

# BizEd

MARCH/APRIL 2010

Bank of America's  
**Barbara  
Desoer**

Education and the Economy

---

Testament to Assessment:  
What Works, What Doesn't

---

Putting BBAs on the  
Path to Career Planning



# BizEd Contents

MARCH/APRIL 2010

VOLUME IX, ISSUE 2



- 6 From the Editors
- 8 Headlines
- 46 Research
- 52 Technology
- 54 Your Turn
- 56 Bookshelf
- 58 Calendar
- 60 Classifieds
- 64 Spotlight

Cover photo by  
Edward Caldwell

## FEATURES

- 16 **Banking on Customers**  
Barbara Desoer presides over Bank of America's Home Loans division and puts her faith in customer-centric banking.
- 22 **Making Sense of Assessment**  
Three different perspectives on setting up assurance of learning programs—and the testing options that work.
- 24 **Assessment Investment**  
Carol DeMoranville shares Bryant University's five-part strategy for successfully instituting assurance of learning programs.
- 31 **Putting Learning to the Test**  
GMAC's Lawrence Rudner explains how frequent testing improves student learning.
- 34 **Testing, 1... 2...**  
Indiana University's Subir Bandyopadhyay and Anna Rominger show how combining standardized and conceptual tests helps measure student learning.
- 40 **Passport to Success**  
Elliot Grossman describes a closely mapped career development plan that prepares Xavier University students for life after graduation.

# From the Editors

## What Do I Know?

If I actually knew everything that I studied in college, I would surely be in the top ranks of Mensa. How to calculate derivatives, apply the Schrödinger equation, recite Shakespeare's sonnet "My mistress' eyes" from memory, play the first movement of Beethoven's "Moonlight Sonata" on the piano—all of it, forgotten. Much of it, especially those derivatives and equations, I never really mastered in the first place.

Luckily, I retained the functional knowledge honed through my college studies: organizational skills for planning, critical thinking to synthesize information, communication skills to conduct interviews, and composition skills to write effectively. But how would my school, my instructors, or even I know for sure that my degree was a testament that I had those crucial skills in hand?

Increasingly, business educators don't want there to be any doubt about what their students can do. At a time when accreditation organizations, governmental agencies, and even the public at large are demanding stronger assurance of learning standards, schools are investing substantial resources into learning assessment. They want to ensure that a business degree isn't just a credential, but a guarantee that students possess the skills to succeed.

To help schools achieve that goal, we've made assessment the focus of several articles in this issue. For instance, Carol W. DeMoranville explains how Bryant University got faculty enthusiastically involved in the assessment process. As she puts it in "Assessment Investment," the benefits to schools are abstract, while its costs are concrete. For that reason, she argues, schools have to create assessment plans that make the benefits real, measurable, and motivational for students and faculty alike.

Other articles look at the link between testing and assessment. Subir Bandyopadhyay and Anna Rominger of Indiana University Northwest debate the pros and cons of test-based assessment, while GMAC's Lawrence Rudner argues that more frequent testing could produce better learning outcomes.

Not only that, but effective assessment could encourage students to take more active roles in the learning process. I know that as a college student, I was often—and unfortunately—more worried about my GPA than about what I had actually learned. When students have that attitude, it can only make professors sigh in resignation.

On the other hand, when presented with clear and ongoing mileposts of their own progress, students might be inspired to contribute more to discussion, connect more frequently with professors, and take stronger action when their skills aren't measuring up. That attitude would enrich students' learning experiences *and* make the professor's job that much more satisfying.

And years later, perhaps it would inspire former students to pull out that Shakespeare sonnet from time to time—just to refresh their memories. **Z**



Lucia Bisson

# Headlines



## Universities Respond to Tragedy in Haiti

When a devastating earthquake hit Haiti on January 12, individuals and institutions around the world quickly began organizing themselves to offer help. Despite the fact that many universities were still on winter break when the quake occurred, dozens of business schools were among the institutions moving fast to coordinate relief efforts.

At Fairfield University's Dolan School of Business in Connecticut, there's been a special connection to Haiti for the past nine years. Professor Winston Tellis and his students have worked with a rural bakery, devising business plans and management strategies that have kept it operating through economic ups and downs. The bakery was severely damaged in the earthquake, but Tellis—and Fairfield—have been able to draw on complex networks of friends and alumni to offer broad assistance to the country itself. For instance, Tellis helped bring together

representatives from Fonkoze, a major microfinance organization in Haiti, with Mercy Corps, a group of crisis professionals who provide aid services around the world.

"Mercy has enormous resources in emergency situations," says Tellis. "Fonkoze has the know-how on the ground. Together they've brought in money and food and teams of IT people, and they're doing incredible work."

Students, faculty, and staff at Fairfield also have organized a coordinating committee to discuss what they can do to help Haitians—even once the earthquake stops being front-page news. "We're making a plan to keep the issue in front of our campus for the long term, to continue to be of assistance in any area where we have skills," Tellis says.

Other business schools and universities also have moved fast to organize assistance. For instance, the University of Miami in Florida held a candlelight vigil for quake victims and dedicated a Web site where students, faculty, and other stakeholders

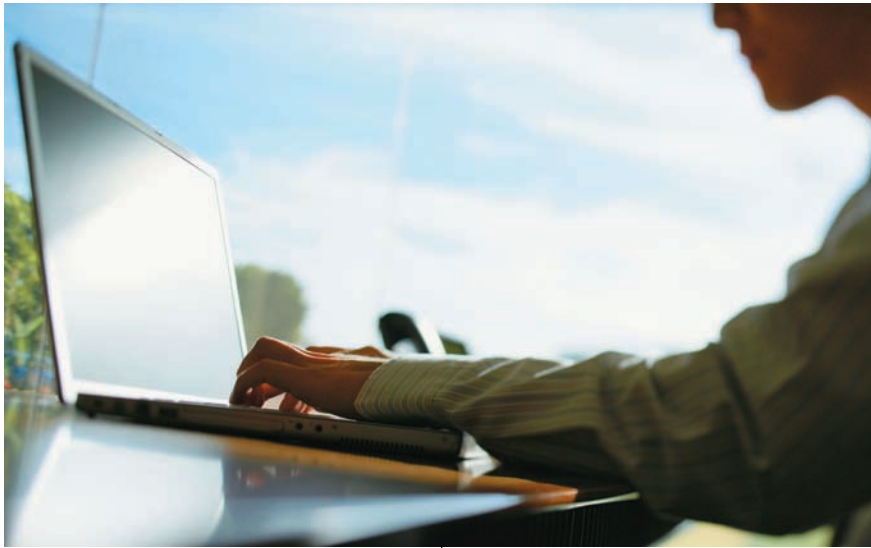
could make monetary donations. The weekend after the earthquake, Loyola University New Orleans—a Louisiana school that suffered through the Katrina disaster—hosted a free concert where audience members could donate funds and used a chapel mass to gather more than \$3,000 for relief efforts. UNO also assembled a Hope for Haiti task force, which was planning a music benefit in late February and other events.

In the coming weeks, universities and business schools all over the world are expected to respond to the disaster with fund raisers and other initiatives. In late January, AACSB International and Net Impact issued a joint statement acknowledging the tragedy and urging their members to join the relief efforts.

"As educators and corporate citizens, we have the unique opportunity on a daily basis to mold the minds, actions, and benevolent spirit of the next generation of leaders," said the release from John Fernandes, president and CEO of AACSB, and Liz Maw, executive director of Net Impact. "It is now that we must encourage our communities to join in the universal relief efforts and answer the call with fund raising and volunteer efforts."

Members of both organizations are encouraged to send the details of their initiatives to [amyp@aacsb.edu](mailto:amyp@aacsb.edu). The organizations plan to publish stories that best embody "the spirit of generosity and social responsibility" in these tragic times.

At Fairfield, the plan is to identify one reputable organization through which to channel all the university's assistance. "What we do is a drop in the bucket," Tellis acknowledges, "but all the buckets together might fill the ocean."



## Work Experience and the MBA

**Does the value of an MBA degree differ** for those who come to school with work experience and those who don't? Yes, according to results of a study conducted by professors at the Crummer Graduate School of Business at Rollins College in Winter Park, Florida.

The study investigated the economic benefits and costs individuals might incur by gaining work experience before enrolling in a full-time MBA program, compared to enrolling immediately after completing undergraduate studies. It concluded that there is a financial disadvantage to delaying matriculation into a full-time MBA program.

While graduates who had less work experience had lower starting salaries, the difference was overcome by the advantage of getting an early start on careers. The study found that, once they've turned 30, graduates who attended business school right out of college were paid about the same amount as those who worked one to five years before pursuing their MBAs. Those who delayed matriculation chanced incurring a long-term penalty. Five

years after receiving their MBAs, graduates without work experience showed an average 96 percent gain in salaries, compared with an 80 percent gain for those who had five years' experience or less.

The research supports an increasing awareness that dropping out of the workforce at age 28 to attend a two-year MBA program creates a large opportunity cost, in terms of both lost salary and lost career momentum, particularly in fast-moving industries. Possibly as a result, alternatives to enrollment in full-time MBA programs continue to surge, whereas full-time programs have seen a decrease in applicants in recent years. Part-time students do not incur the

high opportunity cost of forgone salary and many have their tuition reimbursed by their employers.

The research was conducted by Mark Johnston, the Alan and Sandra Gerry professor of marketing and ethics; Keith Whittingham, associate professor of management science; and Ronald Yeaple, former associate dean and distinguished professor of marketing. Full findings of the research appeared in Volume 85, Issue One, of the *Journal of Education for Business*.



## Minority Professors Reach Milestone

**Late last year, Shalei Simms became a** human milestone: She was the 1,000th person from an underrepresented U.S. minority to earn her PhD in business. That achievement is impressive because only 15 years ago, there were fewer than 300 African Americans, Hispanics, and Native Americans who were doctorally qualified in business.

Those statistics have been tracked since 1994, when the PhD Project was launched to support minor-



ity candidates pursuing doctoral degrees in business. To encourage these students to persevere in their studies, the PhD Project holds an annual two-day conference where they can hear from current minority deans, professors, and students; and it sponsors doctoral student associations where candidates can network with peers. For more information on the organization, visit [www.phdproject.org/](http://www.phdproject.org/).

Simms received her PhD in management from Rutgers-Newark in New Jersey, and currently is a business professor at Ramapo College in Mahwah, New Jersey.

Ramapo College president Peter Mercer says, "We enroll a lot of first-time college students, and it's

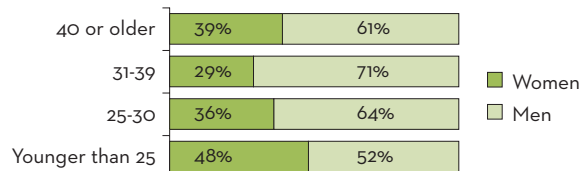
# THE GMAT® REPORT

## Assessing a Diverse Talent Pool

With the GMAT exam, the Graduate Management Admission Council provides access to and a wealth of information about an increasingly diverse pool of students.

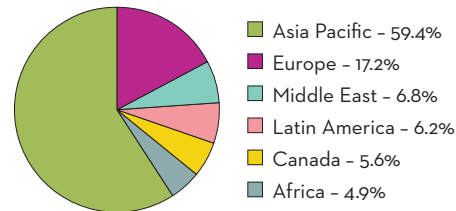
### More Women

Women accounted for 104,880 (39%) of GMAT exams taken in the 2008-09 testing year, the most ever. Gender distribution by age group:



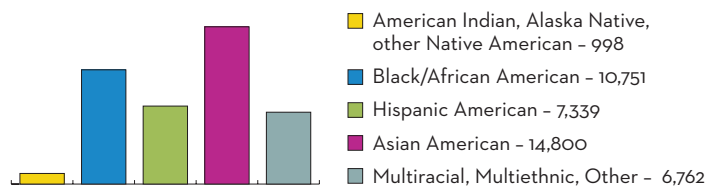
### Increasingly Global

For the first time, the majority of the GMAT exams (135,105 or 51%) were taken by non-US citizens. These potential applicants were citizens of the following regions:



### Growing US Diversity

Of the 130,508 GMAT exams taken by US citizens, 40,650 (31%) were taken by non-whites, a 26% increase in five years. Breakdown by race/ethnic group:



Source: 2009 Profile of GMAT Candidates. Explore data by examinee characteristics with the GMAT Interactive Profile at [gmac.com/research](http://gmac.com/research)

GMAC has more than 50 years' worth of graduate management education data. It also provides contact information to help schools recruit a diverse student body with the Graduate Management Admission Search Service® (GMASS®) at [gmac.com/gmass](http://gmac.com/gmass).

© 2010 Graduate Management Admission Council® (GMAC®). All rights reserved. GMAC®, GMASS®, Graduate Management Admission Council®, and Graduate Management Admission Search Service® are registered trademarks of the Graduate Management Admission Council in the United States and other countries.



important for them to have role models. It's also really important for them to see that women, particularly women of color, are right at the heart of business planning.”

## Freshmen Eye Entrepreneurship

First-year college students are showing an increasing interest in entrepreneurship, according to a study released late last year by the Ewing Marion Kauffman Foundation of Kansas City, Missouri. The study, *Trends in Business Interest Among U.S. College Students*, is based on data available through the Cooperative Institutional Research Program, which surveys college freshmen in the U.S.

The study found that student interest in entrepreneurship climbed steadily through the 1970s and '80s, dropped in the early '90s, and then began climbing again. In 2008, 3.3 percent of student respondents chose “business owner or proprietor” as their preferred careers.

According to CIRP data, minorities and women have become significantly more interested in entrepreneurship over the past 30-plus years. In 1976, only 0.5 percent of female freshmen wanted to become business owners; in 2008, that number was 2 percent. In the 1970s, white students were the most likely to express interest in entrepreneurship, but by the late 1980s, black freshmen became the predominant group proportionally to express interest in business ownership. They have continued to widen the lead from the 1990s on. More information about the survey can be found at [kauffman.org](http://kauffman.org).

## SHORT TAKES

### NEW APPOINTMENTS

■ **Edward Snyder** has announced he is stepping down as dean of the Booth School of Business at the University of Chicago in Illinois, effective June 30. Since Snyder became dean in 2001, the school has doubled its number of endowed professorships, tripled the amount of scholarship assistance it offers to students, expanded to campuses in London and Singapore, moved into a new facility, and received the \$300 million gift from David Booth that resulted in the school's new name. After a year's leave, Snyder will assume the deanship at the Yale School of Management in New Haven, Connecticut, in July 2011. Sharon M. Oster will continue as Dean of Yale SOM during Snyder's sabbatical year.

■ **Mark Bannister** has been named the new dean of the College of Business and Leadership at Fort Hays State University in Kansas. Bannister was most recently chair of the department of information networking and telecommunications, which was named the Undergraduate Program of the Year in 2008 by the International Telecommunications Education and Research Association.

■ Columbia Business School in New York City has named **Shang-Jin Wei** director of the Jerome A. Chazen Institute of International Business. Wei is the N.T. Wang Professor of Chinese Business and Economy at Columbia Business School and professor of finance and economics at the School of International and Public Affairs.

■ **Luis Gomez-Mejia**, professor of management, was installed in fall 2009 as the inaugural holder of the Benton Cocanougher Chair in Business at Mays Business School at Texas A&M University in College Station. The chair was funded by a gift from the school's namesake, Lowry Mays, who recently provided \$7.5 million with matching funds to create a \$12 million gift. The chair is named in honor of Benton Cocanougher, who served as dean of Mays Business School from 1987 to 2001.

■ **G. Thomas Lumpkin** has been named the Chris J. Witting Chair in Entrepreneurship at the Martin J. Whiteman School of Management at Syracuse University in New York.

