

# BizEd

March/April 2013

THE

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ALSO:

AACSB's Proposed New  
Accreditation Standards

Tailoring a Mission  
To Suit Your School

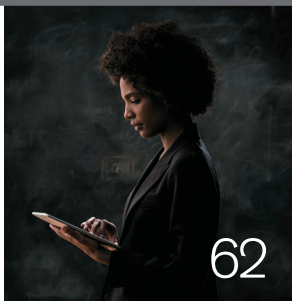
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## Make It Your Mission



RAQUITA HENDERSON

Here's a quick quiz: Which global companies operate by the mission statements below?


1. ...to be our customers' favorite place and way to eat.
2. ...to bring inspiration and motivation to every athlete in the world.
3. ...to build a place where people can find anything they want to buy online.
4. ...to inspire and develop the builders of tomorrow.
5. ...to organize the world's information and make it universally accessible and useful.

A list of the companies that match up with these missions appears at the bottom of this page. Even if you didn't guess them all, chances are you came pretty close. But not all mission statements are as inspiring as these. In fact, I was surprised to discover how many well-known companies limit their statements to some form of the following: "Our mission is to sell more widgets than anyone else and maximize our stakeholders' investment." That goal may be good for profits, but does it encourage innovation among employees? Or loyalty in its customer base? I doubt it.

In this issue, *BizEd* explores the art of the mission statement. Many schools want to pursue excellence and produce leaders, but those goals aren't always enough to differentiate them from their competitors. In the article "Mission: Imperative," we learn how schools have written mission statements that don't just help them stand apart in the market. They also give them defined paths to follow.

In the feature "15," we also discuss the new proposed accreditation standards drafted by AACSB International's Blue Ribbon Committee on Accreditation Quality (BRC). If association members approve these standards, business schools will begin the accreditation process by presenting clear and distinct mission statements. BRC members emphasize that strong mission statements can inspire schools to be more innovative, make greater impact, and engage more fully with constituents.

A recent news story shows just how much impact a strong mission statement can make. When a seven-year-old boy wrote to The LEGO Group to say that he'd lost his favorite LEGO minifigure, a customer service representative sent him not just a replacement, but also several accessories and a humorous letter that entreated the child to protect his toys "like the dragons protect the Weapons of Spinjitzu!" Would that rep have responded so well without the guidance of LEGO's mission, featured above, "to inspire the builders of tomorrow"? Maybe. Maybe not. But with that letter, the company secured a lifelong fan and generated goodwill worldwide.

It's not easy to capture a business school's entire purpose and personality in a few sentences. But by identifying its core mission, a school provides a touchstone for every member of its community. It shares with everyone exactly what story it wants to tell the world and how it wants to inspire the leaders of tomorrow. 

*Raquita Henderson*



1. McDonald's; 2. Nike; 3. Amazon; 4. The LEGO Group; 5. Google

SUNG-IL KIM/CORBIS



The goal is for SEAD to become a hub for faculty and students interested in global health and international development.

participants will combine their expertise in technology, social impact, and healthcare innovations to tackle issues of global health.

Because many early-stage social enterprises lack the funds they need to grow their operations, SEAD also aims to help participating social entrepreneurs learn to attract capital. That effort will be led by the Center for the Advancement of Social Entrepreneurship in collaboration with Durham-based Investors' Circle, an early-stage impact investing network.

## Advancing Global Health

**DUKE UNIVERSITY** in Durham, North Carolina, has received a US\$10 million award from the U.S. Agency for International Development (USAID). The money will fund the launch of the Social Entrepreneurship Accelerator at Duke (SEAD), a global health development lab that supports solutions to global health challenges in low- and middle-income countries.

SEAD is a joint initiative among the Center for the Advancement of Social Entrepreneurship at Duke's Fuqua School of Business, the International Partnership for Innovative Healthcare Delivery at Duke Medicine, and the Duke Global Health Institute. The initiative will be undertaken in collaboration with the Developing World Healthcare Technology Lab at Duke's Pratt School of Engineering. These multidisciplinary partici-

The goal is for SEAD to become "a virtual hub for faculty and students interested in global health, international development, innovation and entrepreneurship, and civic engagement," says Matt Nash, the center's executive director.

The creation of SEAD came about as Duke was named one of the founding partners of the Higher Education Solutions Network, a new USAID initiative that relies on universities to create breakthrough development solutions. The other six partners are the University of California in Berkeley, the College of William and Mary, Michigan State, Texas A&M, Massachusetts Institute of Technology, and Makerere University in Uganda. For more information, see [www.usaid.gov/hesn](http://www.usaid.gov/hesn).

## New Schools Plan To Open Their Doors

**TWO VERY DIFFERENT** new business schools are being formed from existing schools and departments and soon will be offering degrees to students:

■ The Catholic University of America in Washington, D.C., has created a School of Business and Economics designed to be distinctively Catholic and character-based. Previously a department housed in the School of Arts and Sciences, the new school will offer a model based on Catholic social doctrine.

According to Andrew Abela, chair of the previous department of business and economics, the goal will be to “bring the rich resources of the Catholic intellectual tradition and the natural law to bear upon business and economics. This will integrate morality into commercial life and help form the character of our future business leaders.”

Abela says that the School of Business and Economics will be distinctive in three ways: First, it will integrate morality and a sense of service into every course. Second, it will conduct research oriented to the common good, and faculty will be committed to making business more humane. Third, education will focus on “the will as well as the intellect” to help students integrate Catholic virtues into their chosen professions.



■ This fall will see the opening of **Kedge Business School**, created by the merger of BEM Bordeaux Management School and Euromed Management, both of France. The new school will offer undergraduate, postgraduate, and executive education programs on campuses throughout France, as well as Morocco and China. The school’s stated mission is “to meet international challenges and research

programs while developing new and innovative teaching.”

The new business school will bring together nearly 10,000 students, 160 teachers, and 300 international partners. The first students will be admitted to Kedge Business School this September, and a new campus outside Europe will be opened late this year. The merger is designed to meet international standards required for accreditation by AACSB, EFMD, and AMBA. More information can be found at [www.kedgebs.com](http://www.kedgebs.com).



## Babson Joins The Global Fight

**BABSON COLLEGE** in Wellesley, Massachusetts, has joined The Clinton Global Initiative University (CGI U) Network to help spur the growth of student projects that will address some of the world’s greatest challenges. Babson students will take action to create positive change in five focus areas: education, environment and climate change, peace and human rights, poverty alleviation, and public health.

The network is a growing consortium of colleges and universities that support and provide seed funding to student innovators and entrepreneurs on their respective campuses. CGI U students come together at its annual meeting to hear from experts in various fields, brainstorm ideas, share best practices, and form effective partnerships. Students develop “commitments to action” across the five focus areas to implement once they return to their campuses and communities.

The CGI 2013 annual meeting will be held April 5 through 7 at Washington University in St. Louis, Missouri, and will bring together nearly 1,200 attendees. The meeting is free to attend, and students can apply at [www.cgiu.org](http://www.cgiu.org). Bill Clinton launched CGI U in 2007 to engage the next generation of leaders from college campuses around the world.

# SHORT TAKES

## NEW APPOINTMENTS

■ **Amy Hillman** has been named dean of Arizona State University's W.P. Carey School of Business in Tempe. Hillman, whose appointment is effective March 1, is currently the school's executive dean and holds the Rusty Lyon Chair in Strategy at the school. She succeeds retiring dean Robert Mittelstaedt, who will remain at ASU as dean emeritus and professor of management.

■ **Rachel Croson** is the new dean at the College of Business for the University of Texas at Arlington. Croson is a UT Dallas economics professor and the director of the UT Dallas Negotiations Center. For the past two years, Croson also has served as the National Science Foundation's division director for social and economic sciences. Croson succeeds Dan Himarios, who recently was named UT Arlington vice provost and executive director of the Center for Global Academic Initiatives.

■ The London School of Business & Finance has appointed **Maurits Van Rooijen** as its new CEO and rector. He most recently was Rector Magnificus and CEO of Nyenrode Business University in the Netherlands.

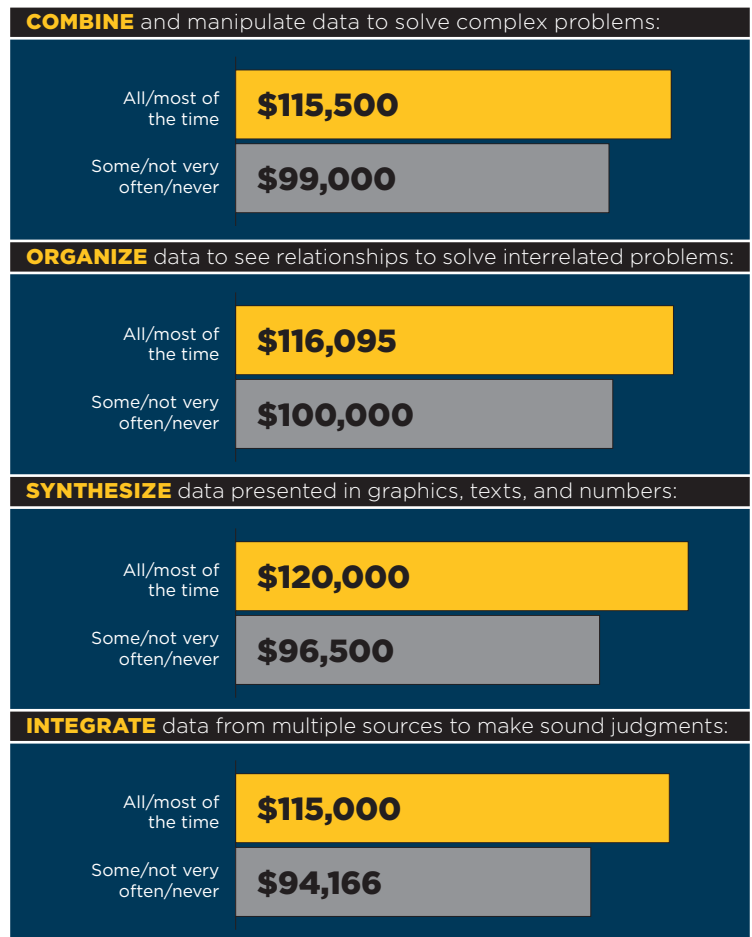
■ **John J. Fernandes**, president and CEO of AACSB International, became the new chair of The PhD Project on January 1. Also elected to seats on the organization's board were **Kimberly Drumgo**, director of diversity and inclusion for the American Institute of Certified Public Accountants (AICPA); and **Kendra Johnson**, director of test accommodations for the Graduate Management Admission Council, who will also serve as board secretary. Fernandes replaces Dennis Riegle, retired Arthur Andersen partner and current director of academic and career development for the AICPA. Riegle has served as board chair since 2007. The PhD Project was created in 1994 to work to encourage more African Americans, His-

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## SHORT TAKES

panic Americans, and Native Americans to pursue degrees in business and become business faculty.

■ **Christopher Kobrak** has been appointed as the first holder of the L.R. Wilson/R.J. Currie Chair in Canadian Business History at the University of Toronto's Rotman School of Management in Ontario.

■ **Kathryne Carr** will head the expanded business incubator at the Darden School of Business's Batten Institute at the University of Virginia in Charlottesville. Carr is co-founder and managing director at Tall Oaks Capital Partners LLC. Formerly available exclusively to Darden students and alumni, the incubator now will be open to qualified individuals from the university and the community.

■ The University of Denver's Daniels College of Business in Colorado has appointed **Stephen Miller** as the inaugural senior director of entrepreneurship for the college. He will design and launch new entrepreneurship activities, expand co-curricular programming, and coordinate activities across campus to build key relationships in the entrepreneurial community.



■ The University of Colorado Denver Business School has named **Bette Smith** as the

administrative director of the J.P. Morgan Center for Commodities. The center is supported by the firm's US\$5.5 million gift.

### STEPPING DOWN



■ **Melvin T. Stith**, dean of the Whitman School of Management at Syracuse

University in New York, will retire at the conclusion of the spring 2013 semester. Stith, who has been dean since 2005, was instrumental in developing the school's Entrepreneurship Bootcamp for Veterans with Disabilities. He was a founding member of the PhD Project and currently serves as director of the board for the Beta Gamma Sigma International Honor Society.

■ On June 30, **James Fairfield-Sonn** will leave his post as dean of the Barney School of Business at the University of Hartford in Connecticut. He joined the faculty in 1982 and has been dean for eight years. He will be on leave for the fall semester of 2013 and will return in 2014 as a faculty member. During his tenure, the school added an actuarial science minor, implemented choices between online and in-class MBA programs, and increased the numbers of students enrolled in honors courses.

■ **James W. Bradford Jr.** is stepping down after eight years as dean of the Owen Graduate School of Management at Vanderbilt University in Nashville, Tennessee. During his time at the school, Bradford spearheaded the launch of numerous degree programs, including several in healthcare management, accountancy, and finance. He also oversaw the creation of Accelerator, a 30-day intensive summer program for undergraduates, as well as a leadership development program. Under Bradford, financial support for the school resulted in the endowment of 19 new school scholarships and eight new faculty chairs.

### NEW PROGRAMS

■ In October, **Rouen Business School** in France will launch an MSc in arts management that will address the economic and managerial issues facing arts organizations today. The 15-month program will be taught completely in English. The program will address art history and the current art market, international law, the economics and marketing of culture, and the management of art institutions. The program will be directed by marketing professor Joëlle Lagier.

■ The **University of Central Oklahoma** College of Business in Edmond has launched a new program to give all incoming MBA

students an iPad to use throughout their studies.

■ **St. Petersburg University** Graduate School of Management in Russia has launched Project Management for Social Entrepreneurs, a five-month executive education program implemented with funding from City Foundation. The director of the program will be Yury Blagov.

■ The College of Business at **Butler University** in Indianapolis, Indiana, has created a major in entrepreneurship and innovation for business students. The school also has designed a minor in that subject matter that will be available to students throughout campus. The new major will add classes in creativity and innovation, entrepreneurial finance, social entrepreneurship, sales and marketing, and Web design/commerce. It also will require students to take the existing practicum class, in which they operate a business for a semester.

■ The Marshall School of Business at the **University of Southern California** in Los Angeles has launched the master of business for veterans (MBV). Developed through conversations with Marshall alumni and the California Department of Veterans Affairs, the MBV is designed to help military veterans and active personnel translate the skills they

# SHORT TAKES

acquired in their military service to the business environment. The intensive one-year program will admit its first cohort in the fall of 2013.

■ The Quinlan School of Business at **Loyola University Chicago** in Illinois has launched two new programs. The first is a master's degree in supply chain management, which complements the school's new Supply and Value Chain Center. The second is an intercontinental MBA that will be hosted on four continents and combine online learning with classroom experience.

■ This August, **Southern Methodist University** in Dallas, Texas, will debut a master of science in sport management. The interdisciplinary program is a collaboration between SMU's Cox School of Business and Simmons School of Education and Human Development. The program will combine finance, economics, management strategies, sports marketing, facility and event management, sports law, ethics, and sports communication.

■ Last fall, the **International University of Monaco**, part of the INSEEC group, launched a new master's program dedicated to sustainable development. Enrolled students will take modules in eco-consumerism and green marketing, micro-



finance and nongovernmental organizations, socially responsible investment, sustainable development law, and energy. They also will learn about the European Union climate and energy package and how it's applied through the construction of "zero energy" buildings. In addition, they will study Monaco-based NGOs in the biodiversity sector and socially responsible investment funds.

■ The Broad College of Business at **Michigan State University** in East Lansing is now offering a master certificate in strategic change management. The all-online program consists of four eight-week required courses and one elective. Participants learn negotiation, decision-making, and change management skills, as well as how to motivate people to deliver optimum results.

■ **Seattle University's** Albers School of Business and Economics in Washing-

ton state has launched the Bridge MBA. The one-year, full-time program is designed for recent graduates with nonbusiness undergraduate degrees and limited work experience. Students will learn business basics and critical thinking skills and complete projects that allow them to practice those skills in real life. The first classes will begin this fall.

■ The College of Management at the **University of Massachusetts Boston** has recently launched the Orga-

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## SHORT TAKES

nizations and Social Change track of its PhD in business administration program.

### COLLABORATIONS

■ The Brock School of Business at **Samford University** in Birmingham, Alabama, has announced a partnership with the journalism and mass communication (JMC) department to create a five-year dual-degree program for journalism students. Any JMC student who completes a business minor can stay at the school for the following year to obtain an MBA.

■ Nearly 20 companies with innovative supply chain operations have entered into a new alliance with **Indiana University's** Kelley School of Business in Bloomington. The Supply Chain Alliance will be a forum for interaction among the companies, Kelley faculty, and students interested in careers in supply chain management. Member companies include ArcelorMittal USA, Bosch, Carlisle, Chrysler Corporation, Cook Medical, Exel, FedEx Solutions, W.W. Grainger, GE Healthcare, Kimball International, Redcats

USA, Target Distribution, and Whirlpool. The alliance is part of the department of operations and decision technologies and is directed by Rhonda Lummus, clinical professor of supply chain management.

