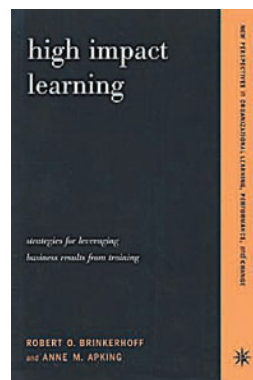
ing. Only the bosses who rely on emotional intelligence, in their view, will be successful over the long haul.

The authors use recent scientific knowledge about the brain's operating systems to add more weight to their theories. They examine neurological mechanisms—the triggers that cause anxiety, satisfaction, and other emotions—and how these operate in a modern business setting. Laughter isn't just a product of off-hand joking; it cements alliances, defuses stress, and increases productivity. On the other hand, stress is a poison that can spill over into every aspect of an employee's life, ruining not just his working hours but his home life. A good boss knows which emotional levers to pull.

Goleman and his team have divided their book into several sections, first identifying the traits of an excellent leader, then discussing how to create such a leader, and then how to deploy emotionally intelligent workers in teams. Throughout the book, real-life examples abound of leaders who exemplify the qualities of emotional intelligence, from former GE head Jack Welch to Yankees coach Joe Torre. Anyone who reads the book and supervises even one or two employees will find himself asking just what his style of leadership is—and how he might improve it. (Harvard Business Press, \$25.95)

## ■ Trained to Succeed

Training adds value to employees, makes them more productive, and ultimately has a positive effect on a company's bottom line. Or does it? Poorly managed training can disrupt a regular work routine, cause resentment on the part of employees, and fail to create any improvement in



job skills at all. So say Robert O. Brinkerhoff and Anne M. Apking in the book *High Impact Learning*.

The only time training is truly worthwhile, they maintain, is when it brings about an improvement in performance that is specifically linked to the employee's job and the overall goals of the company. It is even more effective if the employee understands beforehand what part of his job will be enhanced by this particular training session, and if his manager follows up with him afterward to make sure new skills and techniques are applied on the job.

High impact learning follows five principles: It focuses on strategic leverage; it links overall organizational goals to training objectives; it assumes that learning and performance are related; it devises training strategies that best suit a company's performance objectives; and it designs responsive learning solutions. Brinkerhoff and Apking assess the advantages and disadvantages of e-learning and distance learning options, and stress that e-learning works best when combined with some classroom experience. They provide "maps" that help managers decide what goals they are trying to achieve with employee training and how to focus the employee's experience. They also discuss how to evaluate the success of employee training. Employers spend \$300 billion annually to give their employees additional training, according to the authors—and making sure that every dollar is wisely spent is part of their mission in this book. (Perseus Publishing, \$30)

**“IN THE INTERLOCKED CYCLES OF TECHNOLOGY AND BUSINESS ADVANCES,  
THE ISSUES COMPANIES FACE ARE NOT JUST ABOUT BUSINESS, NOT JUST ABOUT TECHNOLOGY.  
THEY ARE INSEPARABLY ABOUT BOTH. TECHNOLOGY ENABLES, BUSINESS CHANGES.”**

—*The Death of “e” and the Birth of the Real New Economy*

## ■ The End of “E”

Pundits have been quick to tack a lower-case “e” onto every transaction of modern life, from mail to commerce. True, electronic capabilities have reformatted the way we communicate, the way we do business, and the way we live. But nowadays that “e” may as well stand for extinct, say Peter Fingar and Ronald Aronica—it’s so pervasive that it has become simply a part of everyday life, and there’s no point in singling it out anymore. Instead, they argue in *The Death of “e” and the Birth of the Real New Economy*, it’s time to start dealing with the realities of an Internet age, and stop marveling at them.

“In the interlocked cycles of technology and business advances, the issues companies face are not just about business, not just about technology. They are inseparably about both. Technology enables, business changes,” the authors note. In a series of minutely detailed chapters, they cover just how every aspect of business has changed in the Internet age, from value chain management to peer-to-peer commerce. Simple sketches illustrate key points; hard data supports basic assumptions. Clear metaphors help readers understand the transformation from the monolithic “cathedrals” of large corporate business structures to the “bazaar” of the Internet.

For readers without a good grounding in the complexity of digital commerce, the authors provide

three helpful indices: “The Dot-Com Crash of 2000,” “The Pillars of the Digital Economy,” and “Business Fundamentals of the 21st Century.” Once familiar with these basics, readers can plunge into the main text, rich with information about understanding and adapting to the new realities of business. (Meghan-Kiffer Press, \$44.95)

## ■ Passion in the Workplace

Everyone knows that wonderful feeling of falling in love with another person. Not everyone is familiar with feeling that same grand emotion for a job. Yet such passion is exactly what’s needed in the workplace to ensure that workers enjoy going to their jobs, work hard while they’re there, stay in a certain position for a considerable period of time—and contribute to their companies’

productivity.

In *Transforming Work*, authors Patricia E. Boverie and Michael Kroth apply everything we know about love to a completely different construct: a job. While passion ebbs and flows in a personal relationship, it can follow the same pattern in a working relationship, they say. People embark on new jobs filled with

hope and enthusiasm; grow contented, then bored; and begin to look around for something more exciting. If something exciting can be found in their current organizations, they’ll stay. If not, they’ll leave.