■ The Tippie College of Business at the University of Iowa in Iowa City has created two named faculty positions in honor of **Gary Fethke**, former dean and faculty member. **Frank Schmidt**, professor of management and organizations, has been named the Gary C. Fethke Chair in Leadership, and **Lopo Rego**, associate professor of marketing, has been named the Gary C. Fethke Faculty Fellow.

### HONORS AND AWARDS

■ **Chee Chow** has been honored with the Lifetime Contribution Award from the American Accounting Association. The award was presented during the First Annual *Journal of Management Accounting Research* Conference in January. Chow is an emeritus professor of accountancy at San Diego State University's College of Business Administration in California.

### COLLABORATIONS

■ **Bryant University** in Smithfield, Rhode Island, has joined with the CFA Institute and the Providence Society of Financial Analysts to develop a program for journalism and business students. The program will provide practical insight into how professional investors approach equity research and analysis. During the program's first field test, professional equity analysts took Bryant business and communications students through the processes they follow to analyze a publicly traded company. Eventually, the program will be rolled out for use by other CFA Societies in the U.S.

■ A new center dedicated to improving the financial literacy of the American public has been launched by the RAND Corporation, a think tank based in Santa Monica, California; **Dartmouth College** in Hanover, New Hampshire; and the Wharton School at the **University of Pennsylvania** in Philadelphia. The Financial Literacy Center will develop educational



materials and programs designed to help foster retirement savings strategies at all stages of life. The new center, which received more than \$3 million in its first year from the U.S. Social Security Administration, will be led by director **Annamaria Lusardi** of Dartmouth College and RAND, associate director **Olivia Mitchell** of the Wharton School, and associate director **Arie Kapteyn** of RAND.

#### NEW PROGRAMS

■ The College of Business at the **University of North Texas** in Denton has created a new bachelor of science degree program in aviation logistics. The program complements the existing logistics and supply chain management degree. The aviation logistics degree includes two tracks—one focusing on aviation flight operations, and one focusing on the management of airport and air cargo operations.

■ The **University of North Carolina at Greensboro** has launched a cross-disciplinary entrepreneurship major that will draw from the more than 30 related offerings already available on campus. Students will take half of their courses in the Bryan School and the remainder in the College of Arts and Sciences and other professional schools. Each student must also take at least one course from seven profile areas and complete a required internship.

■ **Thunderbird School of Global Management** in Glendale, Arizona, will provide executive development for senior officials in the Iraq Ministry of Interior (MOI), the country's hub of internal security operations. Leading the customized program will be Paul



Kinsinger, who spent more than 20 years as a CIA analyst specializing in the Middle East. Course topics will include the impact of globalization, global supply chain management, budgeting and finance, managerial professionalism, the impact of IT, critical decision making, and negotiation strategy. The Thunderbird program is part of a larger effort by the U.S. military to build lasting capacity within Iraq so the country will be able to operate independently after Coalition forces leave the region. The Thunderbird program will be the capstone event of an extended executive trip to the United States.

■ The Peter J. Tobin College of Business at **St. John's University** in Queens, New York, has introduced two new master's of science programs, one in enterprise risk management and one in investment management. The MS in enterprise risk management focuses on identifying the financial consequences of business opportunities and practicing proactive management. The MS in investment management covers ethics, economics, finance, financial reporting, and quantitative methods;

and it includes most of the information students need to become Chartered Financial Analysts.

■ The **University of South Florida** in Tampa will soon offer a business advertising degree that will give students a choice between business and mass communications tracks. The new degree is an expansion of USF's existing Zimmerman Advertising Program into a collaborative effort between the College of Business and the School of Mass Communications in the College of Arts and Sciences.

■ Starting in the fall, **Duke University** in Durham, North Carolina, will offer a one-year master of management degree in clinical informatics. It will be offered by the Fuqua School of Business in partnership with the Duke Center for Health Informatics.

#### GRANTS AND DONATIONS

■ The **Yale School of Management** has received a pledge for the largest—and perhaps the luckiest—gift ever made by a graduate of the school. Lei Zhang, who received his MBA in 2002, will give \$8,888,888 to the school, a number chosen because it is considered lucky in China. Much of the money will help build the SOM's new campus. The rest will support scholarships for the International Relations Program at Yale's new Jackson Institute of Global Affairs, as well as a variety of China-related activities at the university.

■ **Northeastern Illinois University** in Chicago was recently awarded a





## SHORT TAKES

Title V grant, totaling nearly \$2.6 million over five years, from the U.S. Department of Education. The money will support the MBA and master of science in accounting programs in the College of Business and Management.



■ The College of Business Administration at the **University of Tennessee, Knoxville**, has received a substantial gift from **Joe Crafton**, president of **CROSSMARK**, a firm that provides services to the consumer goods industry. Crafton and many family members are alumni of the school. His gift supports technology in the college's new James A. Haslam II Business Building and shopper marketing efforts in the college's Department of Marketing and Logistics. The college has named the Crafton Family Terrace in the Haslam Business Building in his family's honor.

## OTHER NEWS

The **W.P. Carey School of Business** at Arizona State University in Tempe has partnered with Marcos de Niza High School to turn it into the first business magnet high school in the area. Faculty from the business school are consulting with teachers to help develop the curriculum for the Marcos Business Academy, which will focus on core fields such as marketing and management. Students in the magnet school will also have access to seminars, guest speakers, and mentors from the Carey School.

■ Last fall, the **ADEN Business School**, Universidad Alta Dirección, began

activities in Havana, Cuba. ADEN, which first opened its doors in Argentina 16 years ago, has training centers in 14 countries and a faculty of nearly 150 professors. The school has alliances with universities in the U.S. and Europe, including George Washington University, MIT, the University of San Francisco, Stetson University, Universidad Francisco de Vitoria, and Universitat Internacional de Catalunya, and others. Its launch program in Cuba is offered in partnership with the country's chamber of commerce and targets executives from across Latin America.

■ The Jerome A. Chazen Institute of International Business at **Columbia Business School** in New York City has announced a new venture: "The Program on Indian Economic Policies: Free Trade, Democracy and Entrepreneurial Development." The research program will include scholars from Columbia Business School and other institutes across the university, as well as other universities and think tanks in the United States and India. The program is supported by a major grant from the John Templeton Foundation. **Arvind Panagariya**, professor of economics & Jagdish Bhagwati Professor of Indian Political Economy, will serve as the director.

■ The new Hunter and Stephanie Hunt Institute for Engineering and Humanity at **Southern Methodist University** in Dallas, Texas, will pair technological innovation with business collaboration to improve conditions for the global poor. The institute, which will be housed at SMU's Bobby Lyle School of

Engineering, was established with a total of \$5 million from the Hunts, William T. and Gay F. Solomon, Bobby B. Lyle, and others. The money will also create two endowed professorships to support an interdisciplinary approach to delivering basic technology to the impoverished. **Jeffrey Talley**, chair of the Lyle School's environmental and civil engineering department, will become the Bobby B. Lyle Endowed Professor in Leadership and Global Entrepreneurship and serve as director of the institute. A search is under way for a scholar with broad experience in developing technologies and infrastructure for emerging economies to become the William T. and Gay F. Solomon Endowed Professor in Engineering and Global Development.



■ The Williams College of Business at **Xavier University** in Cincinnati, Ohio, is developing the Sedler Family Center for Entrepreneurship and Innovation to launch and sustain businesses in the greater metropolitan area. It is named for the Sedler family, which has made generous donations to the university. The director will be **Joseph Carter**, who teaches management and entrepreneurship at the Williams College of Business.

## Correction

The article "A New Model for Management Education," which appeared in our January/February issue, referred to the launch of the Lorange Institute of Management Zurich in Switzerland. The school is now being called the Lorange Institute of Business Zurich. **Z**

# Banking on Customers

by Sharon Shinn

For someone perched fairly high in the banking hierarchy, Barbara J. Desoer has never lost sight of the end users who borrow money, save money, and worry about money. Even in a short conversation, she finds numerous ways to rephrase a simple philosophy of business: *The customer comes first.*

Desoer, president of Bank of America Home Loans based in Calabasas, California, believes that banks and other institutions will only weather the economic storm by keeping the customer front and center. “During the downturn, we’ve learned so much, and some of it seems pretty basic,” she says. “Many people will say, ‘We all know you should put the customer first,’ but not everybody leads with that philosophy. It makes all the difference.”

She’s in a position to know. Bank of America’s Home Loans division serves almost 14 million customers, or nearly 20 percent of those who have home loans in the U.S. That’s a division she has led since 2008—which means she’s had a firsthand close-up look at how American consumers have dealt with the turmoil in the housing market for the past two years.

Barbara Desoer has helped shepherd Bank of America’s Home Loans division through the collapse of the housing market. She knows that giving customers what they want is the only sure road to economic recovery.





Desoer has held a wide variety of other positions since she joined the bank in 1977, including consumer products executive and chief technology and operations officer. Her versatility and skill have earned her wide recognition; she has been called one of the “100 Most Powerful Women in the World” by *Forbes* magazine and one of the “50 Most Powerful Women in Business” by *Fortune*.

In 2007 she was named “Business Leader of the Year” by the Haas School of Business at the University of California in Berkeley, where she earned her MBA. She serves on the advisory council at the Haas School, and she has definite ideas about how business students can prepare themselves to enter the world of business—even in turbulent times.

**If you were teaching a finance class to business students right now, how would you explain to them what went wrong with the economy in the past two years?**

I’d give them my perspective, which is that the downturn was led by a crisis in the housing market that led to a credit crisis and ultimately to global recession. I’d tell them that a long list of factors brought us to the current state. These include excessively low interest rates for a long period of time, fundamental flaws in the housing market, and massive global liquidity.

Other factors were complex securitizations in the mortgage market, where the investors lost sight of the whole chain of transaction and didn’t really understand their risk position. At the same time, investment banks were freed

from leverage limits and were overly dependent on debt to finance their activities.

All of these factors led to businesses and consumers being very highly leveraged. When the liquidity stopped, credit dried up immediately. I think the speed of the impact was partly enabled by technology systems that allowed liquidity to flow globally.

What happened next was that businesses, particularly in the U.S., reacted. They stopped hiring, they fired and laid off workers, they shut off inventory production, and they shut off capital investments. They took all of these actions in combination at a rate we had not seen historically. I’d tell students that all of these factors need to be considered if they’re going to understand what went wrong.

**What can a business school do to educate the next generation of finance professionals so they learn from this crisis?**

The school can let its students know that they’re in a unique position. They have access to intellectual capital and, while they’re in the safe environment of the university, they can study why and how the downturn happened. But even more important, they can focus on coming up with creative ideas about how to turn the world economy around. They have a wonderful opportunity to learn from the crisis and take positions that will influence how we get to the other side.

**How do we get to the other side?**

We must challenge the business models that operated in a high-growth environment and create models that will operate in the current environment. Sometimes it just takes a new pricing and marketing strategy. Other times it requires fundamental reinvention of the business model from end to end.

At Bank of America, we lead with the customer. We assess what our customers need and what they desire, form a hypothesis of how they will behave, and then build business models around those behaviors. And we do this across all segments, whether consumer, business, or government agency. In the consumer segment, for instance, we see that some of our customers have been changed forever in terms of how they will spend and save.

For example, I recently read a *BusinessWeek* article about how Subway got the idea for its \$5 footlong sandwich from a franchise owner in Florida who wanted to stimulate demand on the weekends. Once the promotion was adopted by the whole chain, it generated \$3.8 billion in sales in the U.S.

The Subway promotion was built around the behavior of consumers, who have shown that they want quality at a reasonable price. In this economy, consumers are saying, “I

“Business students can come up with creative ideas about how to turn the world economy around. They can learn from the crisis and influence how we get to the other side.”

need to save money. I'll eat half of the sandwich now and take the other half home for dinner.”

Technology also has had a major effect during this crisis, enabling businesses to make changes in inventory and capital investment almost overnight. We need to determine how we can invest in such capabilities in the future.

**During the economic turmoil, dozens of banks failed—more than 100 in 2009 alone. How did Bank of America stay healthy when other banks went under?**

One reason is that we have a diversified business model—we're not just an investment bank, we're not just a consumer bank. While having a large consumer base is hurting us from a credit perspective, it's wonderful to have consumers who currently have a bias toward saving money. We know we need balance sheet strength. High levels of liquidity and capital have enabled us to weather part of the storm.

I think we were also helped because we had invested so much in our brand. Through every merger and acquisition, we've reinforced our brand for a new set of customers and reinforced our culture among new associates.

**Bank of America was also eased through the crisis with \$45 billion in federal bailout funds through the Troubled Asset Relief Program (TARP). Many people argued against the distribution of this bailout money. Why do you think it was justified?**

When the Treasury Department created TARP, the point was to ensure that all major banks were adequately capitalized so they could continue to extend credit and help the economy recover. When we were asked to participate in the program, we had just completed a capital raise of about \$10 billion, and we felt strongly that we didn't need additional capital. But the government indicated that all banks should participate in TARP so that no one could be singled out as vulnerable or weak. Ken Lewis, our CEO at the time, agreed.

It's important to remember that TARP is an investment, and we paid a healthy dividend rate on that investment. As of December 2009, Bank of America repaid all \$45 billion of the taxpayers' investment, plus nearly \$3 billion in interest.

**A huge part of the economic downturn was tied to the collapse of the housing market. Bank of America originates one in five home loans sold to Americans—what was the effect on your institution when the housing market began to crumble?**

We did not do subprime mortgage lending, so—relative to the competition—we had a very strong portfolio at that time, but it wasn't a very scalable operation. When we saw that an institution like Countrywide Financial Corporation had become vulnerable, we acquired it. We used the collapse of the housing market as an opportunity to complete the product set we wanted to offer U.S. consumers, including first mortgages.

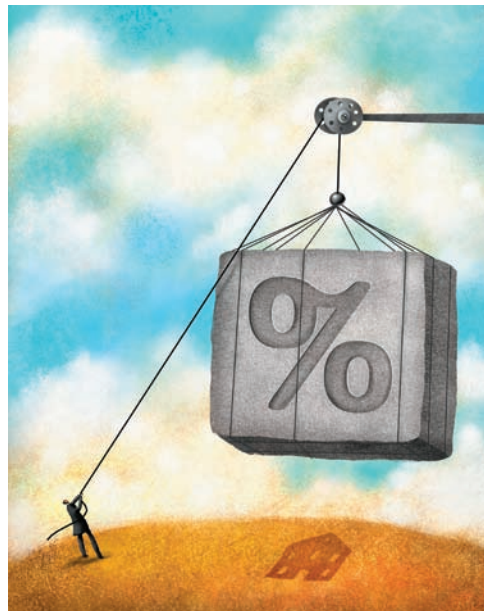
**You led the team integrating Countrywide into Bank of America. What were the key elements in making that merger successful?**

Any merger requires the people, culture, and technology of two companies to convert to one system. We do an in-depth cultural assessment of the company we're acquiring or merging with to understand how the two cultures compare and contrast. Then we build a close-the-gap plan that details where we're starting and where we need to be.

We also build a team of people who focus full-time on managing the transition. We have more than 500 people and a very strong leader who manage that work stream for us. They build the game plan for how we achieve the cost savings we commit to as part of the merger, largely by integrating the technology platforms. That allows the rest of us to focus on business as usual.

As we integrated Bank of America and Countrywide, we also relaunched the Bank of America Home Loans brand, which enabled us to generate \$378 billion in first mortgages in 2009, helping 1.7 million consumers purchase or refinance homes. So as a result of the acquisition, we helped consumers get cash flowing into their households again during the downturn.