■ The **MBA Career Services Council** (MBA CSC) is partnering with the Canadian Association of Career Educators and Employers to provide tailored programming to Canadian constituents. The initiative is part of MBA CSC's global expansion efforts. The partnership will focus on providing content such as Webinars and conference sessions to schools and employers located in Canada.

### GRANTS AND DONATIONS

■ A US\$5 million gift from an anonymous donor has provided funding for the Raymond C. Baumhart, S.J., Center for Social Enterprise and responsibility at the Quinlan School of Business at **Loyola University Chicago**.

### HONORS AND AWARDS

■ **Barbara Krumsiek** has received the 2012 Botwinick Prize in Business Ethics from the Columbia Business School in New York City. Krumsiek is chair, president, and CEO of Calvert Investments. The prize is organized by the Sanford C. Bernstein & Co. Center for Leadership and Ethics.

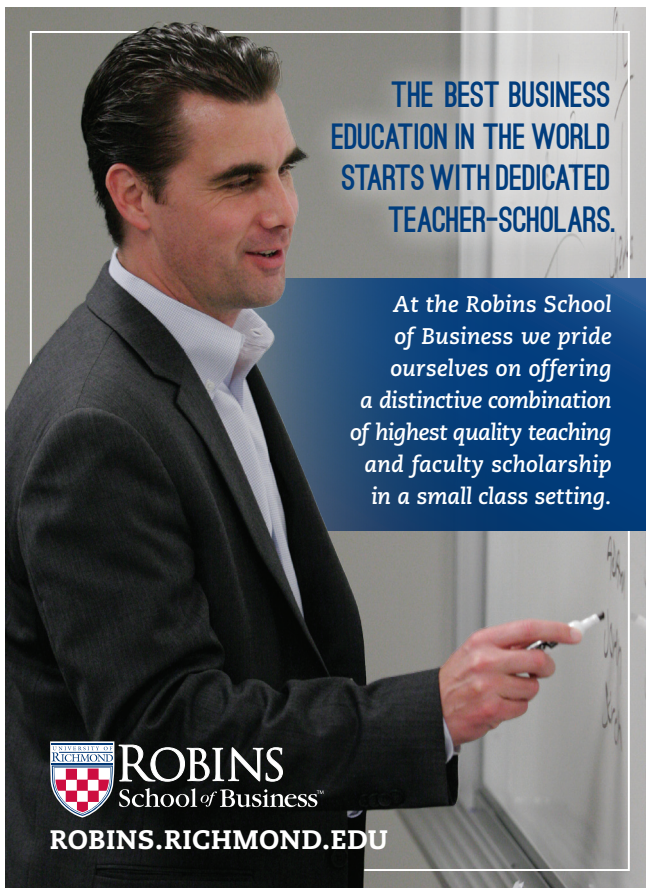
### OTHER NEWS

■ **Morgan State University** in Baltimore, Maryland, is expanding its main campus with a building that will house the Earl Graves School of Business. The new building will hold seven academic departments, a Wall Street trading floor, mock hotel rooms, and a kitchen. The US\$72 million building is expected to be completed in about 18 months.

■ **Western Union Business Solutions**, a unit of Western Union, will expand the organization's partnership with ChinaPay, the online and mobile payments subsidiary of China's UnionPay. The expanded partnership will enable participating universities around the world to accept international tuition and student fees in the Chinese renminbi (RMB). 


### CORRECTION

In "EthicsGame Takes the Oath," a sidebar that appeared on page 33 of *BizEd's* January/February 2013 printed edition, we incorrectly identified the school where Ángel Cabrera now serves as president. He is president of George Mason University in Fairfax, Virginia, not George Washington University in Washington, D.C.

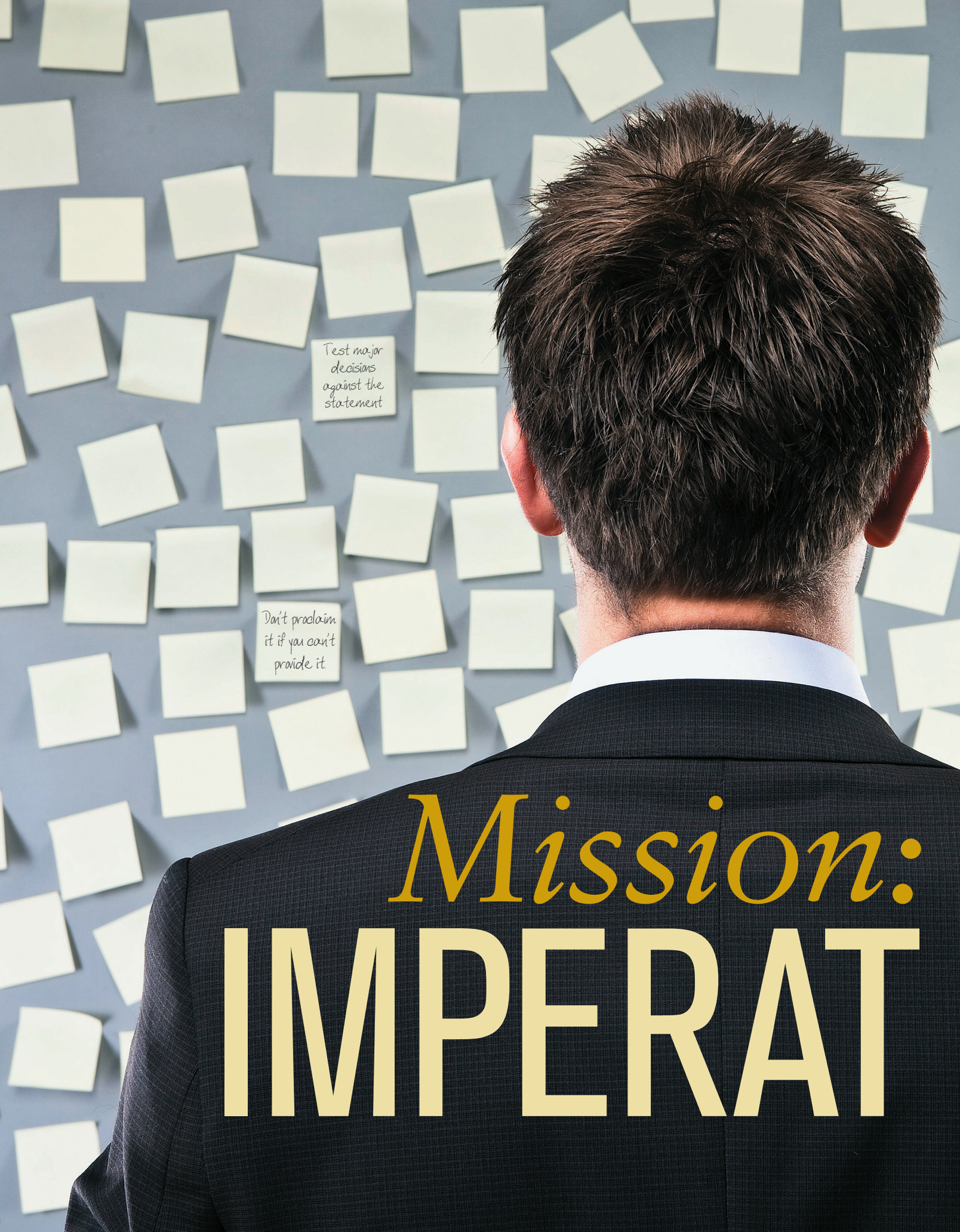


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Test major  
decisions  
against the  
statement

Don't proclaim  
it if you can't  
provide it.

# *Mission:* IMPERAT



Great mission statements can't be bland and interchangeable. They must describe what makes a school unique and serve to reflect its overarching strategic goals.

**BY SHARON SHINN**

**A**t a recent meeting of more than 60 business school deans, Virginia Tech's Richard Sorensen issued a challenge. The dean of the Pamplin College of Business in Blacksburg asked, "If you all printed out your mission statements and tacked them to a wall, could you pick out which one is yours?"

While the participants didn't actually carry out the exercise, it's a valid question. As Sorensen notes, "There are very good schools that have only slightly differentiated mission statements." Mission statements have always been important to help schools tell their stories of who they are and what they offer. But they've become even more critical for colleges seeking accreditation from AACSB International, because AACSB's accreditation process is based on how well schools are carrying out their own stated missions.

So how does a school craft a brief, thoughtful mission statement that accurately expresses its strategy, its goals, and its unique place on the b-school continuum? And once the statement is written, how do administrators use it in the day-to-day life of the institution? In the following pages, deans from three business schools describe how they arrived at their well-thought-out mission statements and how they implement them in their overall strategies.

RADIUS IMAGES/GLOW IMAGES

## Mastering the Mission

Whether a school is writing its first mission statement or extensively revising one to reflect a new direction, administrators might find it useful to consider these ten steps:

1

### View the mission statement as a complement to the school's overall strategic plan.

The school's strategy must drive the mission statement, not the other way around, notes Bernard Ramanantsoa, dean of HEC Paris in France. "Don't try to write the mission statement from scratch, then try to write the strategy afterward."

Development of the strategic plan and the mission statement were closely intertwined at Victoria Business School of Victoria University of Wellington in New Zealand, says professor Bob Buckle, pro vice-chancellor and dean of the school. A few years ago, the school developed its strategic plan—in part to put in place a continuous improvement process, and in part to make sure the school's goals and vision aligned with the university's. Buckle set up a structure and timetable that allows him to gather feedback from his management team and advisory board every year as they consider what initiatives and priorities to set for the coming year and how to budget for them.

He says, "We have an annual cycle for the development of our strategic plan, with the mission statement providing an overarching, long-term anchor for what we try to do each year. It's a succinct statement of what we're trying to achieve."

2

### Identify your strengths.

When Virginia Tech's business school originally developed its mission statement, administrators first considered the strengths of the home university, which included excellent engineering and computer sciences programs. They also did a SWOT analysis of the market and realized the school could not compete head-to-head with the well-funded full-time MBA at a nearby university.

"So we purposely staked out different territory," says Sorensen. "We concentrated on our undergraduate program, we made sure our graduate program served different areas of the state, and we developed joint programs with IT and engineering departments." Virginia Tech's mission statement specifically reflects those goals.

In addition to using the mission statement to identify its strengths, a school can use the statement to spell out what makes it distinctive, says

Buckle of Victoria Business School. "For instance, we're very serious about the importance of engaging with the government and the public sector. We also attach importance to providing our students with an international perspective. So these are reflected in our mission statement," he says. "The mission statement is a useful guide to the sorts of initiatives and priorities you might have in the coming years. It helps you ensure consistency with your *raison d'être*."

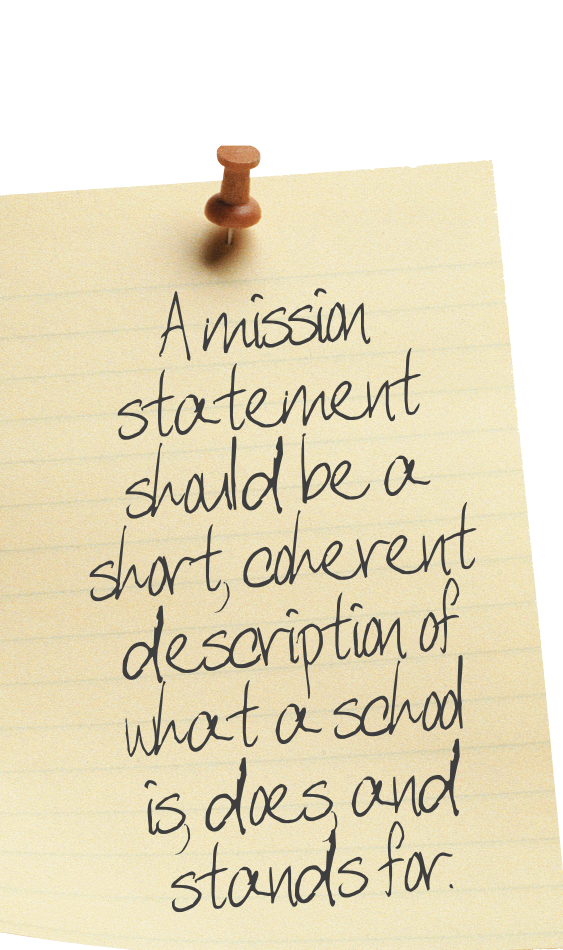
3

### Identify the strengths you want to have.

Globalization wasn't a core value when Pamplin began writing its mission statement, but faculty members insisted that global experiences would be immensely beneficial to students. "At that time, most of our students had limited travel experience, and many came from middle or lower socioeconomic groups," says Sorensen. "It



DAVE GREENWOOD/GETTY IMAGES



A mission statement should be a short, coherent description of what a school is, does, and stands for.

was a real eye-opener for them to travel overseas to see other cultures.” Thus, Pamplin’s statement notes that the school prepares “students for global business challenges, including providing opportunities for global experiences before graduation.”

Similarly, HEC formulated its current mission statement about ten years ago when it decided to pursue a new strategy. Up until that time, the school had primarily focused on teaching, but as it aimed at developing a more international presence, it wanted to increase its emphasis on research. “We rewrote the mission statement to formalize our new strategy more explicitly,” says Ramanantsoa. “First-tier business schools are clearly research schools, and that’s where we wanted to position ourselves.”

For that reason, HEC’s mission statement includes commitments “to combine state-of-the-art research with innovative training” and “to heighten expertise through research and field surveys,” among other objectives.

4

#### Consider the needs of your community.

It’s important to keep in mind who will be hiring the graduates of the school and make sure those employers are being served. “We asked ourselves, ‘What have been the experiences of our alumni? What are the needs of the business community?’” says Sorensen. “That’s when we decided to focus on building really strong technical skills.”

5

#### Listen to the voices of many constituencies.

Pamplin’s mission statement was crafted by a committee drawn from department heads and faculty chairs, but the school has always received input from other groups. Says Sorensen, “Our advisory board members and alumni emphasize that graduates need the softer skills as well as the technical ones. They need a grounding in ethics, leadership, global perspectives, and the value of diversity.” Those goals are included in the mission statement.

Likewise, when formulating its mission statement, HEC sought the input of a number of key figures within the school, including associate deans, the deans for faculty and for research, and department heads. But the school also brought in several consulting firms that specialized in strategy, brand reputation, and communication.

“The problem with a mission

statement is that you must say a lot of things in a few words, and we wanted the consultants to help us with two challenges,” says Ramanantsoa. “First, we wanted to be sure the mission statement was congruent with our strategic plans. Second, we wanted the mission statement to be communicated as clearly as possible.” Advice from outside experts helped the school achieve both goals.

6

#### Don’t proclaim it if you can’t provide it.

“When Virginia Tech first began talking about emphasizing diversity in the mission statement, I wanted to make sure we could operationalize it,” says Sorensen. “My position is, if you can’t operationalize something, it’s just a wish list. But now we have programs, workshops, and case competitions all built around diversity. And our mission statement includes a section about diversity as a core value.”

Buckle takes a similar position. Victoria Business School’s mission statement includes a list of values that the school promotes, which include diversity, integrity, innovation, academic freedom, and leadership. This means the school must give students opportunities to develop in those areas. “For instance, the university has introduced the Victoria International Leadership Program, which encourages students to volunteer as an extracurricular activity,” says Buckle. “In the process, they attend leadership seminars and receive other training.”

Buckle believes that assurance of learning programs are extraordinarily important to help the school determine if it is, in fact, delivering the skills it promotes in its mission statement. “As we assess our assurance of learning program, we do a curriculum mapping to see if we’re providing enough opportunities to meet these learning goals, and if we’re not, to determine how we can do so.”

## 7

### **Test major decisions against the mission statement.**

HEC uses the mission statement when it is trying to decide how or whether to implement program revisions. “We might ask, ‘Should we enlarge the program or modify the selection process? What kind of faculty should we recruit?’ These questions come up every year, and we often say, ‘Let’s go back to the mission statement,’” says Ramanantsoa.

In other contexts—both formal and informal—HEC turns to the mission statement to answer questions about the school’s priorities. On the formal side, the school always begins with the mission statement during accreditation and re-accreditation efforts, whether it’s dealing with AACSB, EFMD, or the French national accreditation commission.

Informally, the school relies on the mission statement when administrators have conversations with students about the possible evolution of the school. The associate deans meet with students every term, and Ramanantsoa makes

sure he meets with students once or twice a year to discuss any topics they want to bring up.

“Students often ask why the school adheres to a particular format or doesn’t follow a certain course of action,” he says. “Some questions are easy to answer. ‘We don’t do that because we don’t have the resources.’ But for more sophisticated questions, we always refer back to the mission statement.”

He adds, “I’m not saying the answers to all questions are in the mission statement, but it’s kind of like the constitution of the school. That doesn’t mean we can never change it, but we do try to adhere to it for the main issues.”

Sorensen puts it bluntly. “If an initiative makes sense with the mission statement, we’ll do it. If it’s contrary to the mission statement, either we won’t do it or we have to change the mission statement.”

## 8

### **Integrate the mission statement into all facets of the school’s life.**

At Victoria Business School, the mission statement is posted on a wall of the ground floor so students, faculty, and visitors can see it when they walk through the front door. It’s also displayed in the boardroom, which is used for a wide variety of meetings, and it’s provided on the Web site.