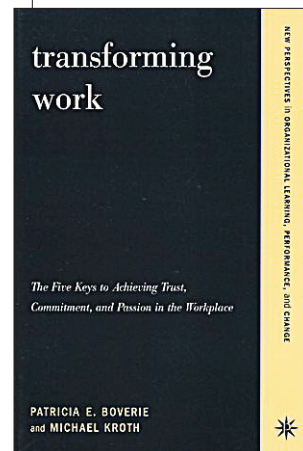
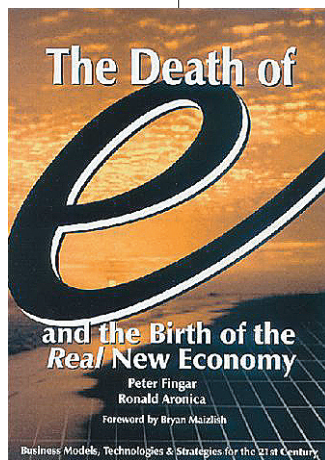
“If the work becomes boring or they experience any of the passion pitfalls, then passion declines, some-

times very rapidly. The individuals who were able to regain passion had looked about for their next challenge, as soon as they realized they were in a plateau period or decline,” write Boverie and Kroth. Learning and discovering are two of the keys to keeping passion alive at the work-

place, they say—but truly passionate workers also will search hard until they find the corporate environment that suits their needs. To achieve

“occupational intimacy,” they will seek out workplaces that offer three balanced components: work that they love to do, work that is meaningful, and an environment that is nurturing.

The ideal is appealing, though the reality is that few corporate models fit it. Companies that don’t woo employees will have to change or fail, believe the authors: “One compelling reason for organizations to focus on creating passionate work environments is the emergence of Generation X as a dominant factor in the labor market,” they write. “A member of Generation X will increasingly be able to set her or his own terms. Companies will be forced to create work environments where people actually want to work, to attract the talent they need to be successful.” The future will tell whether or not this prediction comes true. (Perseus Publishing, \$30) **Z**





# Your Turn

by Louis E. Lataif



## I "The Tragedy of Good Intentions"

In an article that discusses globalization, the November 26th issue of *Fortune* magazine notes that "poor nations have not appreciated" the efforts of anti-globalization proponents working to protect these countries from exploitation. However, not everyone believes that this argument is sound. In fact, Kishore Mahbubani, Singapore's representative to the United Nations, tells *Fortune*, "Those who are pushing for labor standards are actually damaging the developing countries they are purporting to support." They are victims to what he describes as "the tragedy of good intentions."

His comments bring into sharp relief the current debate about economic globalization. Some argue that Western companies investing in Third World countries are exploiting cheap labor, ravaging natural resources, or eliminating high-paying jobs in the West—all driven by corporate greed.

Others argue that the only proven way to improve the lives of people in less developed areas of the world is to introduce elements of market capitalism that create the goods and services, the jobs, and the higher levels of income that help propel poor economies and lift the standard of living for their people. And while there have been abuses, it is difficult not to support responsible and balanced internationalization of supply, plant sourcing, and markets in our shrinking world.

However, in a post-September 11th world, we have been made more conscious that for some in the world, "globalization" is synony-

mous with "American imperialism." This may be less an objection to Western capital investment that creates jobs, goods, and services, than it is an objection to

Western social values—American films, music, sexual mores, manners, dress codes, insensitivity to local customs—which are seen to accompany such investment.

This realization places a new challenge before management education institutions. We are compelled to gain a heightened understanding of the benefits and risks of responsible globalization, and communicate that understanding to our students. We are compelled to cultivate an

**ONE OF THE OUTCOMES OF THE SEPTEMBER 11 TRAGEDY SHOULD BE THAT SCHOOLS OF MANAGEMENT BETTER MEET THE CHALLENGES THAT GLOBALIZATION PRESENTS TO THEM.**

increased sensitivity to cultural and social issues in our students.

Now more than ever, international schools of management have a serious responsibility to educate managers from throughout the world about all the implications of free and fair trade. This responsibility includes building an understanding of the national economic and regulatory policies that attract foreign investment and of the social responsibilities of investing companies.

Although schools of management have long promoted international curricula, we have not perhaps sufficiently promoted international

awareness. In this we might learn from a number of companies that are beginning to come to grips with the "social costs" of business decisions.

For example, companies such as Weyerhaeuser, DuPont, and 3M have developed global health, safety, and environmental standards for their operations. Motorola has instituted an Ethics Renewal Process to insure that its business code of conduct is implemented worldwide. In recent years, Shell Oil and Mobil Oil have made special efforts to be sensitive to environmental issues in their drilling operations. For example, these two companies strive to make the smallest possible industrial "footprint" in biologically diverse areas in Peru. To do so, they treat each project in this area as if it were an off-shore exploration, flying in all the equipment and personnel rather than building roads or otherwise disturbing the environment any more than necessary.