**You led the launch of the Bank of America Home Loans brand, which provides consumers with easy-to-understand information about the borrowing process. One**



**of its major points seems to be making the loan process transparent for consumers.**

That's exactly right. We did a lot of customer research to ask, "What's important to you?" And during this time of upheaval in the market, a desire for transparency was top of mind for customers.

We offer tangible evidence of our commitment to simplicity and transparency, primarily by providing our Clarity Commitment at each loan application and again at closing. This is a one-page summary of all the terms, conditions, rates, and fees customers would ever incur. They can go into the transaction understanding the maximum they would ever need to pay for that loan product.

We've also revamped the home loans guide on our Web site to enable customers to make informed decisions when buying or refinancing homes. In addition, we've developed simplified communications for other services we offer, such as credit cards, overdraft protection, and new deposit accounts.

**Today's business students are graduating into an uncertain job market—and those who have majored in finance could face a particularly tough search for employment. How would you advise these students to approach their career paths?**

Flexibility is the No. 1 priority! I graduated during a recession back in the '70s. I knew my ideal next steps, and I knew my backup plans, and I think I ended up going with the fourth backup plan. In hindsight, it was the best thing that could have happened to me.

I would tell students to be optimistic, but realize that they need to be open-minded. At Bank of America, we're still hiring, but we might not be hiring for the exact jobs they want. Students might need to take a more circuitous route to get to their end games—they need to take long-term views.

Graduates also should really think about the company or the entity they'll be working for, the people who are there, the values that are important to the company. Then, when they take jobs, they should realize that they have an opportunity to help deliver the economy from this recession. They're going to find that more companies are willing to embrace new ideas because so many business models need to be reinvented.

My final advice to graduates would be to make sure that somebody is always asking about the customer. Don't use old assumptions about consumer behavior. Make sure the company is staying current on knowledge about and insight into customer behavior and is using that as the foundation for any decisions its leadership makes.

## Upper-Level Textbooks Are As Important To Us As They Are To Our Authors

**Because That's All We Publish.**

Visit [wohlpublishing.com](http://wohlpublishing.com) to learn how we uniquely value and support the authors of upper-level textbooks.




**You received your MBA from Haas. What parts of your business education have helped you the most?**

I was attracted to Haas initially because the school had a strong analytical component, particularly in finance, which was a good match for my math background and my process thinking. But Haas also incorporated the case study method and encouraged students to be intellectually curious. And because it took this combined approach, it reinforced some of my strengths and pushed me to be more creative. I learned to balance facts and intuition, or facts and the perspectives of the team, and this has served me very well.

**How have your goals changed since you began your career? What do you see as your next step?**

As I've evolved in my career, what's become important is making a difference in the next generation of leaders in this company. I've also found it extremely stimulating to lead a business during a time like this—to lead a business that plays a *major* role in the housing market and its recovery. It's also been extremely gratifying to lead a merger, to assess the talent we've acquired, and position that talent for success. The timing of this particular situation has been phenomenal.

I always say that every opportunity I've had in this company has been better than the last one. Just when I think it can't get any better, it always has. 

# Making Sense of Assessment

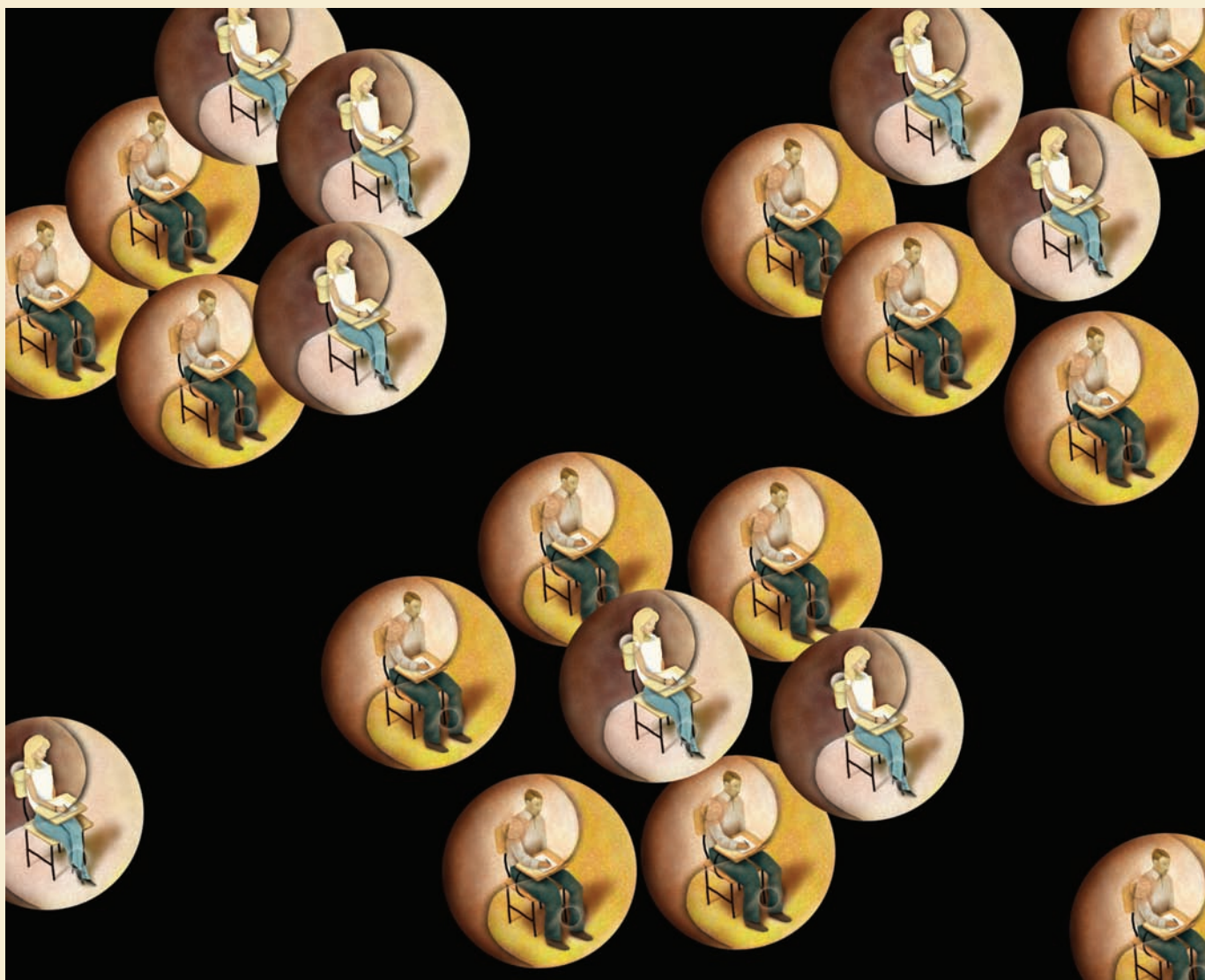
**B**usiness school administrators have so much on their plates already, with budgets, fund raising, curriculum revisions, accreditation, and more. Adding yet another significant task can seem overwhelming. Yet learning assessment could well be as important to a school's operations as the other activities combined. After all, learning assessment and assurance of learning represent a central tenet of a business school's mission: making certain that students have learned what they need to make valuable contributions to business.

In this issue of *BizEd*, we present a variety of perspectives on the planning, design, and implementation challenges a business school faces when designing an effective assessment plan. How can a school involve all of its faculty members in the process? What does it take to get a complete picture of student learning? In what ways can student learning be measured? How often should schools test their students, what tests should they use—and when is testing not enough? We hear views on these questions from Bryant University in Smithfield, Rhode Island; Indiana University Northwest in Gary; the International University of Monaco; Erasmus University in The Netherlands; and the Graduate Management Admission Council in McLean, Virginia.

Setting assessment policies and procedures might be among the most detailed tasks administrators will tackle. But the educators here emphasize that, once in place, effective assessment can enhance learning, enrich teaching, and actually save time and effort in the long run. In the following section, they share advice, experiences, and insights in an effort to ease the way for other schools currently planning, developing, or refining their own assessment plans.







# Assessment Investment

A five-point strategy helps schools overcome faculty resistance to assurance of learning programs and encourages professors to invest in the assessment process.

by Carol W. DeMoranville

**M**ention assessment to most faculty, and they suddenly become too busy to have even a three-minute chat. Their file cabinets need cleaning out, their class notes from 1999 need updating, they're on their way to an off-campus appointment. Assessment is an anathema to many professors, who consider it just another way for administrators to interfere with teaching. And yet,

business faculty must get on board with assessment practices, because AACSB International requires accredited schools to maintain faculty-driven assurance of learning programs.

I've been involved in a number of assessment programs, and I've concluded that faculty usually have three reasons to resist. First, they're already so busy with research, teaching, and service requirements that they have little time for additional activities, particularly ones they perceive as busy-work. Second, they question the value of assurance of learn-

ing activities because the benefits are abstract, while the costs are concrete. Furthermore, the benefits—better learning—accrue to the students, while the costs—additional work—accrue to the faculty.

Third, and this is paramount, they think these programs impinge on their academic freedom. They are adamant about maintaining complete authority to design and deliver their courses as they see fit.

But it *is* possible for schools to design assurance of learning programs that overcome these obstacles to faculty participation. At Bryant University's College of Business, we have adopted strategies that have resulted in more than half of our faculty participating in the assurance of learning process. Other areas of the university have also benefited, as many of our assessment practices have spilled over into the College of Arts & Sciences.

We believe there are five key factors in making faculty enthusiastic about assessment: a supportive administration, a faculty champion, an evolving development process, a well-defined structure, and an emphasis on excellent communication. In our case, two other factors helped us enlist faculty support when we needed it most: an impending AACSB Maintenance of Accreditation visit, and a growing program that appealed to new faculty, who might have been more receptive to assurance of learning than more entrenched professors. But while these last two components provided an extra push, we believe that the real keys to our success are the first five factors—and that any other school can employ them as well.

### **One: Top-Level Support**

For any program to succeed, the most senior-level members of the administration must be behind it. At Bryant, our most ardent supporter of faculty-led assurance of learning proved to be Jack Trifts, who became dean of the College of Business in 2005. Trifts immediately convened an Assessment Committee composed of one representative from each college department. He also served as an active participant on the committee.

In three ways, he signaled to faculty across the college that assurance of learning was critical. First, by serving on the assessment committee himself, he showed how important he thought it was, and he encouraged other faculty members to move quickly on assessment efforts. He also modeled behavior and provided insights about assessment practices, since he had served on AACSB reaccreditation teams for a number of schools.

Second, he made sure assessment was an agenda topic at all collegewide faculty meetings, which were held three

or four times a year. At those meetings, even faculty who weren't yet actively involved in assurance of learning were kept informed of the progress made by members of the Assessment Committee.

Finally, Trifts gave other members of the committee financial and strategic support. He made sure they were sent to AACSB assessment conferences, and he gave them copies of *Assessment of Student Learning in Business Schools: Best Practices Each Step of the Way*, edited by Kathryn Martell and Thomas Calderon.

### **Two: A Faculty Champion**

A school that wants a faculty-led assurance of learning process must have an outspoken proponent who is knowledgeable about the subject and will speak about it enthusiastically to anyone, anywhere, anytime. This assessment cheerleader should be a full-time faculty member with teaching, research, and service responsibilities who has credibility with the rest of the faculty and is respected by colleagues. He or she also should be an outgoing person who proactively connects with other faculty and actively shares information. Ideally, the champion can share positive outcomes from other assessment experiences to show that, indeed, assessment is a good thing!

At Bryant, I serve as our faculty champion. Although I was new to the college in 2005, I had assessment experience at my previous school, Northern Illinois University, and I staunchly believe the assessment process has benefits for both students and faculty. I first served as our department's representative to the Assessment Committee, and I became chair of the committee in 2006.

As faculty champion, I always listen to alternate opinions and suggestions, but I will not let problems or criticisms get in the way of progress. In fact, that attitude—that determination to move forward constantly despite setbacks—is essential for anyone involved in the assessment process.

### **Three: Continuous Development**

School administrators shouldn't wait to craft the perfect assessment plan before they start implementing it, or they will surely fail. They need to design an initial plan and then jump right in, making incremental improvements as they go along.

At Bryant, our goal was to develop and implement our assurance of learning process quickly, recognizing that it wouldn't be perfect but that we could improve upon it over time. We started out by identifying learning goals and objectives for the primary undergraduate program, the BSBA. We presented a draft of the learning goals to the faculty in spring 2006, and we were already planning how to assess them while

“For an assessment program to succeed, administrators must devise a system that encourages faculty to participate—and lets them know exactly what’s expected of them when they do.”

the College of Business faculty reviewed and discussed them. It took about three months before the faculty approved the goals. Then the hard work began.

The Assessment Committee developed a matrix that illustrated which required courses covered or evaluated the objectives of the six learning goals. The matrix also indicated where we might find student artifacts, such as class assignments or completed projects, that could be used for assessment.

We chose to assess each of the six goals every academic year. However, we developed a multiyear schedule for assessment because we decided to assess only one objective for each goal in any one year. We believed this was sufficient to give us information about student achievement while keeping the workload at a manageable level. Furthermore, most of the learning goals had between two and four objectives, so we thought that a rolling schedule of assessment would give us complete information about the goal approximately every two years.

We then determined—and this was crucial—that the committee members would conduct the initial assessments. That way, we could work out any problems with the process, develop and revise rubrics, and present the faculty with a system that worked. We were very deliberate about letting the rest of the faculty know that we were “protecting” them from assessment activities, but we shared and discussed the results of our findings with them at collegewide meetings.

This strategy proved to be highly successful. By the time we were ready to roll out the assurance of learning process to the rest of the faculty, they were already on board because they had seen positive results. For instance, we were able to show measurable improvements in the ETS Major Field Test for Business, which we use to assess our general business knowledge learning goal. The results of curriculum revisions and performance incentives for students had a significant impact on subject areas where previous performance had been below expectations.

We were also able to show faculty how student performance had improved in the learning objective for written communication. One of our early assessments showed that our students needed improvement in this area—no surprise there. We invited faculty to offer potential solutions, and they suggested instituting a business communications course, increasing written assignments, and providing more detailed feedback on papers.

We encouraged faculty, when considering solutions, to use the “fatal flaw policy” developed by Kathryn Martell and shared with us at an AACSB Assessment Conference. (See “No More Fatal Flaws,” page 30.) This policy states that stu-

dents’ written work must be professionally acceptable—i.e., free from errors—or it will be returned without grading for revisions and subsequent grade penalties.

The Assessment Committee spent three semesters conducting assurance of learning studies and reporting results. When we had made our final changes to the process, we rolled it out to the entire college.

#### **Four: A Well-Defined Structure**

For an assessment program to succeed, administrators must devise a system that encourages faculty to participate—and lets them know exactly what’s expected of them when they do.

At Bryant, our Assessment Committee initially consisted of seven people: the dean; five faculty members, one from each department; and an administrative assistant who had been involved in assurance of learning processes during accreditation efforts with both AACSB and the New England Association of Schools and Colleges.

When we were ready to roll out the process to the rest of the college, we added three members, recruiting them from the graduate school administration, the Graduate Faculty Advisory Committee, and the University Curriculum Committee. This helped us establish links between assessment and all aspects of curriculum management; it also ensured that the entire college would be aware of assurance of learning activities and results. At the same time, we changed the committee’s focus to strategic management of the assurance of learning process, and we renamed it the Assessment Steering Committee.

Next, we created Goal Assessment Teams (GATs), each accountable for the assessment of one learning goal. All members of the steering committee became GAT liaisons, responsible for guiding their teams’ assessment activities and reporting the results to the committee. Every GAT was composed of the liaison plus three to five faculty members.