Virginia Tech’s mission statement is prominent on the Web site and included in most of the school’s published materials. Says Sorensen, “I go over it every spring when I teach an introduc-

tory business course. I show students how the mission statement helps us determine which programs we offer and how a mission statement can help set the direction for any organization.”

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### **Be prepared to revise the mission statement when necessary.**

“The mission statement always has to be a work in progress to some extent,” says Sorensen. “A school might include a goal in its mission statement and then discover that it doesn’t have the resources to implement it. So the school has to rethink either the statement or its goals.”

While Pamplin rarely undertakes major changes to its statement any more, it often makes tweaks. For example, the original statement said that graduates will use their skills to help solve business problems; this has been revised to emphasize that graduates create solutions to such problems. “It’s a small change, but it expressed the concept more clearly,” says Sorensen.

Victoria Business School undertook a much more major revision recently to reflect the fact that it had absorbed the school of government, which previously had existed as a separate college within the university. The merger was a logical one, because the business school already had partnered with the school of government to deliver master’s-level programs in public policy and public management. In addition, the business school, which is located in the heart of New Zealand’s capital city, had

always maintained close ties with the government.

But adding the school of government made it imperative for the business school to revisit its mission statement to spell out its new emphasis. The revised statement reads: “Victoria Business School creates and shares knowledge of governance and management of resources in the public and private sectors to develop capability and provide our stakeholders with a global perspective.”

Buckle feels it was particularly necessary to highlight governance. “Our reworded mission statement reflects the shift in emphasis that’s taking place around the world about the awareness of the importance of good governance,” he notes.

Whether the mission statement has been in place for ten years or has recently been completely rewritten, Ramanantsoa of HEC advises paying attention to how the statement currently is received by stakeholders. When people stop reacting positively to the mission statement, he warns, “that means something is wrong.” And it might be time to revisit the school’s strategy and its mission.

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### **But don’t make changes lightly.**

“By definition, the mission statement is not something that should be changed every six months,” says Ramanantsoa.

In fact, once you’ve crafted the statement that suits your school, commit to it. At Virginia Tech, according to Sorensen, “It’s become part of our DNA.”

## More About Missions

- “Crafting a Statement of Intent,” a detailed description of Audencia Nantes’ journey to writing a new mission statement, appears on page 62 of the January/February 2010 issue of *BizEd*.
- The mission statement for the Victoria Business School can be found at [www.victoria.ac.nz/vbs/about/mission](http://www.victoria.ac.nz/vbs/about/mission).
- The mission statement for the Pamplin College of Business appears at [www.pamplin.vt.edu/general.php?page=info-mission](http://www.pamplin.vt.edu/general.php?page=info-mission).
- The mission statement for HEC Paris is available at [www.hec.edu/About-HEC/About-HEC-Paris/Mission-Values](http://www.hec.edu/About-HEC/About-HEC-Paris/Mission-Values).

Says Buckle of Victoria Business School, “If the environment changes or the makeup of the business school changes or the university’s objectives for the business school change, we would revisit the mission statement and ask if it’s still appropriate. Otherwise, I’d imagine that this one is sufficiently robust to prevail for quite a few years.”

### **Mission in Action**


As schools pursuing AACSB accreditation seek to create or refine their mission statements, they might find themselves first taking a hard look at their schools and what defines them. “Writing a mission statement can help a school more fully understand exactly what differentiates it from its peers—but figuring that out is sometimes the hard part,” Sorensen notes. “Schools need to determine their strengths and weaknesses, as well as what they really want to be good at. They need to determine who their constituency is and what part of the business community they’re working with. Then they develop a mission statement that captures those values.”

When Sorensen visits a school as part of a peer review team, he purposely looks at its mission statement, its governance, and its utilization of resources. “I’ll tell a school when it has an undifferentiated mission statement. That usually happens when the school just

presents a lot of verbiage without a critical analysis of its strengths,” he says. “This gives administrators a chance to rewrite the mission statement—to make it reflect the strengths of their school—even before the accreditation visit.”

Buckle acknowledges that both the mission statement and the strategic plan have assumed more importance at Victoria Business School as it has pursued accreditation. “The accreditation process helped us learn about what other business schools do. It also helped us learn about the importance of putting together a coherent plan and good management structures. We developed a better understanding of the role a strategic plan can have.”

Schools seeking accreditation must think more deeply about how well they are meeting their own stated goals, Buckle observes. He adds, “I think the mission statement is much more central to the way we operate and the way we decide on priorities than it was ten years ago.”

A mission statement should be a short, coherent description of what a school is, does, and stands for. For schools pursuing accreditation, that simple declaration is an expression of everything they are and wish to be. Even for schools that are not seeking such a credential, a mission statement can help them analyze what makes them unique and where they fit in the larger world of business education. 

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# That's the number

of new accreditation standards that AACSB International's Blue Ribbon Committee has drafted—the first revision of AACSB's standards since 2003. These proposed changes, to be presented to association members for a vote this April, have inspired spirited discussions about **innovation, impact, engagement**—and the future of management education.

BY TRICIA BISOUX





**F**lip through any issue of *BizEd* from 2003, and you'll get a quick snapshot of the issues that business schools were grappling with ten years ago. Business schools were replacing their chalkboards with whiteboards, forging global "super alliances," and taking note of the growing markets for business education in Asia and Africa.

In 2003, members of AACSB International also approved new accreditation standards, drafted by the association's Blue Ribbon Committee on Accreditation Quality (BRC). Those 21 standards, still in place today, were developed to be more inclusive of global models for business education and place greater emphasis on a business school's mission and assurance of learning practices.

Fast forward to 2013, when business schools have tackled the assurance of learning challenge, adopted massive open online courses, and opened globally distributed campuses. Given the dramatic changes in the industry, members of the BRC have spent nearly two years once again re-evaluating the market and drafting a new set of standards. AACSB members will vote on these standards at the association's International Conference and Annual Meeting on April 8.

The BRC released the draft of its recommended standards in Fall 2012. (See "The Proposed Standards at a Glance" on page 29.) Since the draft's release, BRC members have moderated plenaries and breakout sessions about the proposed standards at conferences worldwide, including AACSB's Annual Accreditation Conference in Atlanta last September. Not surprisingly, members have asked many questions

about the content and implementation of the proposed standards. This article examines how the BRC has responded—and how the association hopes the standards will shape the future of business education.

### FAQs for the BRC

The proposed standards still emphasize quality and assurance of learning, but they also place increased emphasis on three other areas: *innovation, impact, and engagement*. Under this framework, schools pursuing accreditation should be prepared to demonstrate to their peer review teams not only how well their programs support their stated missions, but also how their programs have achieved innovation, impact, and engagement through their teaching, research, and service.

All of the BRC's recommendations have generated lively discussion and debate. However, four areas have garnered the most attention. They include the BRC's proposed standards pertaining to mission, impact, and innovation (Standard 1); intellectual contributions, impact, and alignment with mission (Standard 2); executive education (Standard 14); and faculty qualifications and engagement (Standard 15). Here are the BRC's responses to members' most frequently asked questions:

**In general, what are the biggest changes that the BRC is proposing?** Perhaps the biggest change is that the BRC has reduced the number of standards from 21 to 15. They did so by eliminating redundancies that required schools to address issues such as curriculum management and faculty qualifications in multiple standards.

In addition, the proposed standards place an even greater emphasis on mission. Under proposed Standard 1, each school must articulate "a clear and distinctive mission." A school's responses to all 15 proposed standards should then demonstrate how its programs and activities support that mission.

Finally, these standards ask schools to demonstrate how their curricula, intellectual activity, and financial models promote innovation, make an impact on the communities they serve, and engage with their stakeholders.

**How will AACSB ensure that peer review team members are trained to apply the standards consistently, particularly related to subjective concepts such as innovation and impact?** Peer review team members will receive rigorous training, which will focus on the mission-based philosophy of accreditation and the application of the standards. The association will deliver this training in both face-to-face and online formats. This will ensure that peer review team members apply the standards consistently, even as they interpret the standards against the different models and missions of different schools, explains Bob Reid, AACSB's chief accreditation officer.

Reid adds, "We won't be saying, 'Here's the standard and here's what it means.' Instead, we'll be saying, 'Here are some examples, and here are these situations. Let's discuss how you might interpret the standards in these cases.'" He emphasizes that teams will be trained to look beyond whether schools have "met the minimums," and instead evaluate whether schools have fulfilled their stated missions; achieved

# The Proposed Standards at a Glance

Below are the 15 proposed standards for business accreditation that the Blue Ribbon Committee on Accreditation Quality will present to AACSB International members for a vote on April 8. To read the BRC's full document, which includes eligibility criteria and in-depth explanations, visit [brc.aacsb.edu](http://brc.aacsb.edu). To learn more about the BRC and see the list of BRC members, visit [www.aacsb.edu/brc](http://www.aacsb.edu/brc).

## Standard 1:

### **Mission, Impact, and Innovation**

*Deepening our understanding of mission*

## Standard 2:

### **Intellectual Contributions, Impact, and Alignment with Mission**

*Beyond counting: valuing the impact and quality of scholarship*

## Standard 3:

### **Financial Strategies and Allocation of Resources**

*Financial strategies to sustain quality and innovation*

## Standard 4:

### **Student Admissions, Progression, and Career Development**

*Supporting student academic and professional success*

## Standard 5:

### **Faculty Sufficiency and Deployment**

*Ensuring an appropriate level of engaged faculty*

## Standard 6:

### **Faculty Management and Support**

*Enabling the development of highly effective faculty*

## Standard 7:

### **Professional Staff Sufficiency and Deployment**

*Recognizing the increasing importance of professional staff*

## Standard 8:

### **Curricula Management and Assurance of Learning**

*Giving context to assurance of learning*

## Standard 9:

### **Curriculum Content**

*Fostering innovation with flexible guidance and clarified expectations*

## Standard 10:

### **Student-Faculty Interactions**

*Articulating a central expectation across teaching and learning models*

## Standard 11:

### **Degree Program Educational Level, Structure, and Equivalence**

*Protecting the integrity of accredited degree programs*

## Standard 12:

### **Teaching Effectiveness**

*Developing teaching skills in a changing environment*

## Standard 13:

### **Student Academic and Professional Engagement**

*Fostering student involvement in both academic and experiential learning*

## Standard 14:

### **Executive Education**

*Recognizing the growing importance and benefits of executive education*

## Standard 15:

### **Faculty Qualifications and Engagement**

*Elevating scholarship and developing intersections between theory and practice*



high quality; and demonstrated innovation, impact, and engagement in their programs.

**How will peer review teams measure impact?**

Impact refers to how a school’s activities have garnered attention, improved teaching, or changed business practice, Reid explains. A five-page appendix in the BRC’s recommended standards provides many indicators and examples to help schools assess impact, including awards for research related to a school’s mission, article downloads, grants, media citations, and invitations to faculty to present at conferences. Research that effects change in public policy could also be a measure of impact—perhaps even more so than academic research that has been only narrowly distributed.

In the accreditation process, a peer review team usually looks at a school’s activities during the last five years. However, when it comes to impact, that window could expand to ten or even 20 years, BRC members have noted, because a study written 20 years ago might only now be garnering attention for its contributions to industry.

**Must all of our faculty members’ work, which would be reported under proposed Standard 2, be directly related to our mission?**

No. The intent of proposed Standard 2 is for schools to demonstrate how a portfolio of a school’s work—in the aggregate—supports its mission. For instance, the portfolio of a school whose mission is heavily based in research might lean heavily toward discipline-based scholarship and editorships, while

the portfolio of a school whose mission is based in teaching might lean heavily toward pedagogical scholarship and textbook authorship. But the standards are flexible enough to allow for a school to support a variety of activities.

**Why has executive education been given a separate standard?**

Under current standards, schools whose programs skew heavily toward executive education could have a majority of their activities excluded from consideration during the accreditation process. Under proposed Standard 14, schools now have the opportunity to showcase that part of their programs.

“The current standards mention executive education only in terms of saying, ‘If you’re doing exec ed, make sure you’re causing no harm to your other degree programs,’” says Reid. “In the new standards, we ask, ‘If you have exec ed pro-

grams, how do they align with your mission, and how do these programs benefit your school?’”

Reid also emphasizes that, unlike the other standards, proposed Standard 14 begins with the words “If applicable...” Schools would have to address this standard only if executive education generates 5 percent or more of their annual resources.

**What if, given our financial structure, we cannot easily determine if executive education generates 5 percent of our annual resources?**

The 5 percent figure is meant to be only a general measurement of executive education’s importance in a school’s programs. A school can look at several factors—such as revenue generated by, funding received from, or students served by the program—to determine whether its executive education program meets the 5 percent threshold. In fact, some schools

## Expanded Categories for Faculty

	Academic (Research/Scholarly)	Applied/ Practice
Professional experience, substantial in duration and level of responsibility	Scholarly Practitioners (SP)	Instructional Practitioners (IP)
Doctoral degree	Scholarly Academics (SA)	Practice Academics (PA)

Under proposed Standard 15, the categories of academically qualified (AQ) and professionally qualified (PQ) faculty would be replaced with the following four categories: scholarly academic (SA), practice academic (PA), scholarly practitioner (SP), and instructional practitioner (IP). Generally, under this standard, at least 40 percent of a school’s faculty should be SA faculty; at least 60 percent should be a combination of SA, PA, and SP; and at least 90 percent should be a combination of all four categories. Schools should demonstrate how their faculty portfolio supports their missions, even if their mix of faculty diverges from this general guideline.

## The guidelines reflect the fact that faculty possess diverse academic backgrounds and engage in a variety of activities consistent with the missions of their schools.

may choose to apply the standard even if their executive education activities currently fall below 5 percent—especially if executive education is an area they wish to develop.

Stephen Watson, a life fellow at the University of Cambridge in the United Kingdom, reassured attendees at September's conference that the standards require only a reasonable estimate, noting that "most schools know if more than 5 percent of their programs is executive education." If it comes down to a single course pushing a school over the 5 percent threshold, then this standard probably does not need to be addressed in accreditation reports.

**How will peer review teams evaluate executive education programs?** Reviewers will look at the scope of the program to determine whether executive education enhances or detracts from each school's degree programs. Questions they'll explore include, "Is the school applying resources in a way that reflects the importance of executive education in its programs? Does the delivery of executive education courses increase faculty effectiveness or distract faculty from other more important obligations? Are the school's undergraduate and graduate-level degree programs enhanced, or do these other programs suffer? Is executive education an integrated part of the school's mission, or is it simply a means to generate revenue?" In each case, the review team will look for how much executive education makes a positive impact on a school's program and how well it aligns with its mission.

**How do the faculty designations of academically qualified (AQ) and professionally qualified (PQ) change**

### **under proposed Standard 15?**

The designations of academically qualified and professionally qualified are replaced with four new categories:

**Scholarly Academic (SA):** A faculty member with a research doctorate degree who is engaged in discipline-based research.

**Practice Academic (PA):** A faculty member with a research doctorate degree who sustains relationships with business via consulting or other professional engagement activities.

**Scholarly Practitioner (SP):** A faculty member with significant practice-based experience who also engages in substantial discipline-based scholarly activity.

**Instructional Practitioner (IP):** A faculty member who draws from previous and current professional experience to teach subjects in his or her expertise.

These four new categories recognize discipline-based, practice-based, and pedagogical scholarly activities. At the September conference, Matthew O'Connor, dean of the School of Business at Quinnipiac University in Hamden, Connecticut, noted the example of an accounting professor who had earned his doctorate a long time ago and conducted academic

research earlier in his career. Recently, this professor wanted to augment his academic knowledge by educating himself on the International Financial Reporting Standards (IFRS). Today, he delivers workshops and presentations on IFRS to accountants throughout his region.

This professor is making an impact, and yet "we don't have a category for him under the current accreditation standards," O'Connor says. Under the proposed standards, this professor, who is most likely still qualified to teach undergraduate accounting, would be a practice academic (PA).

The BRC also recognizes that, over time, a faculty member might migrate from one category to another. For instance, an instructor with significant business experience might start out as an instructional practitioner (IP), but begin working with colleagues on significant academic research. That professor could then be classified as a scholarly practitioner (SP). There probably aren't very many faculty at business schools today who would fall under the SP category, says BRC member Jan Williams. But if approved, the BRC's recommended standards could help schools develop this group as a vital resource.

### **What about faculty who fit more than one—or none—of the four categories?**

The guidelines are not meant to force individuals into one category or another. They are meant to reflect the fact that faculty possess diverse academic backgrounds and engage in a variety of activities that are consistent with the missions of



their schools. Under the proposed standards, at least 40 percent of a school's faculty should consist of SA faculty. At least 60 percent should be a combination of SA, PA, or SP faculty. According to BRC members, these ratios elevate the importance of scholarship while giving schools the flexibility to achieve the standard in ways that suit their missions.

At least 90 percent of faculty should be a combination of all four categories. That leaves an "Other" category of 10 percent for faculty who might fall outside these classifications. For faculty who fit multiple categories, the school should decide which classification best describes their activities and how those activities support the school's mission.