Likewise, an understanding of the social costs of foreign investment must be included in business school curricula in a meaningful way. Similarly, we need to find ever more effective ways to educate management professionals about the varied cultural norms and expectations that confront companies doing business outside their home countries. Our students must be educated to understand and assess the "country risks" associated with overseas investment—i.e., the stability of a government (and by extension, its currency), the regulatory environment, and the impact of nongovernmental organizations in a society.

Developing and incorporating more international cases into man-

agement curricula is also critical—most U.S. business school cases, for example, currently relate primarily to American companies. Furthermore, reaching out to international alumni for their evolving perspectives can truly inform a global business curriculum.

Finally, in schools that have a significant international student population, we must make new efforts to leverage the varied national perspectives of those international students to help shape the educational experience of all students. A modest but useful step is to organize student study teams in a way that actively integrates students, while discouraging the organization of teams of students from the same country.

Producing globally oriented management professionals who have a genuine appreciation for the effectiveness (and limitations) of market capitalism would make a major contribution to societies around the world. People and nations normally want to live in peace with their key customers, suppliers, and partners. Therefore, economic interdependence becomes fundamental to long-term international stability.

One of the outcomes of the September 11 tragedy should be that schools of management better meet the challenges that globalization presents to them. That is, they must make stronger efforts to develop fresh perspectives and approaches to economic globalization—approaches that will prevent the “tragedy of good intentions” of the world’s rich nations, a tragedy that keeps poor nations poor. **Z**

Louis E. Lataif is dean of Boston University’s School of Management, Boston, Massachusetts.

## A UNIQUE OPPORTUNITY FOR NEW DEANS

AACSB International presents a repeat of a sell-out!

# NEW DEANS SEMINAR

May 15-18

Sam M. Walton College of Business  
University of Arkansas  
Fayetteville, Arkansas

### LED BY DEANS AND FORMER DEANS

Al Spritzer  
*East Tennessee  
State University*

Otis Baskin  
*Pepperdine  
University*

Ridley Gros  
*Nicholls State  
University*

- Learn what every new dean needs to know.
- Master the essential tools and techniques of success as a dean.
- Acquire practical insights and tactics with immediate, on-the-job relevance.
- Build contacts with colleagues at other schools.

### TWO SPECIAL BONUSES

Attendees will meet and hear Wal-Mart senior executives during the session and social events and will be invited to attend Wal-Mart’s renowned Saturday morning meeting of top executives. The two-hour session, closed to the public, provides a rare opportunity to observe the culture of the world’s second largest corporation at work.

Deans from other educational disciplines are invited to attend, adding breadth to networking and learning opportunities.

“A must for new deans!  
Spritzer, Gros, and Baskin are  
the ‘Three Tenors’ of Deaning!”

— Norman A. Solomon, Dean  
Charles F. Dolan School of Business  
Fairfield University

For information, visit [www.aacsb.edu/events](http://www.aacsb.edu/events) or contact Kevin Lew-Hanson, 314-872-8507, ext. 258 or [Kevin@aacsb.edu](mailto:Kevin@aacsb.edu)



# Spotlight

Cranfield is situated in the green fields of England but recruits students from all over the world.



Mythodrama programs use Shakespearean plays to teach management students personal awareness, creativity, team building, and other leadership skills. Cranfield's state-of-the-art technology facilities include laptops that are given to each student for the duration of their courses.

can link students in distant locations to students on campus. That's crucial, especially for Cranfield's new, two-year Modular MBA, which combines on-campus study with work in remote locations. The new degree appeals to international managers who aren't interested in taking a career break. Cranfield also offers a large portfolio of open courses and tailored management development programs for companies around the world.

Unlike most business school deans and directors, Leo Murray, director of Cranfield School of Management, comes from a background in business rather than academe. "A critical role of business schools today is to make a real impact on organizations and individuals by developing their ability to perform in today's environment with all its pressures and complexity," says Murray. Cranfield is accredited by AACSB International—The Association to Advance Collegiate Schools of Business, AMBA, and EQUIS. **Z**

## A Holistic Approach to Education

Cranfield University, Cranfield School of Management, United Kingdom

**Two characteristics stand out in Cranfield's** approach to management education: an emphasis on diversity, and an integrated, holistic approach to learning. To develop a global perspective, the school has cultivated a multicultural mix of students and faculty, and combined that with faculty assignments abroad and partnerships with other business schools and organizations around the world. More than 40 different countries are represented by about half of the school's full-time MBA students.

The holistic approach is even more unusual and begins with mythodra-

ma, an alternative management technique rooted in the world of arts and theater. Mythodrama experts use the works of Shakespeare to help MBA students and businesses explore management issues, experience personal development, and hone leadership and presentation skills. Run by Cranfield's The Praxis Centre—The Centre for Developing Personal Effectiveness, the mythodrama programs address the individual's body, mind, emotions, and spirit. The program emphasizes personal awareness, leadership, team building, communication, imagination, and creativity. Richard Olivier, son of Sir Lawrence Olivier, is among the tutors.

Leadership and creativity skills are enhanced by state-of-the-art technical facilities, in which microphones, Web cams, and virtual classrooms