To select potential GAT members, Dean Trifts and I met with the department chairs, who identified professors who might have an interest in a particular learning goal and professors who were too busy to participate at this time. This method resulted in a high degree of participation. Of about 35 faculty who were selected as potential GAT members, only one deferred. But five or six who were not originally chosen volunteered to participate on a team. Even some liberal arts faculty wanted to serve on GATs where they had some natural interest. For example, a math/statistics professor joined the GAT that assesses problem solving and critical thinking.



We announced the GAT structure at a collegewide faculty meeting dedicated to assurance of learning. At that time, the teams met and planned out their activities for the semester. Their directive was ambitious: to collect and report assessment data for their learning objectives within three months.

### Five: Continuous Communication

The last key to a successful assurance of learning program is communication. It should be widespread; it should happen at the college, department, and individual levels; and it should follow both formal and informal paths.

Since we have begun the assessment program, every one of Bryant's collegewide faculty meetings has included a session on assurance of learning. At first, these updates essentially consisted of status reports. After a few semesters, though, the assessment portions of the two-hour meetings had expanded to fill at least one hour. We had lively discussions about assessment results and how to "close the loop" between measuring results and improving outcomes. The

spring faculty meeting in May—which is solely dedicated to assurance of learning results—has become the College of Business's most highly attended meeting of the year.

Communication also happens at the department level. From the very beginning, members of the Assessment Committee, and now the Assessment Steering Committee, have instituted formal discussions to keep their own departments apprised of developments. There are also formal communication paths between the steering committee and other relevant groups, such as the Curriculum Committee, the Graduate Faculty Advisory Committee, and the school's departments.

Finally, on an ongoing basis, we promote communication at the individual level. When the GAT system was implemented, every faculty member in the College of Business received an Assessment Handbook, and every new hire also receives a copy. Professors have frequent discussions about assurance of learning, partly because so many of them are actively involved in performing assessment. Originally, discussions centered on efficient ways to accomplish assessment, but once results started coming in, talk turned to improving student performance. While many discussions may start within a GAT, they quickly spill over into other forums. For example, the faculty dining room is a prime location for exchanging information about pedagogical methods for closing the loop.

### Overcoming Obstacles

I want to revisit the three primary objections faculty have to assessment and explain how they can be overcome if schools follow Bryant's five keys to success.

- *I don't have enough time.* This objection is less convincing when the members of the assessment committees and teams are all faculty members who are also teaching, conducting research, and serving on other committees. If a professor's colleagues manage to incorporate assessment activities into their busy schedules, he or she probably can as well. Furthermore, a structure like the GAT reduces the amount of assessment work that any individual has to do. Most GAT members spend 12 hours or less a semester on assessment activities.

- *I see the costs, but not the benefits.* At Bryant, we made the benefits clear, while reducing the costs of time and energy. Early on, we protected faculty from the work of conducting assessment, while we shared with them the improvements we'd made when we were able to close the loop. For instance, we showed how instituting the "fatal flaw policy" can improve student performance *and* shorten the amount of time faculty spend grading written assignments.

We also stressed that the GAT structure reduced how

## No More Fatal Flaws

Assessment expert Kathryn Martell suggests that student writing will improve if faculty institute a policy stating that student work will only be acceptable if it is free of “fatal flaws.” At Bryant University, Carol DeMoranville adapted Martell’s policy for written assignments and identified ten fatal spelling, grammar, punctuation, and format errors. These include misspelled words, sentence fragments, run-on sentences, erroneous capitalizations, incorrect punctuation, mistakes in verb tense or subject/verb agreement, improper citations, incorrect word usage or awkward writing, and lack of conformity with assignment format.

In DeMoranville’s class, papers are unacceptable if they contain more than three fatal flaws per page or ten per document. When either figure is exceeded, she will return the paper to the student without a grade. The student must correct it and return it by the next class, and the final grade will be reduced by 10 percent. A paper that still contains fatal flaws after it has been returned and resubmitted can receive a grade no higher than a D.

She tells students, “It is in your best interest to give yourself enough time to complete the assignment and carefully proofread and/or use available help before you submit the paper the first time.” She suggests that they use spelling and grammar checking software or seek advice from staff at the school’s writing center if they need help avoiding fatal flaws.

Having such a specific policy in place is useful for faculty, DeMoranville points out. It gives them a template for determining when a written assignment is acceptable—and, by extension, determining whether students are really achieving the learning goals set out by the assessment guidelines. Since instituting the policy, DeMoranville has seen a significant improvement in the quality of her students’ written assignments and a corresponding decrease in the amount of time it takes to grade those assignments.

much time and effort an individual had to spend performing assessment tasks. Ultimately, however, a few faculty were only motivated to get involved when we made it clear that substandard assurance of learning programs could cause us to lose AACSB accreditation.

• *I won’t give up my academic freedom.* Early in the process at Bryant, we spent time educating faculty about what assessment is and isn’t. We specifically stated that assessment would not result in the school dictating what faculty should or shouldn’t do in the classroom.

To date, the only mandate arising from the assessment process is that all faculty must have course objectives on their syllabi and those objectives should align with some of the program learning goals. We do not specify what the objectives should be nor which learning goals they should support. We also reiterate, at virtually every faculty meeting, that assurance of learning is about evaluating degree programs, not faculty or students.

Finally, we make sure that faculty drive the activities that close the loop. Suggestions about how to improve student performance, or maintain good performance, come from the faculty either in collegewide meetings or in smaller, informal groups. Individual professors are free to adopt suggestions or not, but the involvement and enthusiasm of their colleagues is contagious. Because of the way we have implemented assessment strategies, some of the faculty who were most concerned about academic freedom have become our strongest proponents of assurance of learning.

### All Aboard

There are many ways business schools can structure their assurance of learning programs. While we believe our system can work for other schools, every situation is unique and every school will need to find its own strategies. But we’re convinced that, no matter what system is implemented, faculty are more likely to get on board when they perceive that assurance of learning is beneficial to them and won’t cost them a lot of time or effort.

We believe that the five approaches we adopted can bolster any assurance of learning program that’s flagging for lack of participation. Top-level support, faculty champions, incremental improvements, precisely structured systems, and constant communication will spark enthusiasm for assurance of learning among faculty across the business school. **Z**

Carol W. DeMoranville is professor of marketing and Director of College of Business Assessment and Accreditation at Bryant University in Smithfield, Rhode Island.



# Put Learning to the Test

Frequent testing leads to assurance of learning—but only if the tests are done right.

by Lawrence M. Rudner

College students have a hard time remembering what they've learned, and their poor retention rate has been well-documented. For example, in a 1980 study, 1,220 college students were re-tested seven years after they had taken a two-semester economics course. On average, when compared with a group that had not even taken the course, they scored only 9.8 percent higher on course content.

Even while students are still in school, many of them appear to do well all semester, then fail the final. Others cram for the exam, but don't retain enough of the material to move on to more advanced courses. The problem may not be that students aren't *studying* enough—it may be that they're not being *tested* enough.

That conclusion is drawn from early research in the science of learning, an emerging field that has come about as public policy and mandated high-stakes testing have focused attention on learning outcomes. In this field, scientists seek to identify instructional conditions that promote robust student learning—specifically, learning that is retained for long durations, transfers to novel situations, or serves as a foundation for future learning. Starting this year, the National Science Foundation plans to fund mul-

multiple large-scale, long-term centers focused on the science of learning.

So far, it appears that a somewhat counterintuitive take on a well-known phrase is re-emerging as a theme: *Practice makes perfect*. But not just any practice. Researchers have confirmed that testing—a form of practice—produces better recall than repeated study and simple review sessions.

This “testing effect” may seem to counter the conventional wisdom that repeated studying is what enhances learning, whereas tests are just necessary evils—they motivate students to spread out their studying and they allow teachers to assign grades. Yet, the testing effect has been documented in at least 40 years of research involving students at all levels.

## Examining the “Testing Effect”

Recent studies have highlighted the testing effect and elevated interest in the science of learning. Jeffrey Karpicke of Purdue University in West Lafayette, Indiana, and Henry Roediger of Washington University in St. Louis, Missouri, have produced testing research funded by the U.S. Department of Education. Their work has appeared in scholarly journals such as *Science*, *Psychological Science*, and the *Journal of Memory and Language*.

Faculty should avoid simple recall questions such as *what* or *when*; instead, they should pose thought-provoking questions built around *why*, *how*, and *what if*.

With different subjects and different content, Karpicke and Roediger conducted multiple studies investigating retention after different study and test sequences. These included study-test-restudy-retest, study-restudy-restudy-test, and study-test-retest-retest. They also altered what was studied. If students had demonstrated mastery of some content on an earlier test, they could exclude that content from further studying or subsequent testing.

If learning were solely a function of studying, then we would expect that study-study-study-test would yield the best results, while study-test-test-test would have a neutral or detrimental effect. Furthermore, if there were no need to study material after it had been mastered, the traditional paradigm of studying something and then moving on would yield the same results as intensive studying interspersed with testing, or intensive studying followed by multiple tests.

However, Karpicke and Roediger affirmed that testing is not a neutral event and that it is not a good idea to skip over mastered material when studying. Students who followed the study-test-test-test pattern had superior long-term recall of content when compared with students who had followed the study-study-study-test or study-test-study-test sequences. Furthermore, both study-test-study-test and study-test-test-test models yielded much better results than models where students studied and were tested, and then no longer had to study or be tested on content that already had been tested.

In short, practice made perfect: Students who were repeatedly tested on the full material did best of all.

### Testing Tips

So how do faculty create tests that truly assess what students are learning? Research in testing, learning, and assessment suggests these nine strategies for improving learning—before and after a test.

#### 1. Give frequent assignments.

Before they even issue the first test, professors should give students meaningful assignments that require them to work with the material that will be covered in an exam. When students have to outline, apply, and synthesize information, they learn better than they do when they simply read or re-read material. For instance, in a statistics class, students might present case studies involving various techniques and the class might discuss new scenarios where the techniques would apply.

#### 2. Emphasize practical applications.

It's easier for students to remember concepts when they're related to practical applications than when they're presented

as abstractions. Therefore, in most business courses, theory should be kept to a minimum, used only to help students understand key issues. Of course, this depends on the students' needs. In a terminal course for business students, such as statistics, much of the theory is irrelevant. But in a statistics class for math majors, students need to understand all the formulas and how to generalize from them.

Once students understand one application, they can more readily see how it applies in similar instances, which allows them to transfer what they've learned to novel situations. Such transfer of knowledge, from generalized principles to specific situations, is at the heart of all learning.

#### 3. Identify critical skills.

Faculty should make it clear at all levels—from course and syllabus to chapter and classroom—what crucial skills they expect students to learn. For example, at the chapter level in a statistics class, a goal might be for students to understand problems that are addressed in designated books. At the course level, a specific goal might be for them to be able to explain the logic of significance testing. A more general objective might be for them to become critical consumers of scientific studies.

#### 4. Carefully design the test.

Frequent testing isn't beneficial if tests aren't well-designed. Professors should make sure that questions are worded clearly and that one question does not give away the answer to another. Constructing a test takes advanced skill, patience, and more time than many professors expect. Faculty need to plan their test content and questions just as carefully as they plan the outlines or frameworks they use for teaching.

#### 5. Test relevant skills.

A test is only valid if its questions are built around knowledge the professor has communicated to students and expects them to have mastered. It's easy to develop a poor test that has numerous questions addressing relatively obscure points, especially if the professor is drawing questions from an item bank—but that doesn't help students with long-term retention of key concepts.

#### 6. Prepare the right tests.

Learning is enhanced when students must generate answers instead of simply recognizing answers that are provided. That's why essay tests with open-ended questions are better than most multiple-choice or true-false tests. Properly constructed multiple-choice questions can assess skills almost as

## Sample Questions

Good questions are clearly worded, test what students are supposed to be learning, and define what the answer should include. They also assess what the school or professor values. Here are two sample questions—one that works, and one that doesn't.

### Poor

*What is the name of the company saved by public relations activities after product tampering of Extra-Strength Tylenol with cyanide led to the deaths of seven people?*

A student doesn't need to know anything about the product tampering to give the correct answer; the test taker just might know who makes Tylenol. A teacher should expect students to do more than simply be able to recall the name of the company.

### Better

*Discuss the need for a clear business philosophy, using as examples at least four decisions made by Johnson & Johnson in response to Tylenol tampering in the early 1980s.*

This question taps skill of a higher order and clearly defines the expected response. To answer the question correctly, students must connect a concept with concrete examples—explaining the “why,” not just naming the “what.”

well, but those questions are harder to write and generally aren't found in abundance in test banks.

### 7. Ask the right questions.

Tests should require students to use their problem-solving and reasoning skills. Faculty should avoid simple recall questions such as *what* or *when*; instead, they should pose thought-provoking questions built around *why*, *how*, and *what if*. Such questions require students to work more actively with the material—which is a form of practice. As such, it leads to better retention.

### 8. Assess frequently.

Frequent testing enhances both short-term and long-term learning and encourages students to study continuously throughout the semester. Assessments come in many forms, including quizzes, class presentations, and critiques. As previously mentioned, cumulative content tests—exams that include what has been mastered along with new material—are more effective than non-overlapping assessments of separate content.

### 9. Provide timely feedback.

Frequent assessments not only measure *how much* students are learning, but also reveal precisely *what* they are learn-

ing. If testing shows that there are portions of the material that students haven't learned—or haven't learned well—those portions can be retaught, perhaps in a different way. Professors can correct misunderstood material before it has become ingrained in a student's mind. If repeated testing is used as feedback, it can lead to better teaching.


Sometimes “erroneous learning” is a side effect of the testing, since testing can lead to long-term retention of misconceptions. On open-ended questions, the constructed response that appears to be reasonable tends to be remembered. On a multiple-choice test, the incorrect answers can be learned instead of the correct ones. This side effect also can be reduced with timely, relevant feedback.

It's an enormous mistake to give students their corrected tests and allow them to glance at their results only briefly before turning the papers back in. Students should be able to keep these assessments so they can review their past errors—and retain the *right* answers over the long term.

### Use It, It's Yours

Dale Carnegie taught us that if we want to remember names, we can't simply hear them repeated; we must *say* them often. Mark Twain taught us how to expand our vocabularies: “Use a new word correctly three times, and it's yours.” Similarly, it's a generally held belief that people learn a language more easily if they immerse themselves in it and speak it daily, instead of just reading a textbook. Testing has the same effect—it encourages long-term retention of information.

Unfortunately, in many classroom situations, testing often is viewed as a nuisance to both faculty and students that takes away from instruction time. The typical college paradigm promotes minimal testing—usually just a midterm and a final—and students often put off studying until the last minute. They obtain better grades than they would have if they hadn't studied at all, and they feel confident that they've mastered the subject matter. However, these are superficial, short-term gains, and they come at the expense of long-term learning and retention.

For true learning, it's better for professors to test early, test often—and test everything. As the term progresses, faculty should treat each test like a practice final. For students, that kind of active practice will make them letter-perfect. 

Lawrence M. Rudner is vice president for research at the Graduate Management Admission Council in McLean, Virginia, and a visiting professor teaching statistics for EMBA students at the Goethe School of Business in Frankfurt, Germany.





# Testing, 1... 2....

By using two approaches to testing—a standardized test and a homegrown core concept test—business schools can draw a more complete picture of student learning.

by Subir Bandyopadhyay and Anna Rominger

When business schools develop their learning assessment plans, formal testing of students usually plays a significant role. But they face a common dilemma: Should they rely on a standardized test such as the Major Field Test in Business (MFT) developed by the Educational Testing Service, or a core concept test developed by their own faculty? Standardized tests offer ease of use and better external validity, but they offer limited benchmarking and customization options. Homegrown tests, on the other hand, are more

flexible and more in tune with each program's unique curriculum but require a significant allocation of money and faculty time.