**How will the contributions of SA faculty be quantified? Do SA faculty still need two publications in peer reviewed journals (PRJs) over five years?**

Since the current standards were adopted in 2003, many schools have defined an AQ faculty member as someone with a doctorate degree in his or her discipline who has published at least two scholarly articles in peer-reviewed journals over five years. However, this measure has never appeared as a requirement or guideline in AACSB's current accreditation standards.

The association would like peer review teams and schools to move

away from using the number of PRJs as a substitute for examining faculty qualifications, explains Mark Rice, dean of the School of Business at Worcester Polytechnic Institute (WPI) in Massachusetts. "We want to avoid the mistake we made last time, where we collectively somehow decided that two PRJs in five years was the number," he says.

Under the proposed standards, schools must demonstrate that their faculty members are engaged in scholarship in ways that make a positive contribution to their programs, he says. "We'd rather see faculty publish one high-impact article that shows up in a journal read by other practitioners and academics than ten that show up in third-tier journals that no one ever reads."

**Will it hurt our chances for accreditation if practitioners or individuals with nonbusiness degrees, such as law or communications, teach some of our courses?**

The BRC is focused on two factors: whether these individuals are well-qualified to teach their courses and whether a school's faculty portfolio clearly supports the school's mission. "The managing partner of a top-30 accounting firm is qualified to teach an advanced auditing class to MBA students," says Rice. "A 30-year-old junior accountant could be effective at teaching an introduction to accounting class to under-

graduates." He adds that such choices do not hurt—and could even help—schools as they pursue accreditation, as long as they have the "right people teaching the right topics to the right students."

**How does the focus on intellectual contributions, impact, and alignment with mission under proposed Standard 2 interact with the focus on faculty qualifications and engagement under proposed Standard 15?**

While both standards are concerned with the impact a school has on its students and business practice, they actually focus on two separate issues. Proposed Standard 2 considers the intellectual contributions the school supports and produces as a whole and the difference those contributions make in the field. By comparison, proposed Standard 15 considers the qualifications, initial academic preparations, and ongoing engagement activities of individual faculty members.

The diverse activities of faculty can help ensure—in a range of ways—that a school's overall intellectual contributions make an impact.

**Why is there no separate standard for online education, given how important this delivery model has become?**

Early in the process, BRC members planned to write a separate standard for distance education. However, as their discussion evolved, they realized that "distance education" refers to many types of teaching: synchronous, asynchronous, blended, and 100 percent online. It is becoming more difficult to draw the line between face-to-face and

online delivery models. Moreover, any standard that focused on the technologies and delivery models in use today could be obsolete a few years from now.

For that reason, the BRC chose to focus on whether the educational model that a school chooses for a particular course—regardless of method—is *effective* to achieve its goals. This issue is covered by several standards, including proposed Standard 12: Teaching Effectiveness. It's also covered by standards that focus on alignment with mission, faculty qualifications, faculty preparation, student-faculty interaction, curricular management, curricular content, and other areas.

"Teaching effectiveness is going to be an important part of the process," says Rice of WPI. "We must

Reid. In its early drafts, under the eligibility criteria, the BRC referred to the educational environment as a "collegiate setting." In the most recent version, that phrase has been changed to "collegiate environment," says Reid.

"Some people interpret the term 'collegiate setting' as referring to a traditional bricks-and-mortar campus," says Reid. "We made the subtle change in wording because we want to refer to the engagement that exists between faculty and faculty, and faculty and students, in a high-quality learning environment, regardless of the delivery model."

#### "Tell Your Story"

If members approve the adoption of the 15 proposed standards, schools can expect AACSB to roll them out over the next three years. Schools scheduled for peer review team visits in the 2013–2014, 2014–2015, or 2015–2016 academic years can choose to do so under either the current or new standards. The new standards would apply to all schools scheduled for peer review team visits beginning with the 2016–2017 academic year.


In the years that follow, the association also plans to prepare case studies on how different schools successfully demonstrated their activities in the three areas so integral to the new standards: innovation, impact, and engagement.

"Five years from now, schools will be able to talk about what has worked when it comes to creating impact or measuring quality," says Reid. He adds that as these exam-

ples become available, AACSB will distill them into white papers and incorporate them into peer review training sessions.

But while Reid emphasizes the need to provide schools with models that work, he doesn't want schools to view those models as set approaches—as boxes to "check off" on their way to accreditation. "Many deans want black-and-white answers in a world that has become increasingly filled with gray areas," says Reid. "With these standards, we're trying to foster innovation. If the standards are too prescriptive and too quantitatively driven, we will only create barriers to innovation. There are different missions and models, which schools can choose to execute in different ways. We don't want to impose a set of metrics across all schools."

Throughout these conversations, BRC members have urged educators to view the proposed standards as an opportunity to "tell their school's story." Regardless of whether it's through curriculum, centers of research, community outreach, or interactions with corporations or government, "we all have to be better at telling our story about what impact we're having," says George Krull. A panelist at the September conference, he works for audit, tax, and advisory firm Grant Thornton. He asks, "What difference would it make if your school didn't exist?"

In the end, the BRC hopes these standards will not only simplify the accreditation process, but also give schools the flexibility they need to take risks, embrace innovation, and seek out more opportunities to have a real impact on the practice of business. 




recognize that there is a proliferation of learning models, and the standards must say, 'You have to demonstrate that whatever model you choose delivers quality.'"

Although distance education does not have a separate standard, its importance did inspire a change in wording in the standards, explains

# Accreditation On the Rise

AACSB International is proposing new accreditation standards at a time when more schools than ever before are pursuing—and achieving—accreditation. In the last four years, the number of schools holding AACSB accreditation has increased by nearly 17 percent; those holding EQUIS accreditation, by more than 15 percent; and those holding AMBA accreditation, by more than 25 percent.

For some schools, one accreditation credential is not enough. Between January 2009 and January 2012, the number of schools with multiple accreditations increased by 34 percent. And as of December 2012, 59 business schools were accredited by AACSB, EFMD/EQUIS and AMBA.

AACSB expects to see certain trends in the next few years. In the U.S., the association predicts only an incremental change in the number of member schools seeking accreditation since the market has begun to reach its peak. However, AACSB expects to see more schools seeking accreditation worldwide—first in Asia, especially as the association continues outreach and education efforts from its Asia headquarters in Singapore, and then in Latin American and Caribbean countries, where more business schools are seeing the value of international accreditation. 

The number of schools accredited by AACSB, EFMD/EQUIS, and AMBA has increased in nearly every region of the world between 2009 and 2012:

		Africa	Asia	Europe	LACC*	North America	Oceania	World
2009	AACSB	1	28	41	9	481	10	570
	EFMD/EQUIS	2	13	74	10	12	11	122
	AMBA	3	9	110	26	4	8	160
<b>Total number of accreditations:</b>								852
		Africa	Asia	Europe	LACC*	North America	Oceania	World
2012	AACSB	2	54	67	15	511	17	666
	EFMD/EQUIS	2	25	79	11	12	12	141
	AMBA	6	32	122	29	4	8	201
<b>Total number of accreditations:</b>								1008

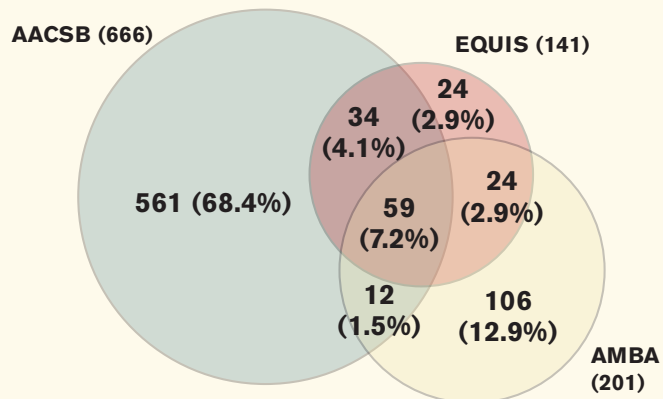
\*Latin American and Caribbean countries

## Schools seeking AACSB accreditation, by region:

	Africa	Asia	Europe	LACC	North America	Oceania	World
2009	1	50	54	12	76	11	204
2010	2	53	57	7	65	11	195
2011	3	57	52	5	52	8	177
2012	2	70	53	8	51	7	191

The number of schools seeking AACSB accreditation decreased from 204 in 2009 to 177 in 2011—perhaps because these years marked the height of the global economic crisis, a time when schools might have lacked the resources to devote to the process. However, more schools began the accreditation process in 2012 as the economy improved.

## The distribution of schools holding single, double, or triple accreditations from AACSB, EFMD/EQUIS, and AMBA in 2012:





# On COURSE for

Bob McDonald, CEO of Procter & Gamble and the 2013 Beta Gamma Sigma honoree, shares his perspectives on innovation and leadership.

BY TRICIA BISOUX

By all accounts, the past few years have been a tough time to be the CEO of a publicly held company. That's just as true for Bob McDonald, who in 2009 took the helm of Procter & Gamble, headquartered in Cincinnati, Ohio. Prior to becoming CEO, McDonald held a variety of positions within the company, including brand manager for its Tide laundry detergent, vice president of global operations, and chief operating officer. Although McDonald has led the company through a massive financial downturn, he has faced some criticism that, while the company remained profitable, its profits haven't been as high as some investors had hoped.

That, he says, is part of being CEO of a 175-year-old business giant, whose brands—which range from Pampers diapers to luxury perfumes like Dolce & Gabbana—are used by consumers worldwide. McDonald notes that P&G weathered the recession by staying true to its emphasis on broad-based innovation and to its overarching mission: to touch and improve the lives of people every day.

For his business and managerial leadership, McDonald will receive Beta Gamma Sigma's 2013 International



# INNOVATION

Honoree Award at AACSB International's conference and annual meeting in April in Chicago, Illinois. Here, we ask McDonald about his role at the company, his approach to mentoring, and his perspective on innovation.

**You became P&G's CEO after serving in the military, earning your MBA, and then moving up within the ranks of the company. Which of these experiences have been most valuable in developing yourself as a leader?**

They were all valuable, but often I did not recognize at the time just how valuable they were going to become. For example, when I joined the company, most of our business was in North America, and almost every senior leader was based in Cincinnati. When I was asked to move to Canada and then later to Asia, my first reaction was that I had done something wrong! My managers recognized how important Asia would become for P&G, and they wanted to ensure that future managers like me had firsthand experience of these dynamic markets.

**You succeeded A.G. Lafley in 2009. Did you feel more pressure to carry on his legacy or to follow your own brand of leadership?**

My most important consideration is to ensure that the organization is stronger after my tenure than

it was before I accepted this role. That has been the duty of every CEO in our company—including great leaders like John Smale, John Pepper, and A.G. Lafley. They understood the fundamental importance of listening and constantly asking “why?” until they uncovered the essential insights they were looking for.

**P&G is known for its approach to innovation. How do you structure operations to ensure that P&G's employees stay innovative, particularly during financial downturns like the one we just experienced?**

Innovation has always been a critical driver of the company's growth. Many of our innovations have been what we call “discontinuous”—in other words, totally new to the world. Despite these successes, we recognized in the early 2000s that only 15 percent of the company's innovations were meeting their expected revenue and profit targets. We recognized that we needed to create a structure that systematized innovation and enabled us to produce a reliable, repeatable stream of breakthrough or discontinuous innovation.

**One part of that strategy is P&G's Connect + Develop initiative, which invites people inside and outside the company to submit their best ideas.**

P&G started its Connect + Develop

open innovation program more than a decade ago, when we saw that collaboration outside our company would enable us to accelerate our innovation and deliver breakthroughs. At the same time, we knew that some of our innovations might reach more consumers if we shared them with partners who were better suited to maximize the benefit of what we'd developed.

We set a company goal—to have at least 50 percent of our innovations come, in a key way, from external collaboration. That goal helped drive our internal culture from one of “invented here” to one of broad-scale collaboration. Today, more than 50 percent of our innovations are done with partners from all over the world, from academia, research facilities, SMEs, other global companies, individual entrepreneurs, and even some competitors.

**How do you manage this initiative?**

We manage the C+D program on three key fronts. First, we have a Web site that accepts innovation submissions from anyone, anywhere. All submissions are reviewed by a team of experts. Second, we have an internal C+D team that works hand-in-hand with the company's top leadership to understand what each business requires to meet existing or emerging consumer needs. That C+D team then works with established global networks—including

## STUDENTS NEED TO HAVE THE MINDSET THAT THERE IS A BETTER WAY. THEY NEED TO TRY TO APPROACH LIFE IN A STATE OF CONSTRUCTIVE DISSATISFACTION.

academia, current partners, and innovators—to find innovations to fulfill those key business needs. Third, our teams around the world are continually looking for emerging innovations or developed solutions that might accelerate our work in all areas of innovation, from packaging and processes to new business models, technology, and in-market products.

### **Why do you think C+D works? What have been some of the best ideas to come from it?**

C+D works because it's rooted in, and continues to develop from, the core belief that together we can do more than any of us can alone. Coupled with that is a commitment to develop partnerships that deliver a three-way win: for the consumer, the partner, and P&G. Several examples of products that have resulted from C+D work include Mr. Clean Magic Eraser, Olay Regenerist, Swiffer Dusters, and Tide PODS.

### **What do you think business students should most understand about the nature of innovation?**

That innovations are based on insights. Today's students cannot gain insights unless they can make connections, both inside and outside the classroom, inside and outside the business. They should never stop asking "Why?" because that will lead them to those insights. They need to have the mindset that there is a better way and try to approach life in a state of constructive dissatisfaction.

### **When you were hired at P&G in 1980, A.G. Lafley became your**


### **sponsor and acted as a mentor to you. If you were guiding someone coming into P&G today who could potentially become its CEO 30 years from now, what advice would you offer that person?**

I am a mentor to a number of people both inside and outside the company, because I too benefited from the counsel of others during my career. My advice to others at the beginning of their careers—either at P&G or another company—is to engage fully. Be part of the conversation and listen carefully. You should never stop learning and trying to search for answers, and you should realize that those answers could come from anywhere and anyone. That's why it is so important to create and foster connections and networks. We are much stronger as a team than we are as individuals. We all have unique qualities that we can bring to a discussion. A diversity of experiences, skills, and perspectives is critical to problem solving.

### **If you were designing a business course today to help develop those skills, what content or assignments would you be sure to include?**

That is a very difficult question, and I'm not sure that I'm truly qualified to answer it. But I can tell you what I say to students at our management colleges and what I share in presentations around the world. First, know that our world is changing, so embrace change and use it as a source of inspiration. Second, have a passion for learning, and nurture it for your entire life. Third, truly understand your audiences, spend as much time with them as you can, and listen intently to what they tell you. Fourth, treat people the way they want to be treated, not the way you would like to be treated. Finally, always choose the harder right rather than the easier wrong because that will define you and your work.

### **In a video with Cincinnati.com, you noted that the company now receives 1 million applications for 5,000 jobs. What sets apart the candidates you end up hiring?**

Those candidates are looking for a meaning to their lives. Yes, they want to work and earn a good living, but they also want to know that what they do has a purpose greater than themselves. At P&G, our goal is to touch and improve lives, whether through creating a new product, building a new school in China, or helping to provide clean drinking water to an African village. We are constantly searching for individuals who share that same purpose. It was that purpose that brought me to this company more than 30 years ago, and it is that purpose I have tried to live every day since. 

# WHAT EMPLOYERS WANT, WHAT WE TEACH





In the past few decades, business schools have adapted their curricula specifically to meet employer demands. But how well have they aligned their programs with the needs of industry?

BY F. FRANK GHANNADIAN

**A**s employers in Europe and the U.S. try to navigate the troubled global economy, they hope to hire new business graduates who can hit the ground running without requiring periods of long training. Are business schools providing them with the employees they want?

Some critics say no. A famous 2005 *Harvard Business Review* article by Warren Bennis and James O'Toole claimed that MBA programs didn't instill useful skills in students, failed to prepare leaders, and didn't teach the norms of ethical behavior. Similar points were made in the 2010 book *Rethinking the MBA*, written by Srikant Datar, Patrick Cullen, and David Garvin. The authors claimed that business schools' excessive emphasis on quantitative and theoretical analysis had created academic wizards of numbers rather than leaders of business.

And yet, corporate employers continue to hire our graduates at a steady rate, even during tough economic times, which suggests that by and large business schools are indeed designing coursework that prepares students for the corporate world. Over the past 30 years, as employers have called for graduates with better leadership skills, stronger writing skills, and a deeper understanding of ethical issues, business schools have responded with core courses on those topics.