At the School of Business and Economics at Indiana University Northwest (IUN), our faculty wanted to achieve the most cost-effective plan that would provide the most valuable insights into student learning. In 2007, our assessment committee began analyzing the relative merits of the MFT and the school's own core concept test. Our faculty discovered that they can achieve the best results by using both methods for assessment—and we believe other schools can learn from our experience.

### The MFT

**Pros:** *Easy to use, measures overall student performance*

**Cons:** *Doesn't offer comparable data, doesn't identify individual areas of weakness*

The MFT is designed to assess the knowledge of business students in core business areas such as accounting, economics, finance, international business, and business law. But while it helps faculty identify functional areas where students need more curricular development, the MFT also has three significant limitations.

First, the MFT is “normed”—that is, it compares students’ scores only to those of other test takers in that semester. For that reason, we cannot compare how well students performed this semester to how well they performed last semester. Second, the MFT reports scores in terms of percentiles, not in terms of questions answered correctly. For example, if students are in the 90th percentile, it does not mean that they answered 90 percent of the questions correctly, only that they performed better than 90 percent of that round’s group of test takers. Finally, the MFT does not report the functional area specific scores for each student, so it’s impossible to analyze their strengths and weaknesses in these areas.

### The Homegrown Test

**Pros:** *Makes comparisons possible, tests performance in any core concept*

**Cons:** *Expensive to implement, time-consuming*

A homegrown core concept test can overcome many of the limitations of the MFT. For example, the test that faculty designed for IUN is not normed, and it provides scores for each student in each functional area. For this reason, longitudinal comparisons of student scores can measure the reliability of the test itself. That is, if our faculty implement an intervention strategy in a functional area in a semester—say, for instance, they add a new simulation game to the core course in finance—they can measure its effectiveness by comparing the scores before and after the intervention.

Also, IUN’s test is flexible enough to test students on any core area. For instance, the MFT does not test students in ethics and operations management, two core areas we identify in our list of learning goals, but our own test does.

Despite the advantages of a homegrown test, schools may encounter faculty resistance to implementing one because it requires such a huge time commitment. Our faculty spend considerable time writing, editing, refining, piloting, and revising test questions. To win faculty over, administrators must clearly communicate how important the test is to the assurance of learning process. It helps to identify individuals who will be responsible for handling and maintaining the data, and even to appoint an “assessment captain” to champion the assessment process.

It also helps if schools encourage faculty who contribute to the design and implementation of the test by providing more opportunities for development. Providing a wider

## IMPLEMENTING THE IN-HOUSE TEST

<i>Date of test administration</i>	Fall 2007	Summer 2008	Spring 2009	Summer 2009
<i>Average percent of correct answers</i>	51.6	50.7	54.4	59.3
<i>Percentage of course grade in the capstone course</i>	0	0	10	20
<i>Type of pre-test intervention</i>	No pre-test intervention	Dean speaks with students about test’s importance	Instructor talks to students about the test, and sample questions are made available	Instructor talks to students about the test, and sample questions are made available

**Student performance on an in-house assessment test improved after faculty at the Indiana University Northwest’s School of Business and Economics implemented interventions to better inform students about and prepare them for the test.**

“With a hybrid approach, schools can capitalize on the merits of the MFT and a homegrown model, while mitigating their shortcomings.”

range of these opportunities might be difficult for schools with constrained finances, but even schools with tight budgets may find that the benefits a homegrown test brings to the teaching and learning process outweigh its cost.

### Adopting the Hybrid Approach

IUN's faculty have found that the best possible strategy, if time and budget allow, is to administer both tests. By keeping the following suggestions in mind, schools can capitalize on the merits of the MFT and a homegrown model, while mitigating their shortcomings:

**Don't overtest.** At IUN, we require all students to take one of the two tests, but no single student is asked to take both tests.

**Secure administrative support for a homegrown assessment tool.** At IUN, after our assessment committee introduced its proposal for the new core concept test, the entire faculty approved it. At that point, our dean sent a clear signal to faculty members about its importance to the assurance of learning program and urged all faculty members to help develop our test question bank.

**Secure faculty contributions from all functional areas.** Our faculty helped us develop a test bank of more than 700 questions for the BS program and more than 600 questions for the MBA program. In many instances, faculty members teaching the same course jointly developed a test bank of questions for that course.

Faculty members from different functional areas such as

## European Views on Assessment

No matter how culturally diverse their student bodies may be, most U.S. business schools can apply their assessment plans under two assumptions—primarily, that their language of choice is English and that their programs operate in a largely American context. That's not necessarily the case for schools in Europe, where assessment is complicated by the vast cultural, social, and behavioral dissimilarities among students and faculty.

For instance, multiple-choice questionnaires are common in the U.S., but they are not the norm for many students from outside the U.S. system, says Sandrine Ricard, vice president at the Monaco Business School at the International University of Monaco. “We have used the Educational Testing Service's Major Field

Test in Business for years. But given the cultural diversity of our student body, the test can't measure the whole set of learning outcomes for our students,” she says.

For that reason, IUM faculty rely on a variety of social and behavioral approaches to assessment. Ricard emphasizes that the final measure of student learning comes down to how graduates perform in the workplace. Through companies' updates on students' on-the-job performance, IUM faculty assess how well graduates have translated their educations to their careers.

Erasmus University's Rotterdam School of Management in The Netherlands also takes cultural diversity into account in its assessment activities. RSM's MBA program serves more than 120 students from 50 differ-

ent countries, which makes multiple and diverse avenues to assessment a must, says Diane Bevelander, associate dean of MBA programs.

In addition to traditional testing, RSM faculty rely on the following multifaceted strategies that are integrated throughout the MBA program:

**Self-assessment.** At the start of the MBA program, students complete an assignment that their professor grades and returns. Afterward, they are asked whether they think the professor's evaluation is fair. At semester's end, they are asked to re-evaluate their work on the same assignment.

“At first, students will say, ‘Why did the professor give me a seven out of ten? I should have gotten a nine,’” says Bevelander. “When they return to that assignment at the end of the

program, they realize how much they have learned.”

**Evaluation of feedback.** RSM students regularly give feedback to their peers, but throughout the program, students are critiqued on how helpful their feedback is and how much its quality improves over time, as a measure of their knowledge and communication skills.

**Evaluation of problem-solving skills.** RSM has been experimenting with “critical incident logs,” where students write about their responses to problems they have faced. “We compare their first logs to their last,” says Bevelander. “At first, we find that students often view the solution to a problem as someone else's responsibility. In their last, we evaluate how well they've learned to think of multiple solutions and under-

marketing, economics, and finance collaborated to prepare the test banks for multidisciplinary areas such as international business. Today, our core concept test comprises 120 questions—the same number as the MFT.

**Motivate students to do their best.** We have built these tests into our capstone course, the last course our students take. It's a time when students suffer from "test fatigue," and they often don't understand the importance of one more test that isn't related to any single course. To circumvent this problem, we used multiple strategies:

- Starting in summer 2008, our dean began to talk to undergraduates about the importance of the test to the school and the students.

- At the start of the fall 2008 semester, the instructor of

the capstone course announced the spring 2009 test date and informed students regularly about the test as the date approached.

- In spring 2009, the instructor provided sample questions to students to familiarize them with the test's focus and format.

- We increased the weight of the test in each student's total grade in the capstone course, from 0 percent in fall 2007 and summer 2008, to 10 percent in spring 2009, and finally to 20 percent in summer 2009.

- The instructor of our capstone course meets with every student who takes our core concept test to provide feedback on the test results. That feedback can serve as a strong motivator for students, who appreciate this attention to their

stand why others might think differently than they do."

**Evaluation of personal networks.** Several times a year, the school creates a computerized map of students' personal and professional networks. The map will show, for example, whether a Japanese student interacts only with other Japanese students. Once the student is aware of the gaps in his network, he can work to diversify it.

**Faculty and course evaluations.** On faculty evaluations, students are also asked to rate their own performance in their courses, including whether they completed all readings and assignments and how much they studied.

**Personal essays and presentations.** After RSM's MBA students complete major projects, such as case studies or international travel, they must write essays, develop

videos, or create PowerPoint presentations to demonstrate the knowledge they obtained or their understanding of a core issue.

**Customization.** RSM also makes assessment student-specific. For example, MBA students from countries where speaking out in class is discouraged must strengthen their class participation skills; they are evaluated at program's end on how well they've learned to add value to class discussion. Students are evaluated on other skills such as self-management, teamwork, critical thinking, and theoretical application, depending on their personal strengths and weaknesses.

**Simulations.** This year, as part of a sustainability course, RSM required students to take part in a three-hour simulation in which a company faces an environ-

mental problem. During the game, many students made short-term decisions that caused irreparable harm to the simulated environment. "Many were horrified at what they had done and wondered why they didn't think about long-term consequences," says Bevelander. The school plans to have students play the same game again next semester to measure how far their decision making has evolved.

**Internet feedback.** The school may soon have its professors provide feedback on student essays via Internet-based audio files. Three faculty members already are recording and uploading verbal feedback to students on Blackboard, and the school hopes other faculty will do the same, says Bevelander. Verbal responses take less time than written responses, and

students can listen to faculty speak as they go through a paper point by point. "Students appreciate the more personalized approach," Bevelander adds.

Integrating these assessment activities into the program would be more difficult if not for the relatively small size of the school's student body, Bevelander admits. But when these tools are integrated into courses, they do more than account for cultural differences, she says. They also supply faculty with information about students' functional knowledge, critical thinking, communication skills, and behavioral responses that no multiple-choice test can provide. That information, she adds, can help professors make their teaching more effective—and make their jobs easier in the long run.

“ The instructor meets with every student to provide feedback on test results. That feedback can serve as a strong motivator for students, who appreciate the attention to their learning process and development.

learning process and development.

After we took these steps, our undergraduates' performance in the core concept test improved over its last three administrations, as shown in the table on page 35. The school plans to continue these interventions for future tests as well. Interestingly, our faculty's core concept test remained unchanged in the last three administrations, which suggests that the improvements in scores are principally due to our interventions.

### Continuous Improvement

The School of Business and Economics also made changes to its curriculum in response to students' performance on the tests. Our faculty discovered that students traditionally do better in core areas such as marketing and management than in areas such as accounting, finance, international business, and information systems. The school has addressed this issue in several ways:

- The addition of an elective international course to the program. Faculty also are considering adding a required international business course to our core curriculum.
- The addition of preparatory classes and tutoring in accounting and finance.
- A requirement for all students to take preparatory classes in information systems from the computer sciences department.
- A test of all students' IT competence in the 300-level MIS course, which encourages students to maximize their learning in this area.

Our faculty also will continuously evaluate the validity and reliability of our testing procedure. In the coming months, they will examine test scores over multiple test-



ing periods, as well as analyze student responses on the test to check the validity and reliability of each question. They will compare scores between the MFT and the core concept test and re-evaluate the effectiveness of our intervention strategies.

The preliminary data our faculty have collected so far indicates that offering *either* the MFT *or* a test designed in-house provides an incomplete picture of student performance. A hybrid approach that strikes a strong balance between both options intensifies the strengths of each, mitigates their limitations, and maximizes the effectiveness of our overall assessment plan. **Z**

Subir Bandyopadhyay is professor of marketing and chairman of the assurance of learning initiative and Anna Rominger is dean at the Indiana University Northwest's School of Business & Economics in Gary.

# Passport to Success

by Elliot Grossman

As she started her sophomore year at Xavier University in Cincinnati, Christina Schneider was a smart, hard-working student who still hadn't decided on a major. While she wanted to study business, she knew so little about the corporate world that she could neither pronounce the name "Deloitte" nor explain what an auditor does for a living.

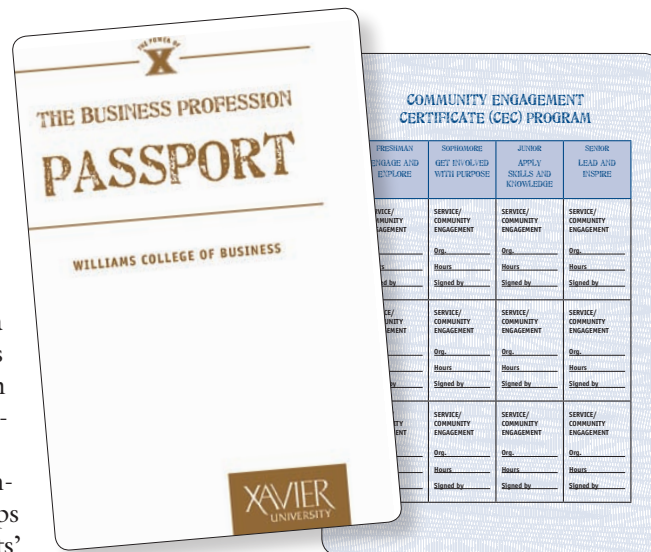
But by the end of 2009, Schneider was the Mentee of the Year at the Williams College of Business and had a summer 2010 internship lined up with Deloitte in Cincinnati. She'd also decided to pursue a career in accounting.

Schneider's transformation occurred in part because of a four-year business development program at the Williams College that helps undergraduate business students focus on their careers as they learn business savvy. The Business Profession Program relies on several factors for its success:

- It's required for graduation. Approximately 80 events are held every year, and some are mandatory for students in each class year; this means students no longer can put off attending résumé workshops, networking with business professionals, and meeting with career counselors. Optional events allow them to explore their interests further.

Students at Xavier University's Williams College of Business follow a closely mapped career development plan that builds from activity to activity and year to year.





All students in the Business Profession Program receive a passport that lists required and optional activities and allows administrators to stamp the booklets as students attend events.

- It's structured, following a logical progression of activities students should participate in during each of their four undergraduate years.

- It uses a booklet, resembling a U.S. passport, that helps everyone keep track of students' progress in meeting program requirements. Completion of the program is noted as pass/fail on student transcripts.

- It's funded by a \$500 charge paid by every undergraduate every year.

Through the Business Profession Program, Schneider, now a junior majoring in accounting and management information systems, learned how to write a résumé, acquired job interviewing skills, developed a relationship with a business mentor, and met recruiters from Deloitte at a career fair. In short, she received extracurricular training on how to succeed in the business world.

### Program Basics

The Business Profession Program has a host of benefits for the Williams College students. First, it encourages them to make early decisions about their majors, emphasizing that choices they make in college will have great impact on their careers. That in turn helps them pick electives, because an early declaration of a major makes it clearer which electives are important. Finally, it helps them see the value of internships and other activities that prepare them for the corporate world.

The program was launched in 2000 at the instigation of former dean Michael Webb, who wanted to address under-



As part of the Business Profession Program, Xavier students are required to attend a career fair. Here, senior Long Phan talks to Jessica Ondrovic, a recruiter with the Midland Company, at a 2009 fair.

graduates' "deadly career sins" of procrastination, rationalization, and unrealistic expectations. Webb and other leaders at the college felt that students often delay their career development efforts because they rationalize that they don't have time to pursue them, or they believe a job will be waiting for them when they graduate.

Management professor Thomas Clark, who was tasked with creating the program, first researched what other universities offered. He found that many career services offices scheduled plenty of random workshops, but attendance was voluntary and the workshops rarely followed any logical sequence. Clark and his colleagues created a program with workshops and other activities that built on each other, the way required college courses do. Clark also established a course focusing on career-oriented communications skills, such as writing résumés and making oral presentations.

Essentially, the Business Profession Program became a way of getting college students to grow up, Clark says. "This program is an acceleration of the transition to adulthood."

The program imparts the "theory of exchange"—that is, if an executive agrees to a networking interview, the student will return the favor by writing a thank-you note or telling someone else about the executive's kindness. "It teaches the Golden Rule—that you should treat people how you want to be treated," Clark says.

The mandatory nature of the program also means career services staff don't have to spend so much time trying to convince students to attend events, says Lynda Grossman, who heads the college's professional development center. "The easy part is knowing you're going to fill a room for any program you want," she says.

Therefore, the staff can concentrate on deciding which activities should be required and which activities should be optional so that students, particularly juniors and seniors, can choose the other events that are most suitable for their particular career paths.

### Master Plans

The centerpiece of the program is the Passport, a 20-page booklet slightly larger than a U.S. passport. One booklet is issued to each student and features his or her photo on the inside cover.

The Passport contains testimonials about the program



from students who have completed it and inspirational messages about why students should take full advantage of it. But its real power is in the way it guides students through their college years.

It contains a grid that lays out five to six activities required for each student for each year, as well as optional events. In this way, the Passport encourages students—even freshmen—to think about and plan for their careers.

To keep track of students' attendance, the school invested in software that registers identification cards when students swipe them as they enter an event. When students complete activities, the college staff stamps the appropriate space in the grid.

Because students are juggling classes, jobs, and sports activities, the college provides required workshops at multiple times. If students still miss events for valid reasons, staff members find related events students can attend, tutor students in specific skills, or ask them to demonstrate their knowledge of particular subjects.

### Must-See Events

The first required activity, which falls during the first week of freshman year, is a presentation by motivational speaker Patrick Combs. Among other things, Combs introduces students to the concept of “unassigned homework.” He tosses a beach ball into the audience and asks students who catch it to read some of the words printed on its surface. These include suggestions such as “Study abroad” and “Follow your bliss.”

Doing this kind of “unassigned homework” is crucial to a student's success in college, Combs tells them, because good grades aren't enough to catch an employer's attention. Students need to pursue activities outside of class, whether they complete three internships, lead a campus club, develop a relationship with a mentor, or learn how to use business software. Students don't earn grades for participating in extracurricular activities, but they learn valuable skills that will benefit them in school and in the workplace.

Combs—a best-selling author who has been inducted into the Motivational Speakers Hall of Fame—also advises students to follow their passions. Those who pursue their dreams will have a better chance of achieving career success and amassing wealth. He tells them, “I want you to choose a job where you get it all.”

Another required activity for freshman year is a consultation with an executive-in-residence. At these events, students meet with retired business leaders to discuss their academic and professional careers. Gerald DeBrunner, a retired vice chairman of Deloitte and an executive-in-residence, says the

## A Closer Look

As part of the Business Profession Program, students at the Williams College of Business are required to participate in certain events and activities every year:

### Juniors

- Career fair
- Sessions on effective strategies for searching for jobs and evaluating job offers
- Two optional events

### Freshmen

- Kickoff program with inspirational speaker
- Sessions on time management and communication etiquette
- CareerLeader online assessment
- CareerLeader workshop
- Executive-in-residence interview

### Sophomores

- Orientation for the Executive Mentor Program
- Résumé workshop
- Sessions on networking effectively, becoming a strategic partner, and learning behavior-based interviewing skills
- Training in eRecruiting software to gain online access to internships and jobs

### Seniors

- Sessions on financial planning and the transition to career life
- Senior celebration
- Two optional events

### Optional sessions

- Developing an elevator pitch
- Studying abroad
- Finding an internship
- Attending an etiquette dinner
- Learning how to use LinkedIn
- Preparing for the career fair

For more information about the program, including an interactive reproduction of the Passport, visit: [www.xavier.edu/williams/undergraduate/business/about-bpp-activities.cfm](http://www.xavier.edu/williams/undergraduate/business/about-bpp-activities.cfm).

counseling session helps students clarify their academic paths and choose the right majors, which minimizes the number of students who switch majors later.

DeBrunner wishes the Williams College had had a similar program when he attended. “I could have used a great deal of advice and guidance when I was going to college,” he says.

### Executive Input

An optional student activity is the Executive Mentor Program, which pairs interested sophomores, juniors, and seniors with local businesspeople. The mentor program once was a required part of the Business Profession Program, but it is now voluntary, says Sarah Mock, who heads the program. Some students didn't follow up once they were assigned mentors, and that negligence damaged the relationship the college had with its mentors, businesspeople the college had worked hard to recruit, Mock explains. Today,

“Most universities send their graduating seniors to the career services office. We have decided to take personal responsibility for our students’ success.”

—Ali Malekzadeh

about 75 percent of eligible students—about 500 in all—decide to participate annually.

These students write profiles of themselves, and mentors choose from among them, considering factors such as major, family background, common interests, and personality. Mentors coach students in what they need to know professionally, socially, and ethically—such as making eye contact, writing a résumé, and understanding elevator etiquette. Students who participate tend to find the relationship extraordinarily valuable.

For instance, when Alberto Gomez was a sophomore, he accompanied his mentor, Jose Guerra, to a discussion hosted by the National Society of Hispanic MBAs. By the end of the event, Gomez had obtained the business card of a retired Procter & Gamble CEO and an invitation to lunch. The retired executive had been intrigued by a question about integrity that Gomez had posed to the panel.

Now a junior majoring in international business and finance, Gomez has established a networking connection with the man who once headed the world’s largest consumer products company and is the board co-chair of one of Cincinnati’s largest museums. The experience has taught him that he can network at the highest levels.

If not for his mentor, Gomez might not have been at the panel discussion. And if not for the advice his mentor had been giving him for months, Gomez might not have handled himself as well as he did that night. He and Guerra meet about four times a month, often for breakfast, and they e-mail even more frequently. During these interactions, Guerra acts as a tremendous resource for Gomez, offering business advice, support—and honesty.

As Gomez says, “He doesn’t tell me what I want to hear. He tells me what I need to hear.”

### Measurable Results

The optional and required components of the Business Profession Program combine to prepare students on many different levels for the challenges they will face when they enter the working world. Finance and marketing major Jessica Khourie says that, because of the program, she’s had three internships, networked with marketing professionals, refined her career focus, and honed her résumé. “The program has made me feel more confident in my knowledge of business and my interaction with business professionals,” she says.

Not only that, the program has measurable results. In 2008, 95 percent of Williams students had found jobs within three months of graduation. The school attributes that rate, in part, to the Business Profession Program.



Xavier student Christina Schneider visits with her mentor, Matthew Thomas, environmental health and safety manager and co-op program manager for Ohmart/VEGA Corp. in Cincinnati.

The program also receives widespread support, from faculty and staff to Dean Ali Malekzadeh, who personally hands out student résumés to the university’s board of trustees and the business school’s advisory boards. He also makes phone calls to get job interviews for students.

“Most universities send their graduating seniors to the university’s career services office and, in effect, make someone in career services responsible for finding a suitable career for the students,” Malekzadeh says. “Our faculty and staff have decided they will take personal responsibility for our students’ success.”

The Business Profession Program has proved so successful that its basic format has been adapted by other schools, including the School of Business at the University of San Diego in California. Launched in 2009, USD’s program has become an effective tool for recruiting students—and impressing parents.

“Parents eat it up,” says USD’s associate dean, Stephen Standifird. “When they hear about this program, it’s often a deal maker.”

As an inspirational passage in the Passport notes: “Employers are impressed with students who maximize opportunities, seek out leadership roles, and can demonstrate accomplishments and results.” Every graduate entering the working world today needs an edge, something that will catch the eye of a potential employer. The goal of the Business Profession Program is to provide students with that edge. **Z**

Elliot Grossman is a public relations consultant for the Williams College of Business at Xavier University in Cincinnati, Ohio.



## Political Views Affect Perceptions of Skin Tone

How dark or light an individual perceives a political candidate's skin tone to be can be affected by that individual's own political views. So finds a recent study by Eugene Caruso, assistant professor of behavioral science at the



Eugene Caruso

University of Chicago Booth School of Business in Illinois; Emily Balcetis, assistant professor of psychology at New York University in New York City; and Nicole Mead, a postdoctoral fellow at Tilburg University in The Netherlands.

Caruso, Balcetis, and Mead showed undergraduate students a set of photos of President Barack Obama. The photos were taken during the 2008 presidential debates or included on his campaign Web site. The students were asked which images were most representative of President Obama. Next, they were asked questions about their own political beliefs.

Unknown to the students, the

researchers had digitally lightened or darkened Obama's skin tone in some photographs, while leaving other photographs unchanged.

In the experiment, students who identified as liberals chose the lightened photos as most representative of President Obama; those who identified as conservatives more frequently chose the darkened photographs.

These results suggest that racial perceptions go beyond black and white, says Caruso. An individual's political outlook also could affect how he or she perceives light-skinned and dark-skinned individuals within the same racial group.

In the future, the researchers want to explore whether these findings also hold true for the mainstream media, in terms of how liberal and conservative media outlets choose different images of political candidates. Knowing whether there is unconscious bias is important, says Caruso, because the images media choose can influence voter behavior.

"Subtle differences in a person's skin tone may affect other consequential decisions in which pictures are part of the evaluation process, such as who we hire for a job," Caruso says.

The paper, "Political Partisanship Influences Perception of Biracial Candidates' Skin Tone," was published in the December 1 issue of *Proceedings of the National Academy of Sciences*.

## The Anatomy of Great Fund Managers

If investors want to find a great actively managed mutual fund, they should look for fund managers who *don't* stay the course. Funds with managers who adapt their strategies to market conditions have stronger returns, say

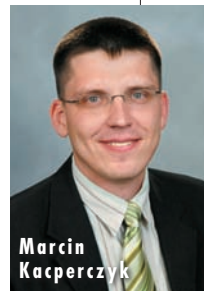
professors from New York University's Stern School of Business.

Finance professors Marcin Kacperczyk and Stijn Van Nieuwerburgh and economics professor Laura Veldkamp examined the top 25 percent of actively managed equity mutual funds. These funds outperformed other funds even after adjusting for risk and accounting for expenses.

The researchers found that the managers of these successful funds shifted their strategies over the business cycle in two significant ways: They invested based on macroeconomic information during recessionary times, and they invested based on microeconomic information during expansionary times.

These managers also were more likely to have earned MBA degrees. They were more likely to run smaller, more actively managed funds, and to move on to hedge fund management later in their careers.

The researchers examined alternative explanations for these results. For instance, they considered the possibility that these funds succeeded not because of superior strategy, but simply by chance; however, a random sampling of funds revealed no similar pattern. They also looked at whether fund managers became naturally more risk-averse during recessions, but found that explanation did not account for their results.



Marcin Kacperczyk



Stijn Van Nieuwerburgh



Laura Veldkamp



THE AMERICAN UNIVERSITY IN CAIRO  
School of Business

## The Regional Leader in Business Education

Empowered by quality, driven by continuous improvement and committed to excellence

The School of Business offers business leaders AACSB accredited business and management degree programs addressing timely issues such as entrepreneurship, innovation and leadership

[business.aucegypt.edu](http://business.aucegypt.edu)  
[business@aucegypt.edu](mailto:business@aucegypt.edu)



This research may offer investors a way to restore their lost confidence in the financial markets and the people who manage their money. During boom times, the researchers write, it's harder for investors to distinguish managers who are skilled from those who are just lucky. "Recessions," they continue, "are times when differences in performance are magnified and skill is easier to detect."

Their paper, "Attention Allocation over the Business Cycle," is available at [ssrn.com/abstract=1411367](http://ssrn.com/abstract=1411367).

### Containing Blame Epidemics

**Blame can spread as quickly as a viral contagion**, according to two California researchers. Once the leaders of an organization begin to blame individuals publicly for a problem—whether or not they're actually responsible—that practice will start to spread, say Nathanael Fast, assistant professor of management

and organization at the University of Southern California's Marshall School of Business in Los Angeles, and Larissa Tiedens, professor of organizational behavior at Stanford Business School.

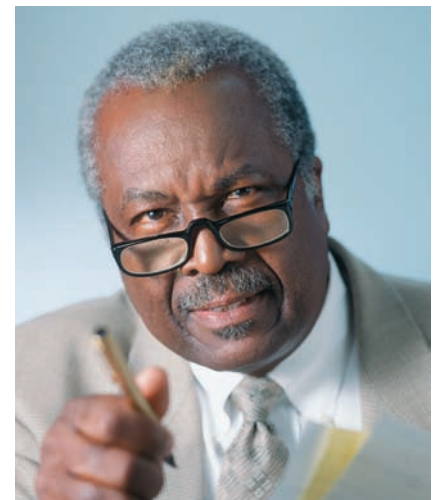
"When we see others protecting their egos, we become defensive," says Fast. "We then try to protect our own self-image by blaming others for our mistakes." That impulse can lead to employees who are less innovative, less willing to take risks, and less likely to learn from their mistakes.

In one experiment, Fast and Tiedens asked a group of participants to read a newspaper article about California Governor Arnold Schwarzenegger, who blamed special interest groups for the failure of a controversial 2005 special election that cost the state \$250 million. They asked a second group to read an article in which the governor took full responsibility.

The researchers found that those who read the first article

were more likely than those who read the second to blame others for their own mistakes, even though those mistakes were unrelated to the article.

In another experiment, the researchers gave participants the opportunity to affirm their self-worth. In that scenario, the tendency to spread blame was eliminated.



To counteract—and better yet, prevent—epidemics of blaming, managers should create a positive climate by publicly acknowledging their own mistakes, offering public praise to employees, and rewarding employees who learn from their mistakes, say the authors. Software maker Intuit, for example, holds “When Learning Hurts” sessions, where employees can openly discuss and learn from their missteps. If it’s necessary to assign blame, the authors add, managers should do so in private.

“Blame Contagion: The Automatic Transmission of Self-Serving Attributions” was published in the November issue of the *Journal of Experimental Social Psychology*.

## Investing Is in the DNA

Investors’ genetics may play a significant role in their investment behavior, say Amir Barnea and Henrik Cronqvist, assistant professors of financial economics at Claremont McKenna College’s Robert Day School of Economics and Finance in California, and Stephan Siegal, assistant professor of finance at the University of Washington’s Foster School of Business in Seattle.

They cross-referenced nearly 38,000 twins in the Swedish Twin Registry—the world’s largest database of twins—with personal financial data. The researchers found that genetics account for, on average, one-third of the variations in behavior among individual investors. That



## FOCUS ON FACULTY

### Global Warming and the Supply Chain

*Environmental changes may transform global supply chain management, says Rouen Business School’s Jérôme Verny.*

**Jérôme Verny, a professor of supply chain management and logistics at Rouen Business School in France, has long been intrigued by how geography, management, and the supply chain intersect. By focusing his work on transportation and logistics, he hopes to help companies strike a balance between optimal supply chains and sustainable business practices.**

Last year, Verny won the “Young Researcher Award” at the second International Transport Forum in Leipzig, Germany, organized by the Organization for Economic Cooperation and Development. He was honored for his paper “Container

Shipping on the Northern Sea Route,” which predicts that, due to global warming and the melting of the Arctic ice sheets, a new, more time-efficient trade route through the Arctic Ocean could be established sometime before 2015.

Currently, the most cost-effective route to ship goods between Asia and Europe is the Suez Canal, also known as the Royal Route, a man-made passage connecting the Mediterranean and Red Seas. If the Northern Sea Route opens up, companies will have a viable second option.



The NSR would offer several advantages, says Verny. It would lessen traffic on the Royal Route; allow speedier passage and reduce delays between regions in Northern Asia and markets in Europe and North America; and allow ships to avoid the coast of Africa, where they are vulnerable to pirate attacks.



## Financial Times Global Alliance Partners

**We would like to acknowledge the global perspective that the schools listed below have given to their students for the coming academic year.**

In these extraordinary times, reliable worldwide news and intelligence are essential to the learning process. Today's successful global executives are forewarned and forearmed with the information that the FT provides. These schools are putting their students in the same league. Thank you!