But does that mean that we can ignore the critics? Not at all. Our work on the business curriculum isn't done. We can be certain that the years to come will present program necessities that we can only guess

# Are Schools Teaching The Skills Employers Prize?

**Table 1**  
Top Ten Skills **EMPLOYERS** Identify\*

BBA	MBA
1. Leadership 80%	Leadership 92%
2. Business Writing 76%	Business Ethics 76%
3. Business Speaking 72% Organizational Behavior 72% (tie)	Social Responsibility 72%
4. Business Ethics 68%	Business Speaking 68% Change Management 68% (tie)
5. Social Responsibility 56%	Business Writing 60%
6. Change Management 48%	Teamwork 56%
7. Decision Making 44%	Power and Responsibility 52%
8. Career Planning 36%	Decision Making 42%
9. Problem Solving 32% Project Management 32% (tie)	Organizational Behavior 32%
10. Teamwork 28%	Imagination and Creativity 28% Employee Management 28% (tie)

\*The numerical ranking is the one provided by employers; the percentage figure indicates how many of the top 25 BBA and MBA programs teach that skill.

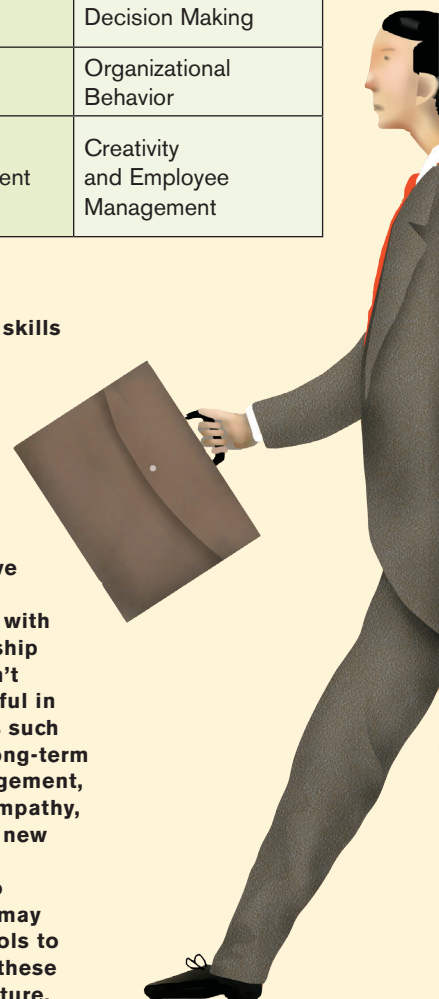
**Table 2**  
Top Ten Skills  
**B-SCHOOLS** Teach

BBA	MBA
1. Leadership	Leadership
2. Business Writing	Business Ethics
3. Organizational Behavior	Social Responsibility
4. Business Speech	Change Management
5. Business Ethics	Business Writing
6. Social Responsibility	Teamwork
7. Change Management	Power and Responsibility
8. Decision Making	Decision Making
9. Career Planning	Organizational Behavior
10. Project Management	Creativity and Employee Management

## Other Skills **EMPLOYERS** Identify

SKILL	BBA	MBA
Advanced Communication	24%	32%
Motivation	16%	12%
Imagination & Creativity	16%	listed above
Career Planning	listed above	16%
Problem Solving	listed above	16%
Employee Management	12%	listed above
Project Management	listed above	12%
Ability to Learn	8%	4%
Power & Responsibility	8%	listed above
Management of the Future	4%	0%
Self-Awareness	8%	0%
Prioritization of Tasks	0%	0%
Persistence	0%	0%
Empathy	0%	0%
Perseverance	0%	0%
Time Management	0%	0%

**Table 1** shows which skills employees value the most when they hire business school graduates. **Table 2** shows the top ten skills taught at 25 elite schools. It's clear that business schools have done a superb job of equipping graduates with business and leadership skills, but they haven't always been successful in teaching softer skills such as self-awareness, long-term planning, time management, task prioritization, empathy, and persistence. But new AACSB accreditation standards devoted to executive education may cause business schools to give more weight to these softer skills in the future.



## SCHOOLS HAVE DONE A GOOD JOB OF RESPONDING TO EMPLOYERS' NEEDS, BUT THEY HAVE TO MAKE UP GROUND IN SOME AREAS.

at now. Business will grow more complex, corporations will require new hires with new skills, and business schools will have to adapt once again. Therefore, curriculum change must be constant if business schools are to align their curricula with the needs of business.

One way to prepare for that future is to engage in a continuing dialogue with industry. This article explores several studies of what employers are looking for *today*, as well as my own analysis of how well top schools have answered these employers' demands. Business school administrators can study the gap between the two to evaluate how they can make their own programs even stronger and more relevant.

### Doing Well, Could Do Better

To see how well academia is serving industry, we should compare what corporate leaders say they want from business school graduates to what business schools actually teach in their programs.

Over the past ten or 15 years, dozens of studies have indicated that employers desire employees with excellent communication abilities, strong critical thinking skills, and sensitivity to gender and cross-cultural issues. For instance, for a 2010 article in *Business Education & Accreditation*, Diane Holtzman and Ellen Kraft surveyed employers to determine what skills they believed graduates needed before starting a job.

The answers were stronger writing,

computing, and quantitative analysis skills.

A 1993 article in *Human Resource Development Quarterly* surveyed employers to determine what they're looking for in graduates. Authors Leslie Davison, James Brown, and Mark Davison found that employers want workers who can analyze management situations and recommend solutions; who possess interpersonal and oral communication skills; who have job experience; who are punctual, dependable, honest, and ethical; and who are professionally groomed.

By studying these and other pieces of research, I was able to identify 25 important skills that employers have said they prize in new hires. To see how well business schools are training students in those skills, I reviewed a selection of undergraduate and graduate programs. For simplicity's sake, I chose the top 25 undergraduate and MBA business schools according to the 2011 Bloomberg *Businessweek* ranking. The results are in Tables 1 and 2 (left).

Taken together, these tables show that schools have done a good job of responding to the most important needs that employers have identified, such as leadership and ethics. But they might have to make

up some ground in other areas that employers consider important, even if they're not in the top ten.

That point is made abundantly clear in a study conducted by Fred David and Forest David forthcoming in *Business Horizons*. The authors collected 200 corporate job descriptions and identified 140 specific skills that employers say they're looking for; then they reviewed 200 résumés of business students who were near graduation. They found little overlap between the skills employers valued and skills the students possessed, particularly when it came to practical know-how.

Finding this problematic, the authors reviewed more than 100 business school syllabi, hoping to find ways to close the gap. In their report, they present a series of recommendations, most of them focused on bringing real-world issues into the classroom. For instance, they encourage business schools to offer more internships, add experiential classes to simulate work situations, revise courses to prepare students for license exams and certifications, and hire faculty with more business experience. They also urge schools to reward practitioner-based research and faculty consulting work, to the extent of weighing both types of work in the tenure and promotion process. Finally, they advocate for journals to consider "applications of research" when they accept articles for publication.

### Committing to Constant Change

While curriculum change is essential, it's often slow, due to bureaucratic university structures, which can cause a lag between what businesses want and what business schools supply. This lag will




continue as advances in science and changes in society create new challenges in the business world.

But business schools must counteract that tendency. Such studies as the ones I've mentioned here show that business schools have room for improvement, particularly in the areas of soft skills and hands-on experience. They must realize that employers will begin calling for new skills as the business world grows more global, interconnected, and technologically sophisticated. They must seek out advisory board members who can advise them about key busi-

ness trends that they will need to address as they continually revamp their programs. Schools must view curriculum revision as constant—it's a task that is never done.

Despite the fact that we have work ahead of us, I believe that, overall, we're doing a good job. Figures from AACSB International show that there are more than 13,000 business schools around the globe, and that number continues to grow, due to high demand for business graduates. To me, that indicates that business schools are, to a large extent, providing what employers want.

It seems to me the core curriculum is the main course of the business school meal. The refinements—new electives, new majors, and expanded course content—are the side dishes and desserts. We're tinkering with the buffet, but we've already got most of the options prepared, and many of them have been made to order. 

.....  
F. Frank Ghannadian is dean of the John H. Sykes College of Business at the University of Tampa in Florida. This study was originally conducted for a presentation given at the 2011 Dean's Conference hosted by AACSB International.



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# Going (ALMOST) Paperless

Bentley University turns to a familiar tool—Blackboard—to convert its once paper-laden promotion and tenure review process to an electronic format.

**BY CHARLES HADLOCK, MARY JO SANZ, AND DUNCAN SPELMAN**

**T**he promotion and tenure process determines who will serve on the faculty over the long term to implement a university's mission in both scholarship and teaching. It's no surprise, then, that universities expend considerable effort evaluating candidates for promotion and tenure, generating mountains of paperwork and creating overly complicated protocols for evaluators to follow.

But what if we could simplify that process? At Bentley University in Waltham, Massachusetts, we have moved to electronic management of promotion and tenure applications. We've found that electronic processing not only saves time, but also generates a higher quality of information. Better yet, it can be done with tools a university may already have in place.

### Information Overload

Like many other colleges and universities, Bentley recognizes three different tracks for faculty contribution and evaluation: teaching, scholarship, and service. A faculty member's track can strongly emphasize one of the three areas or represent a balance among them, but even those who are on scholarship or service tracks must exhibit good teaching to achieve tenure or promotion. And, regardless of their profiles, faculty members applying for tenure or promotion must submit applications that detail how they have performed in all three areas.

This means that a traditional paper-based application typically filled at least one large three-ring binder, with materials that included everything from copies of journal articles, book chapters, working papers, and other scholarly output in the scholarship section to syl-

labi, course materials, student evaluations, grade distributions, and classroom visit reports in the teaching section. Some faculty members included media components, such as original videos or computer models, in pockets within the binders. There also was an initial overview section with a CV, a personal statement, copies of annual reviews by the department chair, and other materials selected by the candidate. Books were submitted separately.

After the department completed its review of each application, it added its analysis and recommendation to the binder before sending a copy to the candidate and then passing the information on to university-level evaluators. The department also included confidential evaluation letters from external references as the application package moved on to the next levels of review. By the time the application reached university reviewers, there were seven copies for members of the Promotion and Tenure (P&T) Committee, as well as copies for the dean and the provost.

Managing these materials generated not only mountains of paper, but also a great deal of pressure. Their physical preparation and coordination, as well as the movement of the binders from home to work and back again during the review pro-

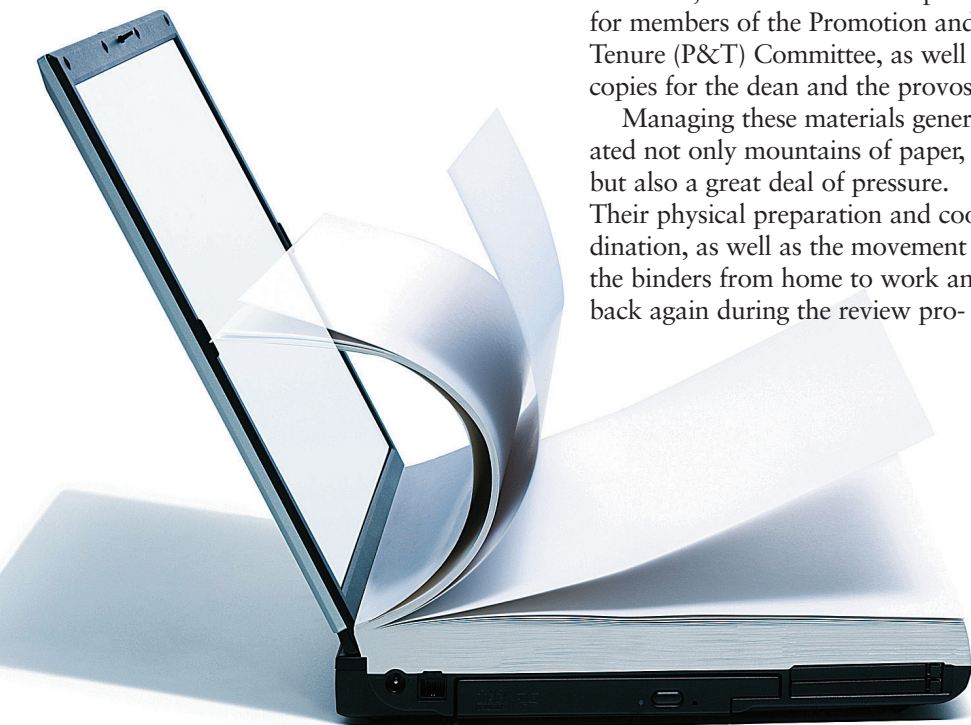
cess, often made for a harried summer exercise. Add to that the fact that journal and book acceptances sometimes arrived at the last minute, meaning that pagination, section numbering, and duplication often took place in a final frantic push. Last but not least, some participants insisted on shredding all of the paper contained in their applications after the process was complete.

It's not surprising that we sought to implement an electronic process for compiling and distributing these applications! We wanted to create a more streamlined system in which the applicants, reviewers, and administrators would have sufficient comfort and facility with the electronic platform.

### Exploring Tech Options

Our administrators asked the Bentley Academic Technology Center (ATC) to recommend an electronic system that could replace our binder system. The new platform had to offer four primary benefits: easy access, customizable and changeable privileges for applicants and reviewers, security, and back-up capability. The ATC's first recommendation was Blackboard, the learning management system the university already was using for its courses. ATC staff felt that Blackboard already offered many of the features we wanted, as well as one additional benefit—our faculty and staff already were familiar with Blackboard's architecture, which would make our transition to an electronic process as seamless as possible.

However, Blackboard lacked one crucial feature—it didn't allow reviewers to electronically mark up documents and share them with each other. So, we decided to

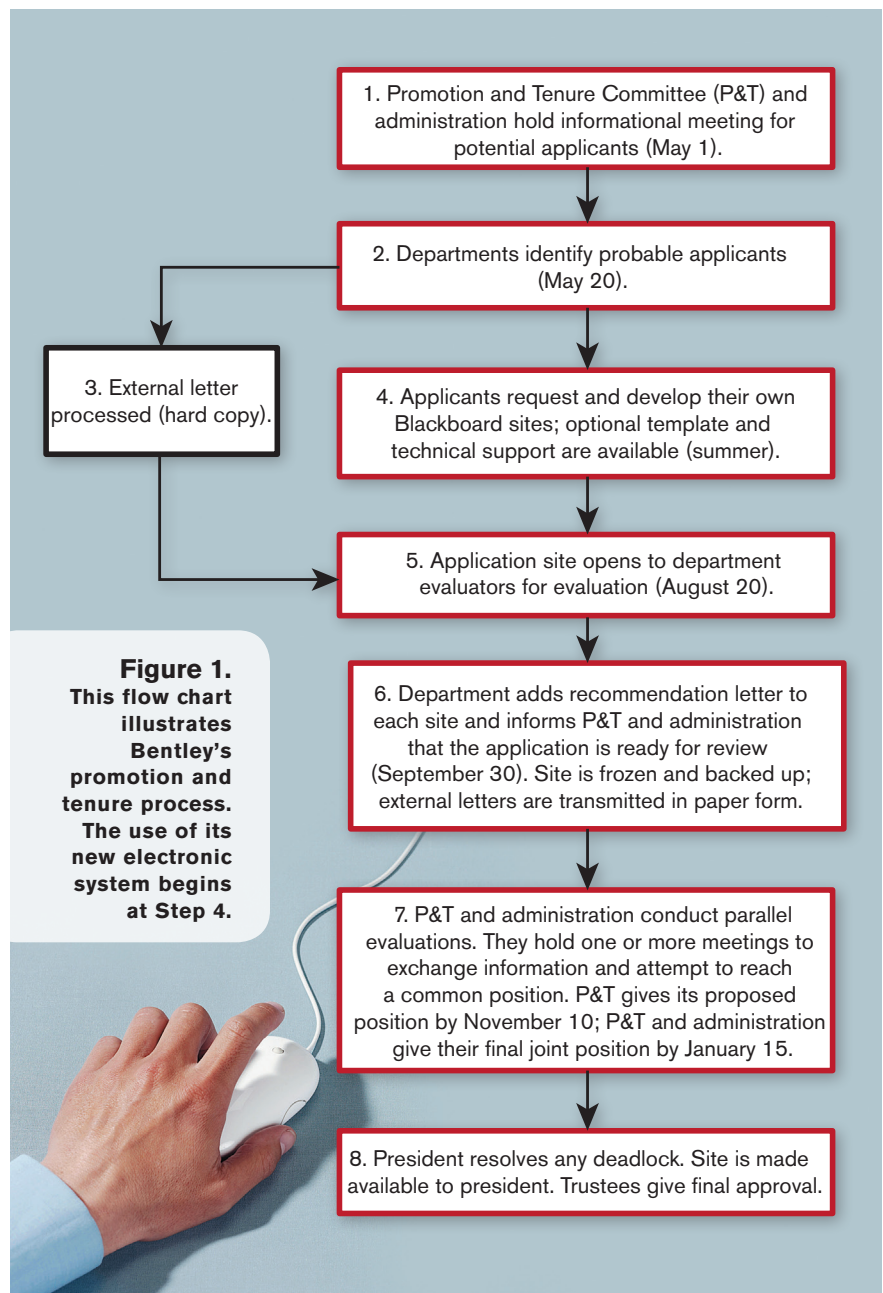


explore other options. Because of the challenges of developing and maintaining an internal system, we limited our search to “out of the box” (OOTB) systems that we could readily implement.