- Chicago Booth School of Business
- Minnesota State University, Mankato
- Villanova University
- Babson College
- Drexel University
- Thunderbird School of Global Management
- United States Naval War College
- University of Alberta

*We live in* FINANCIAL TIMES®

But the environmental stakes are great, says Verny, who stresses the importance of setting the ground rules for the NSR early. While today the Royal Route is more cost-effective than the NSR, that cost differential is likely to decrease over time.

“We must very quickly regulate the movement of these ships,” says Verny. “Countries bordering the Arctic Ocean must agree on circulation rules to protect this very fragile environment—an environment critical to maintaining a planetary climate balance.”

Before now, there have been few, if any, predictions regarding the future of arctic maritime routes, says Verny. But after he presented his paper in Leipzig, Ray LaHood, the U.S. Secretary of Transportation, expressed a desire to work with his counterparts in Russia and

Canada on establishing ground rules for the NSR.

Issues such as this are changing the game in supply chain management, says Verny. It’s true that most companies and consumers are still more interested in keeping costs down than lowering carbon emissions. But in the near future, Verny predicts that companies will have to do more to defend the logic of their supply chain practices in the face of stricter regulations and greater market pressures.

Verny plans to focus his next study on how the use of alternate modes of transportation, such as air blimps, or combined modes of transportation, such as sea-air, can reduce costs while preserving the environment. Some might view the use of air blimps as “unrealistic,” says Verny, but that doesn’t bother him. He notes that

many thought the same about his research on the NSR.

“We can progressively ease the carbon footprint in the sector of transportation logistics,” he says. “We can do so by rethinking our modes of consumption. We can redefine the criteria for industrial localization, reorganize our merchandise flow, and use alternative modes of transportation that are more respectful of the environment.”

*Verny’s paper, “Container Shipping on the Northern Sea Route,” is available at [www.internationaltransportforum.org/2009/pdf/PrizeVerny.pdf](http://www.internationaltransportforum.org/2009/pdf/PrizeVerny.pdf). A revised version is forthcoming in the International Journal of Production Economics.*

finding held true whether the twins in the study were raised together or apart. In comparison, factors such as age, gender, wealth, income, and education account for only 5 percent to 10 percent.

The paper “Nature or Nurture: What Determines Investor Behavior?” can be downloaded at [papers.ssrn.com/abstract\\_id=1467088](http://papers.ssrn.com/abstract_id=1467088).

Another study also puts genes at the heart of risk and investment. Why do the same people who pursue risks—such as betting at the racetrack—also show themselves to be risk-averse by buying home and car insurance? This was the question explored by Chew Soo Hong, an economist at the National University of Singapore and Hong Kong University of Science and Technology (HKUST);

Zhong Songfa, a visiting scholar of economics at HKUST; and Richard Ebstein, a molecular geneticist from Hebrew University.

The researchers studied the role of the gene monoamine oxidase A (MAOA) in risk taking among 350 Chinese subjects. They found that people with high-activity MAOA variation were more likely to take extreme risks and less likely to purchase insurance than those with low-activity MAOA. Such genetic variants, say the authors, can lead to behaviors that have significant effects on the world economy.

The paper, “Monoamine Oxidase A Gene (MAOA) Associated with Attitude Towards Longshot Risks,” is available at [www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0008516](http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0008516).



## Women Losing Ground

In its annual Study of California Women Business Leaders, the University of California, Davis, found that women now hold 10.6 percent of board seats and executive positions in the state’s largest 400 firms. That’s down from 10.9 percent in 2008, although still up from 10.4 percent in 2007. Only 15 of these 400 firms have a woman CEO. Author and management professor Donald Palmer also found that firms with no women directors or executives had the poorest environmental performance, while those with the best environmental performance had women in the boardroom *and* the C-suites.

“These data do not tell us why women occupy such a small minority of the board and top management positions in California’s largest firms,” says Palmer. “Whatever is driving this, it’s certainly resistant to change.”

## RESEARCH RECOGNITIONS

■ Morgan Stanley and the American Finance Association have given **Michael Jensen** the Morgan Stanley-AFA 2009 Award for Excellence. Jensen is the Jesse Isidor Straus Professor of Business Administration, Emeritus, at Harvard Business School in Cambridge, Massachusetts. He will donate the \$200,000 cash grant he received with the award: \$150,000 will go to the National Bureau of Economic Research to fund a program focused on business ethics. Harvard Business School and the University of Rochester’s Simon School of Business in New York each will receive \$25,000.



■ **Wendy Ceccucci**, professor of information systems management at Quinnipiac University’s School of Business in Hamden, Connecticut, recently won two distinguished paper awards. Ceccucci won the Distinguished Paper Award at the 2009 Information Systems Educators Conference for “Integrating Soft Skill Competencies Through Project-Based Learning Across the Information Systems Curriculum.” She also won the Distinguished Paper Award at the 2009 Conference for Information Systems Applied Research for “An Empirical Study of Text Messaging Behavioral Intention and Usage.”

# Albers Leads, Connects, Serves



Albers Professor Harriet Stephenson with Gladys Kenfack, MIB 2008

At Seattle University's Albers School of Business and Economics, students develop intellectual excellence that is respected in the business world. An Albers education extends beyond the classroom; students have opportunities to learn from the knowledge and guidance of experienced business leaders.

Following the Jesuit tradition of educating the whole person, our students develop strength of character and compassion in all aspects of life. This foundation of ethics and social responsibility prepares them for ethical leadership in business and the community.

#24 *U.S. News & World Report* Part-time MBA

#25 *BusinessWeek* Part-time MBA



## ALBERS

School of Business and Economics

VISIT [WWW.SEATTLEU.EDU/ALBERS](http://WWW.SEATTLEU.EDU/ALBERS)



## Great Sales Don't End—They Just Fade Away

### Two researchers have advice for retailers:

Keep price increases gradual after a sale. Michael Tsiros of the University of Miami School of Business in Florida and David Hardesty of the University of Kentucky's Gatton College of Business and Economics in Lexington find that retailers can increase sales and profits after a sale if they return to original prices gradually rather than all at once.

Stores traditionally use one of two methods of sale pricing: Everyday Low Pricing (EDLP), a method championed by Wal-Mart that features regularly low prices with few sales, and Hi-Lo pricing, a method in which stores discount items during a sale, but revert to original prices at sale's end. However, the researchers recommend a different strategy they call "Steadily Decreasing Discounting" (SDD), in which stores progres-

sively move pricing back to original levels after a sale.

"SDD avoids a key problem of the Hi-Lo strategy—the big dive in sales at the end of the promotion," says Tsiros.


In one field study, the researchers tracked the sale of a wine bottle stopper for \$24.95 in an upscale kitchen appliance store. The store alternated between SDD and Hi-Lo pricing every week for 30 weeks. With SDD, the store offered 30 percent off the first day, 20 percent off the second, and 10 percent off the third. With Hi-Lo, the store held two different sales—in the first, it offered the stopper for 30 percent off for two days, before returning to full price; in the second, it offered 20 percent off for three days, before returning to full price.

Hi-Lo pricing increased sales by 63 percent in the first scenario and 75 percent in the second; it increased profits by 5 percent. SDD pricing, however, boosted sales by 200

percent and increased profits by 55 percent.

SDD is more effective than either EDLP or Hi-Lo pricing because consumers hate to miss a lower price on an item, say the researchers. If shoppers see the price steadily increasing, they are more apt to purchase. But that effect disappears in Hi-Lo pricing—if say, the price of an item jumps to \$100 from \$50 after a half-off sale—because the opportunity to buy low already has passed.

"SDD could be particularly effective in the current economic downturn," says Tsiros. "Many retailers have been offering discounts of 60 percent or even 80 percent, and stores can't offer those prices forever. But if they bring prices back up in increments, consumers will have time to adjust."

"Ending a Price Promotion: Retracting it in One Step or Phasing it Out Gradually" was published in the January issue of the *Journal of Marketing*. 



## Schools Take Web 2.0 to Next Level

Now that the mystery and uncertainty surrounding social media are subsiding, many schools are moving these tools away from the periphery and more to the center of their marketing and educational efforts.

A new course in the liberal arts program at the University of North Carolina Greensboro may serve as an example of more things to come. The online graduate course, called “Emerging Global Powers,” focuses on the growing global influence of countries such as China, India, and Argentina. Its Web site incorporates faculty and student blogs; video “crossfire” dialogues between professors; interactive case studies; RSS feeds from the BBC, *The New York Times*, and other outlets; and an ongoing Wikipedia page where the results of course collaboration will be refined and published.

The public is also invited to contribute to its blogs and Wikipedia page.

Indiana University’s Kelley School of Business in Bloomington has been experimenting with blogs, Facebook groups, and Twitter feeds. Recently, the school decided to go one step further, creating a Web page called “Kelley 360” at [info.kelley.iu.edu](http://info.kelley.iu.edu).

The school’s old media page included only press releases; Kelley 360 adds to the mix blog entries, videos, podcasts, and slideshows. That information remains stored on the site, so that people can share it with their social and professional networks.

Integration of these tools is becoming more commonplace as

organizations do more to bring social media into their outreach strategies, says Anne Massey, Dean’s Research Professor at Kelley.

“All social media does is enable connections within a community interested in some context,” says Massey. “Strategy is the hard part as businesses seek to leverage this.”

Twitter is betting that more people will join Massey in viewing its offering as a valuable business tool. The company is currently beta testing a feature called “Contributors.”

Designed specifically for organizations, Contributors allows a business to manage multiple contributors to its account—that is, if a tweet comes from @Business but is written by @Employee, the tweet would include @Employee in the byline.

The goal is to let “users know more about the real people behind the organizations,” according to a Twitter press release.

The University of Chicago Booth School of Business in Illinois also recently started a program that combines the Web, Facebook, Twitter, LinkedIn, and YouTube. The program targets prospective part-time MBA students.

Called the Booth Life, at [www.theboothlife.com](http://www.theboothlife.com), the program features students’ assessments of the school’s evening and weekend MBA programs. While the Booth Life includes professionally produced student profiles, it also encourages students to upload their own videos. A freestanding video kiosk on campus enables current students to record and upload their videos; the school also makes available tiny FLIP cameras for students who want to create videos at home or at other locations.

The school will continue to utilize traditional print methods and information sessions to promote its programs. Even so, it’s clear that the influence of online media will only continue to grow, says Chris Iannuccilli, executive director of marketing at Chicago Booth.

“The world is changing, and we are committed to keeping current,” says Iannuccilli. “As the Internet and social media evolve, so will our outreach efforts.”

The screenshot shows the Kelley 360 website interface. At the top, it says 'INDIANA UNIVERSITY' and 'KELLEY SCHOOL OF BUSINESS'. Below that, there's a navigation bar with 'Kelley 360' and 'Search Kelley'. The main content area is divided into several sections: 'Browse by Topic', 'Recent News', 'In the Media', 'Videos & Podcasts', 'Our Blogs', 'Follow Us', 'Recent News', 'In the Media', 'Videos & Podcasts', and 'Our Blogs'. A prominent article features Elinor Ostrom, an Indiana University faculty member who won the Nobel Prize for Economics. Other sections include 'Media Inquiries' with contact information for Lisa Farnum, 'Follow Us' with social media icons, and 'Our Blogs' with a list of blog entries.

**Kelley 360, the new home for the Kelley School of Business’ communications efforts, incorporates blogs and video, as well as traditional text-based press releases.**

## ■ New Lab Supports Info Security

**The W.P. Carey School of Business at Arizona State University in Tempe** has created the Privacy by Design Research Lab (PbD RL), which will be housed in the school's Center for Advancing Business through Infor-



mation Technology. Faculty members in the new research group will work with industry leaders to conduct research, create guidelines, and hold events to help businesses protect consumers' personal data and improve techniques for data protection.

"Privacy assurance must ideally become an organization's default mode of operation," says Marilyn Prosch, associate professor and one of the founders of the PbD RL.

One of the research group's first areas of interest will be social networking, because Facebook and other sites are becoming the keepers of exponentially increasing amounts of users' personal data. That reality is opening up unknown territory, according to PbD RL researchers, because no one knows how long that information will remain online or who will share it with whom.

The formation of the PbD RL was inspired by Ann Cavoukian, the Information and Privacy Commissioner of Ontario, Canada, and

the creator of the Privacy by Design concept.

"The future of privacy cannot be assured solely by compliance with regulatory frameworks," she says. The objectives of Privacy by Design, she adds, are twofold: To help individuals gain control over their personal data and to help businesses gain a sustainable competitive advantage.

## ■ Mind Your i's and Apps

**This semester, the University of California, Irvine Extension, the continuing education arm of UC Irvine, began offering "Mobile Development for Apple iPhone and iTouch."** The five-week course targets students seeking the practical skills to develop their own applications.

The course provides a general introduction to mobile programming; compares strategies from Apple, BlackBerry, and Microsoft; discusses code development; and explores the integration of features such as touchscreen, geopositioning, sound, and Web access.

Each class starts with a lecture and concludes with a lab, where students design their own applications. IBM manager Ralf Brockhaus is the course's creator and instructor.

"Market insiders predict that companies will make a significant investment in the creation of new smartphone programs," says Dave Dimas, director of UC Irvine Extension's engineering, sciences, and information technology programs. The "Mobile Development" course, he adds, is designed to enable students to create the "next big Apple app."



## NEWSBYTES


### ■ TECH CENTER OPENS

Last fall, JPMorgan Chase and Syracuse University in New York opened the JPMorgan Chase Technology Center, an on-campus facility where students and faculty will work with bank employees to participate in educational experiences and internships, conduct research, and run the bank's global technology operations. Providing workspaces for 125 workers, the technology center is a "paperless" office with minimal paper storage. Center projects involve cybersecurity, risk analysis, and application development for JPMorgan Chase and its lines of business.

### ■ INNOVATIONS IN INDIA

The Centre for India & Global Business (CIGB) at Cambridge University's Judge Business School in the United Kingdom has launched a beta version of indovations.net. The site provides information about the cost-effective, sustainable innovations developed in India, featuring innovations in five categories: business, society, science and technology, arts and culture, and energy and environment.

### ■ TAKING TECH TO MARKET

Johns Hopkins University's Carey Business School in Baltimore, Maryland, has started Innovate!, a technology commercialization program funded by a National Science Foundation grant to Johns Hopkins University and the University of Maryland in College Park. In the 12-month program, entrepreneurs lead 15 business professionals and 15 post-docs through an evaluation of the commercial viability of a technology. 

## A Clarion Call for Business Schools

The economic crisis has sparked sharp debate about how MBA degree programs influence the behaviors of their graduates, as critics cite the failures of high-profile business leaders and financial firms. At the same time, spiced-up, recurring surveys report that MBA students generally evidence a questionable moral compass and a weak ethical foundation.

As business schools are called to account for the philosophical tenets they impart or reinforce, many have responded by restructuring the curriculum. Some have expanded practicums and introduced community service programs. Others have added new courses in social responsibility and sustainability, put heavier emphasis on behavioral topics such as leadership and management effectiveness, and clarified their curricular focus.

Yet the skeptics believe these efforts are mere nods to topical concerns. Moreover, business schools face overarching questions: How will they help students acquire the mindsets and attributes of respected businesspeople and citizens? Do they have an obligation to teach MBA students not only how to pursue business success, but also how to meet societal obligations? Should the educational contract include a clause for teaching individual values? For the institutions that grant MBAs, reconciling these concerns with the motivations of MBA students is not a distraction but a serious dilemma.

Rebalancing the MBA is a daunt-



ing task for faculty and administrators. Curricular overhauls do not come quickly, and they always pose some risk to the business school brand. Among elite universities, protecting reputation can easily trump the benefits offered by unpredictable educational makeovers. Schools that take up the challenge should weigh two principal categories of questions: how they impart *skills and competencies*, and how they approach *learning and understanding*.