We found other institutions that were using electronic review systems, both for promotion and tenure and other review purposes. One good source of information was the article “Tenure Applications Go Digital” by Audrey Williams June, which appeared August 10, 2009, in *The Chronicle of Higher Education*. The article describes Kent State University’s transition from paper-filled binders to e-portfolios, or “digital dossiers,” for faculty applying for tenure and promotion. We found that other organizations with review needs similar to ours were not using an OOTB electronic system. Rather, they either had designed a system in-house or modified a learning management or portfolio system for the task.

Next, we considered using a cloud-based file storage system like Dropbox, which allows multiple users to share files and collaborate on documents. But while such a system could facilitate exchanges of materials even more easily than Blackboard, we would lose the ability to customize and change user privileges, and we had concerns about storing the data in a third-party system. In addition, users who weren’t tech-savvy might find it difficult to access a new file structure.

Ultimately, no electronic review system won us over. We decided to take the ATC’s original recommendation and set up our new electronic promotion and tenure review



**Figure 1.** This flow chart illustrates Bentley’s promotion and tenure process. The use of its new electronic system begins at Step 4.

process within Blackboard. As it turns out, the lack of a mark-up facility has not been problematic. Reviewers can either print out the pages they want to discuss or compile a list of such pages for everyone to reference during review meetings.

### The New Process

Our processes for both tenure and promotion follow the general structure shown above in Figure 1. The stages at Step 4 and beyond are now handled within the electronic system.

At Step 4, a candidate submits a request to the ATC to establish a basic Blackboard course site. The ATC then creates the site, giving it a generic name to preserve the candidate’s confidentiality—someone browsing these sites cannot tell that Professor X is planning to apply for tenure or promotion.

Next, the ATC creates an application template in the Blackboard course site, and the professor can begin to modify the main menu, if desired, and add individual items to each category. A typical opening

page might take the form shown in Figure 2 at right. During the preparation period, only the site owner and the ATC have access to the site. That said, the site owner can grant access to others, in the same way he or she can enroll students in a course site. A faculty member might do this to get feedback from colleagues on materials in the application.

The only other person who knows which professors are developing these sites is the chair of the P&T Committee, although he or she does not have access to the sites. With this knowledge, the chair keeps the process running smoothly. For example, in early August, the P&T chair contacts each department to confirm the names of those who will need read-only access to the site as part of the evaluation process. This information lets the ATC prepare to open the site for reviewers once the official application date has been reached and applicants have confirmed that they want to proceed to evaluation. Occasionally, an applicant might decide not to move forward in the current cycle, in which case the site remains entirely under his or her control for possible future use.

Applications move into the evaluation stage, or Step 5, within a day of the August 20 completion deadline. At that time, the ATC assigns appropriate status to different users:

- Each applicant's access is reduced to read-only—"student" access in Blackboard terminology.
- The department evaluators are given student access.
- The department chair, or the chair of the evaluation committee within the department, is given "instructor" status, which enables



**Figure 2: Typical application homepage**

the chair to enter the department's recommendation letter as well as any late-arriving relevant materials, such as late journal acceptances.

- Finally, any individuals to whom the applicant had earlier granted access have their access removed.

Upon completion of the departmental review, the applicant can review the recommendation letter before the application moves on to the P&T Committee and the administration. This is the last opportunity for withdrawal from the process. This letter contains a detailed discussion of the case, but does not identify external evaluators. Finally, with the assent of the applicant, the process reaches Step 6, when the department chair informs the P&T chair that the application is ready for consideration. The ATC then assigns student access to the members of the P&T Committee, the provost, and the dean of the applicant's department.

From this point on, no one can make any additions or changes to the site. In fact, the site is eventually archived in this form, in case

of any long-term need for review, such as in a grievance or legal process. Individual packets containing hard copies of the external letters are delivered by the department to the P&T chair and administrators. Hard copies of books by applicants can be delivered, although PDF versions also have been used.

Because of the efficiency of the electronic system, we often reach this stage of the process one to two weeks earlier than the September 30 deadline. There is no last-minute flurry of assistants moving carts or delivering piles of binders to the P&T chair or administration.

### **Faculty Concerns**

As we developed the electronic system, we were committed to communicating early and often with all faculty and other stakeholders, so they would have frequent opportunities to provide input. Over ten months, members of the P&T Committee met multiple times with members of the Faculty Senate and academic department chairs, and once with the full-time faculty. We also kept the provost, deans,

and university lawyer informed throughout the process.

Stakeholders raised two issues of particular concern:

**Confidentiality.** Some components of the P&T process are confidential, and many faculty were uncertain that the electronic system would protect their privacy. We explained that, because the electronic process enables the ATC to block access, it actually offers *more* security than a hard-copy system. A paper-based system presents more opportunities for unapproved access to applications. This explanation allayed concerns about confidentiality.

**Attitudes toward technology.** Not surprisingly, some people expressed discomfort with abandoning the familiarity of the three-ring binders. Perhaps even less surprising, even more people expressed strong preferences for technologies that were their personal favorites. At one point, it appeared that the change might be derailed or delayed as people advocated for CDs, iPads, or other software and Web-based solutions besides Blackboard. In the end, detailed descriptions of the advantages and possibilities of Blackboard convinced most people that they could operate this system.

With feedback from stakeholders in mind, we produced several drafts of the proposal describing the rationale for the change, as well as updates of the faculty manual, a mock-up of what the Blackboard sites for applicants would look like, and a calendar outlining when decision makers would have access to the sites.

As we approached the Faculty Senate's vote, two alternatives to

full implementation of the new system gained many adherents among faculty. First, some wanted to give applicants the option of submitting either hard-copy or electronic applications. Second, many wanted to begin with a pilot program.

However, both options would have resulted in a mix of paper and paperless applications, which the P&T Committee feared would complicate the review process considerably. They convincingly addressed the spirit of these alternatives by agreeing to fully implement the new system, but only for a two-year trial period. The P&T Committee also agreed to give a report each year to the Senate about the system's effectiveness.


### Simple and Streamlined

At the end of each stage of the electronic review process, we conducted an anonymous online survey of the relevant participants. The applicants universally found it to be a convenient way to assemble their materials and had no trouble working within the Blackboard system. The ATC provided technical support to those who needed it. Another benefit: Special material, such as video content, was now accessible with only a click or two. In the past, CDs or DVDs included in hard-copy submissions often did not receive full attention, merely because of the extra effort it took to view them. The majority of reviewers noted that it was significantly easier to review the applications electronically.

We did make one significant change to the process. In the first year of the trial, we allowed applicants to work with the ATC to present their entire application as

a single PDF file that mimicked the structure of the Blackboard site.

We wanted to make it easier for reviewers to have a portable copy that they could access on their personal devices, even if they were not connected to the Internet. However, some were concerned that, because this was the only part of the application not under the full control of the applicant, it might not fully replicate the communication strategy that the applicant wanted. We monitored the use of PDF files in Blackboard and found that few people used this option. Therefore, we eliminated this feature the following year.

We have found that the electronic system represents a vast improvement over our paper application process. The information is easier to provide and evaluate, and moving the application through multiple evaluation levels is as simple as changing access levels to the sites. Even better is that we accomplished this with standard software that faculty and administrators in many disciplines routinely use. Our experience suggests that other universities could easily transition their paper-based evaluations to a simpler and more streamlined electronic alternative. 

.....  
Charles Hadlock is trustee professor of technology, policy, and decision making, as well as professor of mathematical sciences, at Bentley University in Waltham, Massachusetts, where he was previously dean of the undergraduate college. Mary Jo Sanz is an instructional designer in Bentley's Academic Technology Center, specializing in online programs and course management technology. Duncan Spelman is the chair of the department of management.



Walsh College relies on a **spare but creative ad campaign** to raise its profile in a crowded market.

BY SHARON SHINN

**C**an a small business school in a highly competitive market carve out a strong identity for itself, even against one of the most well-known universities in the U.S.? It can if it has the right advertising campaign. At least, that's been the experience of the Walsh College of Business and Accountancy in Troy, Michigan, a suburb of Detroit.

KEFSTOCK/GETTY IMAGES

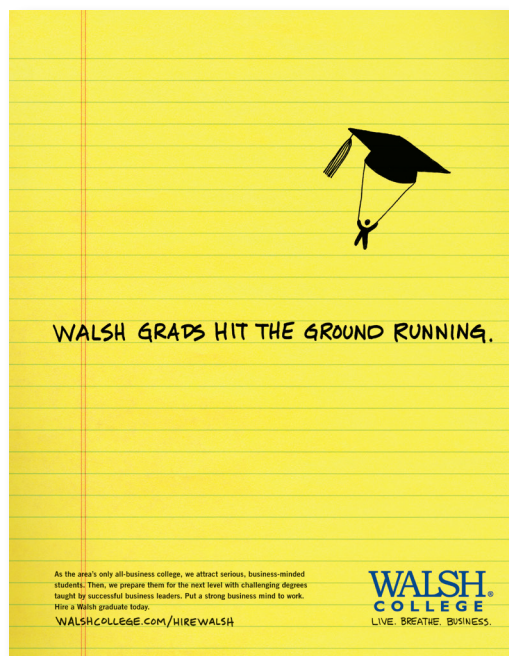
In 2008, when the school wanted to improve its positioning in the community, it hired Perich Advertising + Design of Ann Arbor, Michigan, to create an integrated ad campaign. First, the agency conducted perceptual studies, calling Detroit residents and asking them to name the top business schools in the area.

“We wanted to evaluate the market in general as well as Walsh’s position in the market,” says Brenda Meller, director of marketing for the college. Unsurprisingly, the University of Michigan came up first. Walsh College was in the fifth slot.

At the same time, the school and the agency conducted interviews with faculty, alumni, prospective students, and existing students to discover what they thought were the school’s strengths. It was soon clear that Walsh’s stakeholders were passionate about the school’s focus on educating working professionals who were looking for better jobs.

“Walsh students aren’t thinking about football games,” says Ernie Perich, CEO and creative director of Perich Advertising + Design. “They’re thinking, ‘Where can I get a great degree and advance my career to the next level?’”

But outside of Walsh’s faculty, students, and alumni, says Meller, not many people knew about the school’s real-world focus and practical education programs, bolstered by faculty who work in their fields by day and teach at Walsh by night. “Going through this exercise highlighted the things we knew about ourselves, but it also highlighted the fact that we had a great opportunity to generate more awareness about what we offer,” she says.



These print and billboard ads feature the hallmarks of Walsh College’s ongoing “Live. Breathe. Business.” campaign: a background of yellow legal paper; drastically simple stick figures; and hand-written messages tightly focused on business, but laced with humor. To see more ads in the campaign, including television commercials, visit [www.walshcollege.edu/marketingcampaign#.ULfTqI7T3ao](http://www.walshcollege.edu/marketingcampaign#.ULfTqI7T3ao).

### All Business

Perich wanted to design a campaign that would mimic Walsh’s fierce focus on business—and look nothing like a typical b-school ad. The agency first audited the types of campaigns other business schools used and found many similarities.

“There were a lot of diverse students smiling and standing in front of a landmark building on campus,” says Perich. “But those kinds of ads don’t differentiate a school.”

Perich designed a campaign—“Live. Breathe. Business.”—that’s spare, direct, memorable, and easily translated to a variety of media. All the ads feature yellow legal paper as background for hand-written blocks of type and unornamented stick figures, which come to life in television and online commercials. The blunt, simple messages include sentiments such as “Friends don’t let friends study French” and “Honk if you love briefcases.”

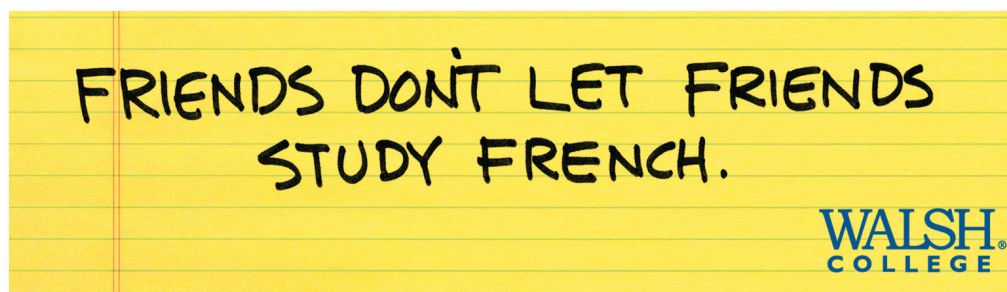
And they’ve been wildly success-

ful. An annual brand tracking study finds that, since the ads started running, the school has consistently enjoyed strong brand awareness, says Meller. In fact, shortly after the campaign launched, Walsh had moved up to the No. 2 slot for top schools in the area, according to perceptual studies. Additionally, the school tripled brand awareness, quadrupled direct and Web inquiries, and experienced its highest levels of enrollment.

### Secrets to Success

Even apart from its effectiveness, the “Live. Breathe. Business.” campaign offers many advantages to Walsh College, Perich believes. First, it’s so different from the photo of smiling students that it instantly catches the attention of the audience.

Second, it’s so simple that new ads can be created almost instantly. “I get a Sharpie and a piece of paper, I write a new ad, we scan it, and the next thing you know, it’s





up on a billboard,” Perich jokes.

Third, the production costs are so low that the school can spend more of its advertising money buying space in a variety of media, including magazines, billboards, other outdoor media, Pandora, Facebook, and LinkedIn. “It’s important to realize that people are active and mobile,” says Perich. “They have short attention spans. They might not be watching TV, but they might be listening to Pandora or surfing the Internet, so you have to have ads online. They might be sitting in your

they’ll say, ‘Business!’ They see that as their slogan.”

Over the past four years, the school has kept the same basic look for the ads, while occasionally adding new phrases, and Perich expects that pattern to continue. “In our next bit of messaging, we’re going to focus on the fact that students don’t come to Walsh because they want to keep their same jobs. They want better jobs, and we’re doing everything we can to make sure they get those better jobs,” he says.


photo shoot that every one of your competitors has already done.”

**Don’t be boring.** Meller observes, “My predecessor used to say, ‘Safe is death.’ If you do what’s predictable, you’re just going to blend in. Don’t be afraid to do things differently.”

“Find something unique to your school and reveal that truth in an interesting way,” Perich adds. “Potential business students are bright people. They’re intuitive. They want to lead businesses. Keep in mind that you’re trying to recruit leaders.”

**Tie all the pieces together in look and feel.** “It’s hard enough to occupy a piece of someone’s brain,” says Perich. “If you fragment your message, it’s harder for people to latch onto you. You know that when the guy in the brown uniform shows up, he’s from UPS. If he started wearing a tan uniform one day, a blue one the next day, you might wonder, ‘Who’s delivering my boxes now?’ That’s how advertising works, too. We want to make sure that every time somebody sees that yellow legal pad, they know the message is coming from Walsh.”

**Use a mix of media.** “You have to reach people in interesting ways in interesting places,” he says. “For instance, say you’re sitting in traffic and you see a billboard that talks about being stuck in your career like you’re stuck in traffic. You think, ‘These people get it. They get me.’”

Like his campaign for Walsh College, Perich’s formula for success is simple: “Look deep inside. Figure out what truly makes you tick. And deliver it in a simple, compelling way that differentiates you from everyone else.” 

IT'S SUMMER.  
TIME TO WATER YOUR BRAIN.

WALSH  
COLLEGE

parking lot, so why not have a cool sign in your parking lot that reinforces your message?”

Fourth, the background is so distinctive that it quickly became emblematic of the school. “I wanted the college to own something—a color or a device—and it ended up being this yellow legal pad,” says Perich. “These days, any time you see that legal pad in this marketplace, you assume it’s an ad for Walsh College.”

Walsh constituents have adopted the slogan and the yellow pad as their own, notes Meller. Some sport bumper stickers featuring the yellow notepad; others use the print ads as posters in their offices.

“Everyone knows the tagline,” says Meller. “If I’m speaking to a room full of students and alumni, I’ll say, ‘Live—breathe—’ and

#### Advertising Advice

Perich and Meller offer four tips for other business schools planning to launch advertising campaigns:

**Don’t try to say too much.** If schools cram excessive information into their ads—about their programs, their students, their faculty—the audience tunes out. “When schools try to check off a lot of boxes, they just create white noise in the marketplace,” explains Perich. “There’s too much sameness among ads in the business school category, so schools have a hard time getting noticed.”

A stripped-down campaign has the added advantage of being less expensive, a big consideration for cash-strapped schools. Says Perich, “Spend your energy coming up with a simple, striking campaign. Don’t waste money doing the

# research

## Making Sense of Scents

**BUSINESSES FROM BOUTIQUES** to bakeries use scent to entice customers to spend more and return often. But what scent is *most* effective when it comes to boosting retail sales? A recent study has found that simple aromas may be better for business.

The study was conducted by Andreas Hermann, professor of management at the University of St. Gallen in Switzerland; and marketing doctoral student Manja Zidansek, marketing professor David Sprott, and dean Eric Spangenberg, all of the Washington State University College of Business in Pullman. The researchers infused the air in a St. Gallen home decoration store with one of three types of scents: a simple orange scent, a complex scent of orange-basil blended with green tea, or no scent at all. They found that sales increased an average 20 percent when the orange scent was in the air, compared to the complex-scent or no-scent condition.

In another experiment, the researchers asked WSU undergraduates to solve word problems under the three scent conditions. They found that the students solved more problems more quickly when exposed to the orange scent than when exposed to the complex scent or no scent at all.

The reason?  
People respond well



to pleasant scents, but the more easily they can process the scent, the better they can focus on the task at hand—what the researchers call “processing fluency.” Even though people may like the smell of orange-basil with green tea, its complexity requires greater concentration, and so could interrupt their processing fluency, says Spangenberg. “Most people are processing scent at an unconscious level,” he says. “A pleasant scent isn’t necessarily an effective scent.”

He adds that the researchers plan future studies on whether the effect of scents on human behavior is driven primarily by emotions, logic, or both. They also hope to run functional MRI scans on subjects to show what parts of the brain are affected when individuals are exposed to different aromas.

“The Power of Simplicity: Processing Fluency and the Effects of Olfactory Cues on Retail Sales” was available online in September 2012 in the *Journal of Retailing*.



**Andreas Hermann**



**Manja Zidansek**



**David Sprott**



**Eric Spangenberg**

## Consequences of Linguistic Complexity

**FIRMS HOLD CONFERENCE** calls with investors to report earnings and make other announcements—and often, they conduct those calls in English. But in today’s global marketplace, where English may not be the first language of many investors, the use of complex language in these communications could affect stock performance, according to a working paper by Francois Brochet of Harvard Business

School in Boston, Massachusetts; Patricia Naranjo of the Massachusetts Institute of Technology in Cambridge; and Gwen Yu, also of Harvard Business School.

The three researchers analyzed the transcripts of 11,740 conference calls, all conducted in English, by non-U.S. firms between 2002 and 2010. The transcripts were obtained through Thomson Reuters StreetEvents. They then measured the



## What Causes the Gender Pay Gap?

**THREE RESEARCHERS RECENTLY** analyzed occupational data from 20 countries to compare the salaries of women and men. They found that in countries where occupations are naturally segregated by gender, women's salaries are nearly—but not quite—equal to men's salaries. Girls Racko, assistant professor at Warwick Business School in the United Kingdom, completed the study with Robert Blackburn, a sociology professor at the University of Cambridge in the United Kingdom, and Jennifer Jarman, a sociology professor at Lakehead University in Canada.

Their results show that Slovenia, No. 1 on the list, is the only country in the study where women earned slightly more than men, on average. In Mexico, Brazil, Sweden, and Hungary, women's and men's salaries were almost equal. Japan, where women face the greatest pay inequality, came in last. The U.S. ranked sixth; the U.K., 13th.



**Girls Racko**

The more men there are working in an occupation, the greater the pay gap becomes, says Racko. "For instance, within nursing, men disproportionately fill senior positions," he says. "But the fewer male nurses there are, the more the senior positions must be filled by women."

This research also contradicts a popularly held belief that women make less *because* they're working in occupations dominated by women. "It is a mistake to regard segregation as a measure or even an indicator of



gender inequality disadvantaging women," says Blackburn in an article on the University of Cambridge's Web site. In fact, he expresses surprise that more people aren't aware that "women's occupations are healthier, permit greater access to higher status networks, and involve working with better-educated people than men's occupations."

However, he adds that "the existence of segregation creates the opportunity for gender inequality across occupations and restricts occupational choice for both women and men."

For each country included in the study, the researchers used statistics that indicated the number of women and men in each occupation and the gap in pay between them. "The Dimensions of Occupational Gender Segregation in Industrial Countries" was published in the December 2012 issue of *Sociology*.

KIA CHENG BOON/GLOW IMAGES



linguistic complexity of each transcript based on the number of words per sentence and the number of syllables in the words used.

The researchers found that firms in countries where the native language was the most "linguistically distant" from English—those in China, for example—used the most complex language during their conference calls.

The researchers also found that the greater the linguistic complexity of the call, the less the market reacted to the firm's

announcements. That is, complex language led to lighter trading volumes and less price movement in the days following the release of information. "More complex language decreases the precision of the signal associated with a given piece of information, such as an earnings surprise," the authors write.

"Causes and Consequence of Linguistic Complexity in Non-U.S. Firm Conference Calls" is available at [www.hbs.edu/faculty/product/43264](http://www.hbs.edu/faculty/product/43264).

## UPCOMING & ONGOING

### ■ LAB TO CHANGE BUYER BEHAVIOR

The Design Council, a non-profit that promotes innovation in business and the public sector, and Warwick Business School's Behavioural Science Group, both based in the United Kingdom, have partnered to create a behavioral design lab in London. The lab will address social issues through the collaborative design of products, services, and places. Ed Gardiner, who will lead the lab, notes that its efforts will "combine the latest research in behavioral science with design to physically change the way people think, feel, and behave for the better."



### ■ WALMART CASES

Andrew Spicer of the University of South Carolina's Darla Moore School of Business in Columbia and David Hyatt of the University of Arkansas' Sam Walton College of Business in Fayetteville have released their three-year Walmart Sustainability Case Project. The two professors have written seven case studies that analyze the retail

giant's approach to designing and implementing its corporate sustainability strategy, and they plan to add more cases to the series. The current cases are available for free online at [sustainabilitycases.kenexcloud.org/cases](http://sustainabilitycases.kenexcloud.org/cases).

### ■ MANAGING RISKS

KPMG International has issued a new report, "New Light on Old Truths: Consumer Protection and Good Business Sense," that calls for banking and investment managers to re-evaluate their core strategies in the face of heightened regulatory zeal over consumer protection in financial services. Bankers and investment managers shouldn't aim to merely comply with regulations, the report argues, but to manage consumer protection risk as a strategic priority. The report outlines three main areas of focus: restoring trust, increasing transparency, and balancing safety with choice. It's available at [www.kpmg.com/global](http://www.kpmg.com/global) under "Research."

### ■ CSR SCORE REPORT

The Weissman Center for International Business at Baruch College in New York, New York, has created the CSR-Sustainability Monitor, an analytic framework to evaluate the corporate social responsibility reports issued by national and international

corporations. In its launch, the CSR-Sustainability Monitor examined 560 CSR reports, which researchers collected in 2011 and evaluated in 2012. They then gave each report a score out of 100, based on 12 criteria. The tool was developed by Prakash Sethi, a professor of management at Baruch, to give companies a nonregulatory incentive to improve CSR reporting. For information, visit [zicklin.baruch.cuny.edu/centers/weissman/professionals/publications/sethi-csr-monitor](http://zicklin.baruch.cuny.edu/centers/weissman/professionals/publications/sethi-csr-monitor).

### ■ SURVEY OF TALENT

XLRI, a business school in Jamshedpur, India, has announced its plan to conduct a national talent management survey. The survey, which the school began in January, will include feedback from more than 100 Indian companies regarding their best practices in finding and keeping high-performing employees.



### ■ NEW NETWORK FOR INNOVATION

The Social Science Research Network (SSRN) has announced the creation of the Innovation Research & Policy Network (IRPN). Sponsored by business technology company ITX Corp. and following the same model as SSRN, IRPN will provide a global online community for research in all areas of innovation and policy studies. The network is available at [www.ssrn.com/irpn/index.html](http://www.ssrn.com/irpn/index.html). It launched with 17 e-journals, and subscriptions will be free until July 2013.

### ■ SURGE IN STARTUPS

Babson College of Wellesley, Massachusetts, and Baruch College of New York City have released the most recent Global Entrepreneurship Monitor (GEM) U.S. Report. It shows that more than 29 million U.S. adults were starting or running new businesses in 2011, and nearly 40 percent expected to create more than five new jobs in the next five years. The report shows that the U.S. experienced a greater than 60 percent increase in entrepreneurial activity from 2010 to 2011, matching the level recorded in 2005. The report is available at [www.babson.edu/Academics/centers/blank-center/global-research/gem/Pages/reports.aspx](http://www.babson.edu/Academics/centers/blank-center/global-research/gem/Pages/reports.aspx).

# Sexual Harassment Does Twice the Harm

**A FORTHCOMING STUDY** finds that many people who are sexually harassed at work will be doubly victimized.



**Kristina Diekmann**



**Sheli Sillito-Walker**



**Adam Galinsky**



**Ann Tenbrunsel**

found that most people believed they themselves would confront harassers quickly; for that reason, they would judge harshly anyone who didn't do the

ized. First, the individuals must suffer the advances of the perpetrator. Second, if the individuals are "passive victims" who don't immediately confront or report their harassers, they also must suffer the negative reactions of co-workers who believe they didn't do enough to stop the behavior—or worse, that they invited it.

The study was authored by Kristina Diekmann of the University of Utah's David Eccles School of Business in Salt Lake City; Sheli Sillito-Walker of Brigham Young University's Marriott School of Management in Provo, Utah; Adam Galinsky of Columbia Business School in New York City; and Ann Tenbrunsel of the University of Notre Dame's Mendoza College of Business in Indiana.

Co-workers are most likely to turn on "passive victims," say the researchers. These negative attitudes can reach the point that a victim's co-workers no longer want to recommend her work or work with her on projects. The researchers point to Anita Hill, who in 1991 alleged that Clarence Thomas, then a nominee for the U.S. Supreme Court, had repeatedly harassed her when he was her supervisor at the Department of Education. As a result of her testimony, Hill found herself the target of condemnation and suspicion because she had not stepped forward sooner.

The researchers conducted five experiments. In the first two, they



same. The problem is that their predictions were often wrong, says Diekmann. "While most people predict they would take immediate action against a harasser," she says, "most victims of sexual harassment don't take any action."

In a third experiment, the researchers identified participants' failure to consider what factors—such as a fear of job loss—could motivate a victim to remain silent. In the remaining two experiments, they made participants aware of these factors by asking them to recall a time when they themselves felt too intimidated to act in their own defense.

The authors recommend that companies not only take steps to reduce incidences of sexual harassment, but also create a more supportive environment by developing training programs that help employees better understand the motivations of the passive victim. "Double-victimization in the Workplace: Why Observers Condemn Passive Victims of Sexual Harassment" is forthcoming in *Organizational Science*.

## Understanding the ‘Horndal Effect’

**HOW CAN COMPANIES** boost productivity, even when resources are low? In a working paper, Chad Syverson of the University of Chicago Booth School of Business in Illinois, and Steven Levitt and John List, both of the University of Chicago’s department of economics, explore the operations of an automobile plant to study the “Horndal effect” at work.

The Horndal effect, a term coined by Swedish economist Erik Lundberg, was named after the Horndal steelworks plant, which operated in Sweden in the mid-1930s. Even though the plant used outdated equipment, it achieved 2 percent annual gains in productivity. The theory is that its workers increased their productivity through “learning by doing.” Not surprisingly, the better they got at their jobs, the more they could produce. However, the effect intensifies when there are systems in place that encourage workers to share their knowledge.

Syverson, Levitt, and List analyzed production records from a major automaker’s assembly plant. The researchers found that, as workers and plant managers gained more experience, they adjusted the assembly line as needed to boost productivity. That effect carried over, even when new workers came on the job.

When the assembly plant updated its operations—buying new equipment, redesigning the plant floor’s layout, and revising its production processes to a team-based

system—workers had to start from scratch. After the changeover was complete, first-shift workers had a much higher average defect rate than second-shift workers, even though second-shift workers were less experienced on the job. Second-shift workers benefited from changes that first-shift workers made as they gained experience.

Eight weeks after the changeover, the average defect rate per car for the first shift decreased by more than 80 percent. That rate fell another ten percent by the end of the study. This success was due largely to systems the plant adopted to limit the learning curve. For

**Managers can boost productivity significantly by putting systems in place that encourage workers not only to gain experience, but also to capture and share what they learn on the job with co-workers.**

instance, teams were asked to write the problems they encountered on a whiteboard. Every two weeks, managers and other teams identified the most important problems on the whiteboard and collectively developed solutions. It was everyone’s responsibility to “build that knowledge into the production process in a more permanent way,” says Syverson.

The researchers also looked at the effect of factors such as worker absence, type of assembly process, and position of work station. Then, they analyzed the plant’s productivity gains after it introduced a different car model to its production line, which meant that workers’ previous knowledge often did not transfer to the new process. The researchers found that, over time, the Horndal effect still applied.

They conclude that managers can boost productivity significantly by putting systems in place that encourage workers not only to gain experience, but also to capture and share what they learn on the job with co-workers.

A longer summary of the study is available at [www.chicagobooth.edu/capideas/oct-2012/productivity-unveiled.aspx](http://www.chicagobooth.edu/capideas/oct-2012/productivity-unveiled.aspx). Find the full study, “Toward an Understanding of Learning by Doing: Evidence from an Automobile Assembly Plant,” at [home.uchicago.edu/syverson/learningbydoing.pdf](http://home.uchicago.edu/syverson/learningbydoing.pdf).



## Taxes, Oil, and the World's Bottom Line

**AS THE WORLD** continues to deplete its oil and gas reserves—many located in developing countries—it becomes increasingly important that these reserves are sustained and distributed effectively. James Smith, a professor from Southern Methodist University's Cox School of Business in Dallas, Texas, is working with the International Monetary Fund (IMF) on research that addresses this global problem.



James Smith

Smith has developed his version of a financial model that determines how a government's tax system could attract firms to its country's natural resources, such as oil, gas, or minerals. As the "banker of last resort," the IMF is interested in this model because it wants to help developing countries better manage their resources and fiscal policies.

Smith's model looks at nine different tax policies, ranging from royalties to production sharing contracts to resource rents. It also accounts for the factors that encourage investment, including the ease of recovery of the resource, the timing and intensity of exploration and initial development, and the tipping point where taxes become so high that investors look elsewhere.

The goal for governments is to take a fair share in tax while still making their countries attractive for development, Smith explains. He finds that the

resource rent tax system (RRT), created and used in Australia for 25 years, seems to be the optimal approach. Under RRT, the investors recover their costs, and the government and the investors share additional profit on a sliding scale.

Smith's research also highlights the difficulties that can occur when governments are eager to receive the revenue from their resources, but investors are slow to extract them. Disputes already have occurred between investors and governments in Iraq, Russia, China, and Latin America.

"As margins become narrower, the subtlety of a tax system can create a wedge that pits government and investor against each other in terms of most favorable development time," says Smith. He cites Iraq, where large oil fields are easily available, just underground, but where government service contracts are so restrictive that investors are reluctant to move forward. Some investors might choose regions where oil reserves are more expensive and risky to access—in deep water, for example—but where tax structures are more favorable.

Smith's working paper for the IMF, "Modeling the Impact of Taxes on Petroleum Exploration and Development," is available at [www.imf.org/external/pubs/cat/longres.aspx?sk=40122.0](http://www.imf.org/external/pubs/cat/longres.aspx?sk=40122.0).




## RESEARCH RECOGNITIONS

The American Finance Association has awarded its 2013 Fischer Black Prize to **Ulrike Malmendier**, finance professor at the Haas School of Business at the University of California, Berkeley. The prize honors the top finance scholar under 40 years old. Malmendier was recognized for the originality of her research in the areas

of corporate finance, behavioral economics and finance, contract theory, and the history of the firm. For example, in "Paying Not to Go to the Gym," which appeared in a 2006 issue of the *American Economic Review*, Malmendier and Berkeley economics professor Stefano DellaVigna showed that although many people with gym member-

ships visit their gyms too infrequently to justify the monthly dues, they stay enrolled rather than admit their failure to exercise.

**Eric Johnson**, Norman Eig Professor of Business at Columbia Business School in New York City, and **Itamar Simonson**, Sebastian S. Kresge Professor of Market-

ing at the Stanford Graduate School of Business in California, have been selected as 2012 Association for Consumer Research Fellows. Recognized for the impact of their individual work in the field of consumer behavior, Johnson and Simonson are two of only 25 ACR Fellows since the award was established in 1979. 

# technology

## Are MOOCs Worthy?

**THE AMERICAN COUNCIL** on Education (ACE), based in Washington, D.C., plans to evaluate the academic potential of free massive open online courses (MOOCs). ACE will conduct a broad-based study of MOOCs in partnership with organizations such as online course provider Coursera and the University Professional and Continuing Education Association. The study will be supported with funding from the Bill & Melinda Gates Foundation.

The project will include a Presidential Innovation Lab where academic presidents and chancellors can discuss the potential academic and financial models of MOOCs. As part of the project, ACE College Credit Recommendation Service will evaluate specific Coursera courses for college credit.



MOOCs hold great promise for providing education to students around the world, says Molly Corbett Broad, ACE president. “But as with any new approach, there are many questions about long-term potential.”

The initiative will be overseen by Cathy Sandeen, ACE’s vice president for education attainment and innovation. Researchers will investigate the effect MOOCs have on rates of degree completion, college curricula, and learning productivity, as well as measure the levels of satisfaction

among students who enroll in MOOCs. ACE also plans to determine to what extent MOOCs reach low-income young adult and older adult learners and encourage students to later enroll in degree and certificate programs.

For more information about ACE, visit [www.acenet.org](http://www.acenet.org).