As schools consider teaching skills and competencies, they should ask:

- How can students be engaged in economic, social, and political subjects while acquiring

essential management knowledge?

- How will the curriculum reflect re-regulation, calls for enhanced executive accountability, and government's expanded role in private enterprise?

- What programmatic and curricular adjustments will improve management skills applied across commercial organizations, the public sector, and not-for-profit enterprises?

- How can business schools equip graduates for careers that may encompass multiple changes between public and private sectors over their working lives?

They have a second set of questions to answer when they consider learning and understanding:

- How can MBA programs promote a worldview that goes beyond simply affixing the "global" adjective?

- How can management be joined with social science subjects to provide MBAs with an enriched context for their career endeavors and personal lives?

- Can humanitarian subjects find a legitimate place alongside the hard-nosed empiricism of business analysis and management science?

- How can MBA programs help instill responsibility, integrity, civility, and character among their graduates, contributing to their development both as professionals and as people?

In the MBA classroom, discipline area studies and integrated analyses of business issues help students learn and apply fundamental skills. Outside the classroom, projects and group work expose students to valuable simulations of the real-world workplace. I don't suggest that these time-tested elements of the business school experience should be cast aside, but perhaps they could be enhanced if they were combined with the basics of a liberal arts education.

Arguably, what a liberal arts education does best is help students understand themselves and cultivate an ability to think, while guiding them to an appreciation of moral, social, and political principles. Integrating the teachings of *Pride and Prejudice*, *Walden*, *Animal Farm*, or *The Grapes of Wrath* in MBA study can broaden student perspectives. This enriched context can go a long way toward shaping how students will relate to the workplace roles they will find among commercial and public enterprises.

In Everett D. Martin's 1926 book *The Meaning of a Liberal Education*, he wrote, "It is the aim of education to develop the insight and foresight and breadth of vision which make it possible for an indi-

I believe that MBA students have a right to expect that graduate business study will enhance their self-awareness as both responsible human beings and capable businesspeople.

vidual to take responsibility for the results of his behavior.” He also noted, “Before a man can think for himself, he must have learned to think at all. There is only one sound method of moral education. It is in teaching people to think.”

Six decades later, in *The Closing of the American Mind*, scholar Allan Bloom questioned whether these principles were being honored in academia generally. He cited the MBA in particular as a negative example, since he considered it a “great disaster” that the world viewed the MBA as the moral equivalent of a medical or law degree. He added, “Premed, prelaw and prebusiness students are distinctly tourists in the liberal arts. Getting into those elite professional schools is an obsessive concern that tethers their minds.”


We may reject Bloom’s critique, attributing it to the possibility that some MBA students have deficient undergraduate experiences. But there is no avoiding the fact that business schools share a common obligation to maintain the MBA’s educational value. Understanding self is a prerequisite for making contributions in work and in life. The intangibles of business and management—including accountability, integrity, stewardship, and humanity—scream for attention. We should bear in mind what American theologian Reinhold Niebuhr wrote in 1949: “Life has no meaning except in terms of responsibility.”

I believe that MBA students have a right to expect, as part of their learning compact with schools, that graduate business study will enhance their self-awareness as both responsible human beings and capable businesspeople. In addition to teach-

ing students how to address business challenges, coursework should offer them opportunities to develop their personal principles and characters.

Perhaps we don’t need to make our MBA students familiar with the philosophies of Plato, Hobbes, Locke, and Rousseau, but we can certainly find room in the curriculum for more recent—and relevant—business authors. Our syllabi can accommodate easily and with relevance works such as Thorstein Veblen’s *The Theory of Business Enterprise* and *The Theory of the Leisure Class*, William Whyte’s *The Organization Man*, Peter Drucker’s *The Practice of Management*, and Douglas McGregor’s

*The Human Side of Enterprise*.

The most visible business schools should be in the vanguard of those preparing MBAs for influential roles in business and society. But all business schools have ample opportunities to experiment with broadening the educational experience as we prepare students. Educating students to be good executives and good people is fundamental to our *raison d’être*. It is the legacy we impart to our graduates. 

Francis Bonsignore is dean of the College of Management at the C.W. Post Campus of Long Island University in Brookville, New York.

 the case for learning



Hosted by IMD, ecch’s annual flagship workshops will be led by Michiel Leenders and Louise Mauffette-Leenders, Richard Ivey School of Business.

Teaching with Cases 28-30 June 2010

Writing Cases 1-3 July 2010

For further details visit [www.ecch.com/flagshipworkshops](http://www.ecch.com/flagshipworkshops)

# Bookshelf

Trying to stay afloat in a turbulent economy? Harvard professor Ranjay Gulati has explicit advice: Stop thinking about what your company offers and start thinking about what the consumer needs. In *Reorganize for Resilience*, Gulati analyzes the success of companies like Apple, Target, Best Buy, and Starbucks that operate from an “outside-in” perspective. They know that “the goal isn’t merely to serve customers,” he

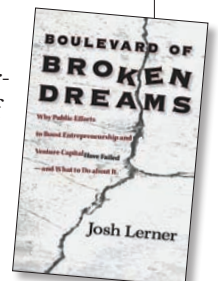
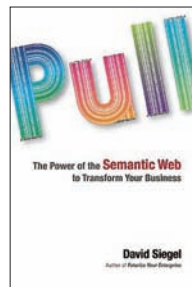
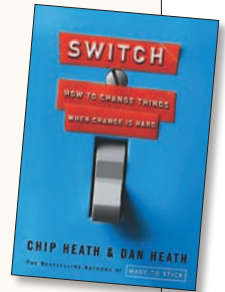
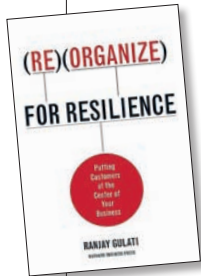
writes “The goal is to immerse yourself in customer problems so you can offer up unique solutions.” He knows it’s not easy—it requires demolishing typical business silos, integrating teams across departments, and partnering with outside vendors instead of focusing wholly on in-company components. But only by giving customers what they need can you survive in good times and bad, he says. It’s time to become truly customer-centric. (Harvard Business Press, \$35)

Tomorrow’s Internet will not be your grandfather’s Web—or even yours. As industries and institutions around the world begin to coordinate the way they encode and collect data, information will become more ubiquitous, more distributed, more useful, and utterly transformative. So says David Siegel in *Pull: The Power of the Semantic Web to Transform Your Business*. As he defines it, a “semantic web” consists of “data that interconnects and can be reused over and over, forming databases that live online.” Say you’re a bowler, he suggests, and you’re accustomed to a computer at the bowling alley track-

Most people think you can’t bring about massive changes without complex initiatives. Chip Heath and Dan Heath disagree. In *Switch*, they show how companies and individuals have used small, simple solutions to bring about astonishing change—from reducing malnutrition to improving hospital survival rates. First, they offer a three-part framework to creating successful change: Appeal to the rational brain by offering specific goals and instructions. Appeal to the heart by building an emotional case. Reshape the situation to make success more likely. Then they provide fascinating analyses of enormous changes and how they were wrought. For instance, when Save the Children representative Jerry Sternin wanted to reduce malnutrition in Vietnamese children during the 1990s, he didn’t try to fight the overwhelming forces of poverty, poor sanitation, and lack of clean water. Instead, he identified the healthiest children in specific villages and studied what their parents did to make their situations different; then, he arranged for those parents to teach other villagers the same techniques for improving their diets. “We need to switch from archaeological problem solving to bright-spot evangelizing,” say the authors, brothers with appointments at Stanford and Duke respectively. The book—with its lively writing and incandescently optimistic tone—makes readers feel they can change the world. (Broadway Books, \$26)

ing every spare and strike. In the future, computers will follow your game, “then add your score to your personal online data locker”—and also compare your statistics to those of thousands of other bowlers around the world. Grocery stores won’t need cashiers; every item in the store will carry its own data chip, and each one will be charged to your account as you carry out your bags. Industries as diverse as shipping, publishing, and medicine will be revolutionized by the availability of data arranged in universal formats. Siegel admits that the world he envisions isn’t here yet, but he’s pretty convincing when he promises it’s on its way. (Portfolio, \$27.95)

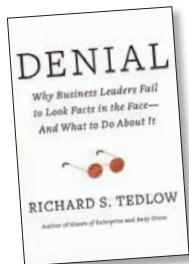
During economic turmoil, many look to the government to boost the economy by investing in entrepreneurship. But is that a good idea? Josh Lerner wrestles with that question in *Boulevard of Broken Dreams*, which considers the history of the public sector’s involvement in entrepreneurship and venture capitalism—what’s worked, from Silicon Valley to Singapore, and what’s gone horribly awry. Lerner, a professor at Harvard, confesses that the research is scant and the data muddy, but he does have some ideas about why public sector investments in entrepreneurship have failed in the past. For instance, investors might have overlooked the importance of academic partners; they might not have recognized the necessity of a global perspective; they might have misjudged



how long it takes for a payback on investment. “Government has a role in stimulating a vibrant entrepreneurial sector,” he writes. “But at the same time, it is easy for the government to overstep its bounds and squander its investments.” This book aims to steer policymakers in the right direction. (Princeton University Press, \$27.95)

**Climate change is one of the looming** problems of the 21st century, and its possible consequences include destruction of coastal cities, famine, drought, and widespread disease. While long-term solutions revolve around creating sustainable energy sources, short-term solutions are vital for halting the damage now. In *Saving Kyoto*, Graciela Chichilnisky and Kirsten A. Sheeran argue that the global “carbon market” of cap-and-trade is one key part of the short-term solution. Chichilnisky is a Columbia professor who was an architect of the Kyoto Protocol’s global carbon market; co-author Sheeran hails from St. Mary’s College of Maryland. Together they present the business case for Kyoto, estimating what it will cost if we commit to lowering carbon emissions, what it will cost if we *don’t*, and who should pay the most. “We may no longer be able to prevent climate change, but we can still prevent *catastrophic* climate change,” they write. “It is really just a question of degree.” (New Holland Publishers, \$14.95)

**Nobody likes bad news, and CEOs are no** exception. In *Denial*, Harvard professor Richard S. Tedlow examines the calamity that can result when

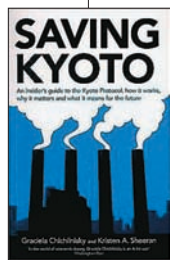
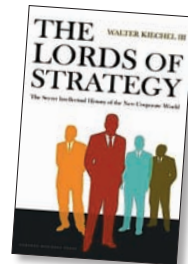


top executives ignore the realities of changing markets or faulty products. “Denial is the unconscious calculus that if an unpleasant reality were true, it would be too terrible, so therefore it cannot be true,” he writes. Thus, CEOs make “mistakes that could and should have been avoided, not just with the benefit of hindsight, but on the basis of information available to decision-makers right then, in real time.” Tedlow paints pictures of overconfident or narrow-minded executives, from Henry Ford to American tire makers, who refused to acknowledge the evidence in front of them and suffered precipitous declines. More heartening chapters feature sketches of Intel’s Andy Grove and Johnson & Johnson’s James Burke, who faced hard facts and survived bad times. The whole book is a paean to truth—recognizing it, accepting it, and acting on it even when it’s scary. (Portfolio, \$26.95)

**You’d think a book that is essentially a** biography of the very concept of business strategy would be stodgy and dull, but that’s hardly the case with *The Lords of Strategy* by Walter Kiechel III. In describing the pioneers who turned strategy into the tool it is today, Kiechel first follows Bruce Henderson and the Boston Consulting Group as they feel their way through their early days of consulting. Then he considers visionaries like Michael Porter, Bill Bain, and Fred Gluck, making side trips through time to visit thinkers such as Frederick Winslow Taylor, Peter Drucker, and Henry Mintzberg. Kiechel still seems amazed at how new the field of corporate strategy is, noting that two 1970s-era strategy books devote four or

fewer pages to the topic of competition. Kiechel writes, “Today, when almost every executive’s resume proclaims the bearer to be ‘results-oriented’...it takes a long swim of the imagination to get one’s mind back to an era when the notion that ‘businesses exist to produce results’ was something that had to be called to readers’ attention.” The topic is never less than fascinating, and Kiechel’s sharp, intelligent prose makes the book a joy to read. (Harvard Business Press, \$26.95)

**As millions of Generation Y employees** enter the workforce, managers must understand how these individuals think, interact, and work. In *Y-Size Your Business*, Jason Ryan Dorsey—a Y guy himself—presents an insider’s perspective on the strengths, weaknesses, charms, and faults of his peers. But his book really shines when he offers step-by-step advice on how attract and keep Gen Y applicants, from phrasing interview questions to designing compensation packages. He spends a lot of time on the hiring portion of the process. A candidate who shows up for an interview with beard stubble and an untucked shirt isn’t being rude; he just doesn’t know how he should present himself, says Dorsey. Give him guidance, then assess how motivated he is to meet your standards. You could end up with a committed, loyal employee who’s passionate about his job. Dorsey believes that every new generation entering the workforce clashes with the generation already in place. His book aims to ease the way. (Wiley, \$24.95) **Z**



## Boardrooms in Wonderland

Board meetings can be as unpredictable as the Mad Hatter's tea party in *Alice in Wonderland*. So, to help executives better understand and manage the vagaries of boardroom behavior, an Australian school has created an executive course that engages participants in a scene straight out of Lewis Carroll's famous children's book.

Faculty at the University of New South Wales' Australian Graduate School of Management (AGSM) in Sydney worked with Australia's National Institute of Dramatic Art (NIDA) to write a play adaptation of the Mad Hatter's tea party. The play is the centerpiece of a one-and-a-half-day program, "Achieving Board Effectiveness: Influencing the Board," first offered in August 2009. The course's 15 participants play roles at a whimsical board meeting run by the capricious Mad Hatter himself.

The tea party serves as the perfect metaphor, explains Rosemary Howard, executive director of AGSM's executive programs. "It reflects just how crazy board meetings can be," she says. And, just like the tea party, she adds, a board comprises individuals each with his or her own idiosyncrasies and agenda. "To influence a board effectively, executives must learn how to influence each one of its members."

Students act out the play in a small theater. While onstage, they must think about the sound of their voices, their physical movements, and the personas they're projecting. "We want executives to understand that



The Australian Graduate School of Management worked with Australia's National Institute of Dramatic Art to develop role-playing exercises for executives based on the Mad Hatter's tea party from *Alice in Wonderland*, re-enacted here by NIDA staff.

To influence a board effectively, executives must learn how to influence each one of its members.

—Rosemary Howard

the board meeting is a kind of stage," Howard says. "They must decide how they want to act as leaders in that spotlight."

The day after their performance, students meet to analyze the experience and discuss the styles of leadership that emerged. They explore issues of board governance, the role of the board in the organization, their roles as leaders, and the value they add to boardroom discussions. The course also includes a visit from a CEO who explains how he or she manages board dynamics.

In 2010, AGSM once again will partner with NIDA to create several other courses with dramatic components. In addition to "Influencing the Board," it will offer "Making Change Happen," "Achieving Board Effectiveness: Performing as a Board," and "The Strategic Marketer: Leader, Innovator, and Growth Driver."

AGSM is placing such a strong emphasis on performance because it's a powerful way for students to develop communication, presentation, and engagement skills—all critical to great leadership, says Howard.

Recently, Howard met an executive who had participated in the first offering of "Influencing the Board." He described a particularly difficult real-life board meeting he had endured after taking the course. "He said that the Mad Hatter's tea party actually prepared him to deal with the craziness of his own board meeting," she says. "We couldn't ask for more than that." ■