## TOOLS OF THE TRADE

### Tweet While You Teach

A new free iPad app developed at Purdue University now allows public speakers and college lecturers to post tweets to Twitter while they speak. Backdraft, an app originally developed for Purdue instructors, allows speakers to write tweets—which could contain links, photos, or video clips—during their talks, without breaking the flow of their presentations.

“There has always been a backchannel during speeches and lectures, either through whispered comments or passing

notes,” says Kyle Bowen, director of informatics at Purdue. “Backdraft allows the speaker to not only control the room, but also have some control over the backchannel conversation at the same time.”

To use the app, speakers write their tweets and load them to the app before their presentations. They then need only double-tap the tweet to release them to their audiences via Twitter as they speak.

Backdraft is available for the iPad at the Apple iTunes store.



## Europe Launches 'Board-Ready' Database

**THE EUROPEAN BUSINESS** Schools Women on Boards Initiative has launched a searchable database that highlights women in senior executive positions with the skill sets to serve on corporate boards. The Financial Times Non-Executive Directors' Club oversees the Global Board Ready Women (GBRW) via a group on the LinkedIn network.

GBRW now includes more than 8,000 profiles of women who have served as former board chairs, C-suite executives, controlling shareholders of family companies, directors of government or nonprofit agencies, entrepreneurs, or academics. The goal is to help connect corporations with women who have the right kind of experience to serve on their boards.

The database is one response to the European Commission's new proposed legislation to achieve greater gender equity on corporate boards. The legislation would require European

companies to fill at least 40 percent of non-executive board positions with women by 2020. Currently, women fill 15 percent of non-executive positions and 8.9 percent of executive positions on European boards.

For more information about the initiative, visit [www.linkedin.com/groups/Global-Board-Ready-Women-4677558/about](http://www.linkedin.com/groups/Global-Board-Ready-Women-4677558/about).



## Tweet Archive Not Ready For Research

**IN APRIL 2010**, the U.S. Library of Congress entered an agreement with Twitter to archive public tweets sent through the service since

2006. Using Gnip, Twitter's delivery agent, the Library of Congress automatically receives tweets in real time and organizes them into hourly files—which adds up to nearly 500,000,000 tweets each day.

So far, more than 400 researchers have requested access to the files, but the Library has not opened the archive to them because the technology is not yet available to support efficient searches. "It is clear that technology to allow for scholarship access to large data sets is not nearly as advanced as the technology for creating and distributing that data," the Library noted in a public statement. "Even the private sector has not yet implemented cost-effective commercial solutions because of the complexity and resource requirements of such a task."

Only in December did Twitter roll out a feature that allowed users to access an archive of their own tweets (it's not yet available to all users). But creating an archive of all the tweets ever written? That's a much more sophisticated problem, noted Twitter's CEO Dick Costolo in a July 2012 interview with *The New York Times*. "It's a different way of architecting search, going through all tweets of all time," he said. "You can't just put three engineers on it."

A single search of the Library's current archive can take up to 24 hours. The Library and Gnip are now working to develop a functional research-focused search interface.



As of December 1, 2012, the Library of Congress had archived **170 billion tweets**—133.2 terabytes of compressed data—for the historical record.



## UCLA Launches *Assets Digital*

**AS IPADS** and other tablet computers become ubiquitous among business students and alumni, more schools are working to offer their existing publications in both print and digital formats. The UCLA Anderson School of Management has taken that one step further: It recently launched an alumni magazine designed exclusively as an interactive iPad application.

*Assets Digital* was developed by the creators of the *Fast Company* iPad app and uses the Adobe Digital Publishing Suite. It includes real-time Twitter feeds, a calendar of events that updates each time a user returns to the app, and video and animated illustrations. Users can click on elements within the stories to view photo galleries, listen to interviews, or watch related video content. In addition, *Assets Digital* incorporates an alumni hub screen that includes access to alumni social networks.

*Assets Digital* can be downloaded for free from the App Store on the iPad or at [tinyurl.com/assetsdigital](http://tinyurl.com/assetsdigital). Tablet and mobile-friendly *Assets Digital* content is also accessible via the school's microsite at [www.anderson.ucla.edu/assets](http://www.anderson.ucla.edu/assets).

## Blended MBA Comes to Tepper

**THE TEPPER SCHOOL** of Business at Carnegie Mellon University in Pittsburgh, Pennsylvania, plans to launch a new blended-delivery MBA this fall. The FlexMBA program will combine face-to-face courses, live video courses, online interactions, and online self-paced learning activities to deliver the same content now offered through its full-time and part-time MBA programs.

Faculty will deliver the 32-month FlexMBA program to sections of 20 to 30 students, who will complete two courses during seven-week rotations. Each seven-week block will begin and end with three-day "Access Weekends" that bring all students and faculty in a course together at one location for lectures, testing, group development and presentations, and career services.

The Access Weekends are designed to maintain personal contact with students and ensure they each receive one-on-one attention, says Michael Trick, senior associate dean for education at the Tepper School. "Access Weekends will be an important channel to provide



students with direct interaction with faculty, alumni, personal leadership coaches, career services, and each other," says Trick. "Rotating the location of these weekends to different geographic areas also allows us to involve different alumni and industries."

ARIEL SKELLEY/GETTY IMAGES

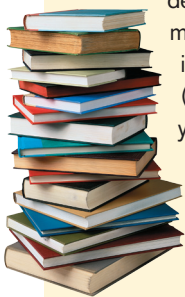
# NEWSBYTES

## ■ HUNTSMAN TAKES HR ONLINE

In January, Utah State University's Huntsman School of Business in Logan launched an online master of science program in human resources (MSHR). The program consists of 12 seven-week courses that students can complete in one year. MSHR students receive their course materials via Canvas, an open-source learning management system created by Utah-based Instructure. Academic Partnerships, a Texas-based learning services company, helped the Huntsman School convert its traditional courses to online formats.

## ■ TEACHING LIBRARIANS TO LEAD

In May, the University of Southern California's Marshall School of Business in Los Angeles will launch an online master's degree of management in library and information science (MMLIS). The two-year program was developed in partnership with the USC Libraries. Using synchronous and asynchronous online learning models, MMLIS is designed to prepare library professionals for leadership positions in academic, corporate, government, and nonprofit settings.



## ■ ANALYTICS INITIATIVE

IBM will open an analytics center in Columbus, Ohio, in collaboration with The Ohio State University, JobsOhio, Columbus 2020, and the local business community. As part of the initiative, IBM plans to add up to 500 new analytics consultants and research and development professionals to the center over the next three years. The center will partner with Ohio State to develop graduates with skills in analytics. It also will work to develop computing technologies to process big data, as well as to commercialize the capabilities of Watson, IBM's supercomputer, among other technologies.

## ■ MORE FREE COURSES

Saylor.org, a nonprofit free education initiative of the Saylor Foundation in Washington, D.C., plans to post one of its self-paced college-level courses per week on iTunes U, until its entire catalog of 271 courses is available for free to users. As of January, more than 25 courses were available, including several that cover topics in business communication, microeconomics, and marketing. These courses already are available through Saylor.org's Web site. Since the organization began working through iTunes U in May 2012, its courses have garnered more than 350,000 subscribers who have made 750,000 downloads.



## ■ TED, WILEY LINK UP

Educational services and content company John Wiley & Sons is collaborating with TED, the nonprofit known for its TEDTalks video lectures by prominent leaders and thinkers, to create and supply free instructor materials for a series called TED Studies. TED Studies now comprises 21 collections of curated talks organized by academic discipline. Each set of instructor materials will include essays, assignment questions, activities, debate topics, experiments, and glossaries, as well as links to related content from Wiley and other publishers. These materials will be offered with TED's video content on Wiley.com, as well as on iTunes U and other platforms. For a list of content, which will grow over the year, visit [www.wiley.com/go/tedstudies](http://www.wiley.com/go/tedstudies).

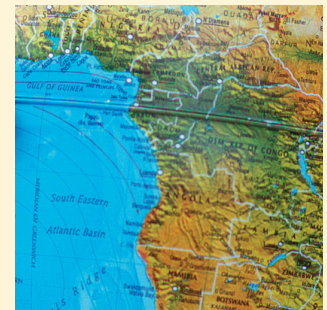
## ■ HELP FOR GEN Y

Students at Hofstra University's Frank G. Zarb School of Business in Hempstead, New York, have partnered with NEFCU, a credit union in Westbury, New York, to create a Web site to help 18-to-26-year-olds manage their finances. On [www.CUShine.org](http://www.CUShine.org), students will write blogs and post videos about money and lifestyle management, job

searches, graduate education, and other financial issues that members of Gen Y face as they finish their educations and start their careers.

## ■ EDUCATING AFRICA

The Ghana Institute of Management and Public Administration (GIMPA) in Africa and African Virtual University (AVU) have launched AVU's four-year Multinational Project II, which will focus on increasing access to open, distance, and e-learning resources to people across Africa. The project will receive support from various national



ministries of education and financial backing from African Development Bank. As part of the project, the partners plan to create a network of 27 institutions for support in carrying out research, developing programs, training teachers, delivering distance and e-learning programs, and overcoming language barriers in 22 African countries where citizens speak primarily English, French, or Portuguese. AVU's Multinational Project I trained 40,000 students via e-learning networks.

# your turn

by Allen H. Kupetz

## Teaching with Wisdom

**KNOWLEDGE** doesn't matter.

In what year did Napoléon die? Was that before or after the time of Czar Alexander I? What is the atomic mass of gold? Is that more or less than silver? What is the equation for future value? Is that with or without compound interest?

It might once have been essential to memorize these facts. Certainly it isn't now, when all this information is just a click away on a smartphone. So why are we still making students memorize simple facts when such knowledge doesn't matter anymore? Obviously, students must know an equation exists so they can look it up and employ it when the situation requires; they must understand the historical context of Napoléon's reign if they are grappling with contemporary politics. But they don't need to know precise dates and equations when a second on Google will deliver those specifics to the palms of their hands.

Getting students ready for the real world no longer means transferring knowledge into their heads. It means teaching them skills for the information age: abstract thinking, creative problem solving, and persuasive writing and presenting. It means teaching them when to use the equation for future value, not just having them memorize the equation itself. Our grandparents learned vocations by apprenticing with experts to become plumbers and electricians. I believe our students must master their trade by working with practitioners in the classroom who can teach them how to function in the real world of business.

### Being Brave in a New World

My son recently completed a college-level science course that

included a research paper. The professor said students weren't allowed to use any online sources—they were only to quote articles that had appeared in the contemporary printed press. I'm glad the class didn't require mathematical calculations or I'd have had to buy my son an abacus and a slide rule.

Daniel Pink, author of *A Whole New Mind*, tells people not to worry that their jobs might be outsourced to India or China. Instead, they should worry that their jobs will be outsourced to a computer, because humans can't compete with computers in terms of knowledge.

But computers can't compete with humans in the essential area of wisdom, which I define as judgment based on experience. British journalist Miles Kington put it this way: "Knowledge is knowing a tomato is a fruit. Wisdom is knowing never to put one in a fruit salad."

There are many more expansive definitions. For instance, Russell Ackoff, a systems theorist and professor of organizational change, believes the content of the human mind can be classified into five categories. In a 1989 article called "From Data to Wisdom," which appeared in the *Journal of Applied Systems Analysis*, he described the content of the five categories this way:

1. **Data**—a collection of symbols.
2. **Information**—data that are processed to be useful. Information provides answers to *who*, *what*, *when*, and *where* questions.
3. **Knowledge**—application of data and information; it answers *how* questions.
4. **Understanding**—an appreciation of *why*.
5. **Wisdom**—evaluated understanding.

Based on Ackoff's definition, I argue that education in general, and business education in particular, should migrate from a focus on information and knowledge to a focus on understanding that will lead to wisdom. And thus schools need to migrate from a faculty majority of PhDs to a faculty majority of educated, experienced, and successful practitioners.



Why are we still making students memorize simple facts when such knowledge doesn't matter anymore?



### Practicing Wisdom

I am the beneficiary of a 2005 *Harvard Business Review* article titled “How Business Schools Lost Their Way.” In it, Warren Bennis and James O’Toole argue that medicine is a profession taught by doctors, law is a profession taught by lawyers, and business is a profession taught by PhDs. These PhDs, they add, are less interested in teaching than in conducting research, little of which “is grounded in actual business practices. The focus of graduate business education has become increasingly circumscribed and less and less relevant to practitioners.” Soon after the article appeared, an enlightened dean and trusting faculty hired me as an executive-in-residence. Now in my eighth year, I still keep one foot in academia and the other in what I call the real world.

The need for and value of practitioners is now seemingly more accepted than it was eight years ago. In fact, AACSB International offers a Bridge Program designed to help people like me enter academia without earning PhDs. (See [www.aacsb.edu/bridge/default.asp](http://www.aacsb.edu/bridge/default.asp).) Of course, an entire roster of professionally qualified faculty is not a good idea for any school. In fact, if schools want to maintain AACSB accreditation, half of their faculties must be academically qualified, and even more should be AQ if the school puts a high emphasis on graduate-level education. Some of these ratios may

change if the association’s proposed new standards are adopted, but schools will still need a high percentage of faculty with doctoral degrees.

But if a few practitioners—let’s be frank, if *many* of us—were teaching courses in our areas of expertise, schools would assemble more diverse faculties that would help students develop the kind of understanding and wisdom only obtainable from real-world experiences.

Unfortunately, business education is still dominated by PhDs who rely on theory-based textbooks that I abandoned after my first year of teaching. I recently had an e-mail exchange with a professor who criticized me for bringing too many guest speakers into my classes. This professor told me that “relying so heavily on guest speakers means there’s a good gee-whiz factor, but one might wonder how these contribute substantively to students’ skill sets.” I couldn’t disagree more. My guest speakers have offered my students insights they never could have gotten from a textbook.

For instance, one outside expert told my technology entrepreneurship class about the challenges he faced as he was trying to raise venture capital—how it took him twice as long to secure half the money he needed—and what strategies he used to deal with that situation. Another speaker, talking to my technology management students, offered excellent advice for how MBAs without technical degrees should manage the technical staff reporting to them. A third guest spoke to my global business students and detailed the personal cultural growth he experienced when his company began expanding to more countries. While I might have been able to raise all these issues in my classes, I’m certain the students learned more by listening to the true experts.

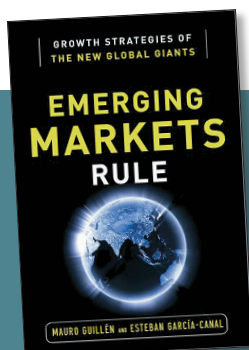
The case study method was supposed to help business students learn about real-world issues instead of academic theories that may or may not still be valid. For just that reason, I am a big believer in using cases in the classroom. But now I want to go further. I want to stop teaching knowledge and start focusing on understanding with the wisdom I’ve acquired in the real world.

What is better: for students to memorize some complicated equation that is readily available online, or to learn how and when to apply that equation? The former is knowledge; the latter is wisdom. And it’s wisdom, not knowledge, that matters in the information age. Z

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# bookshelf



## EMERGING MARKETS RULE

**AUTHORS:** Mauro Guillén and Esteban García-Canal

**PUBLISHER:** McGraw-Hill, US\$30

**CHINESE APPLIANCE** maker Haier took a bold step when it learned that some of its washing machines were breaking down in certain regions of China because customers were using the machinery to clean vegetables as well as to wash clothes. “Instead of blaming customers for misusing its products, Haier designed a specific, dual-use model for that market niche,” write

Guillén of the Wharton School and García-Canal of the University of Oviedo. Catering to niche markets is only one way that emerging market multinationals, or EMMs, are reshaping the global economy, they believe. These upstarts are also building strategy around execution—not the other way around—scaling to win, embracing chaos, making smart acquisitions, expanding with abandon, and ignoring sacred cows. Their fast, nimble, and responsive approaches to business are helping them topple overcautious behemoths. In this headlong race for competitive advantage, the authors note, “street smarts have pulled even with MBA smarts.” They offer a clear-eyed look at a wide-open market.

## SIDETRACKED

**AUTHOR:** Francesca Gino

**PUBLISHER:** Harvard Business Review

Press, US\$25

**WHEN ARE YOU** likely to cheat? When your opinion of yourself has been lowered because you’re wearing knockoff accessories and you feel like a fraud. That glimpse into human behavior is fascinating enough on its own, but Harvard’s Gino uses that and other insights to build her main case: The decisions we make are often affected by subtle influences we don’t even notice. She identifies three forces—internal, external, and social—that can

manipulate people into behaving in ways they had not intended, then she recounts the results of dozens of experiments that show how people respond to differing conditions. For instance, when subjects are told they can win prizes from

two categories, rather than two prizes from a single pile, they put in extra effort to earn the second prize. Thus, the way choices are framed has a huge effect on how well people are motivated—a conclusion that can have profound implications in the workplace and the market place.

## THE SPIRIT OF KAIZEN

**AUTHOR:** Robert Maurer

**PUBLISHER:** McGraw-Hill, US\$22

**THE AVERAGE** employee in Japan proposes 18 cost-cutting or general improvement ideas every year. The average American? One every six years. Maurer of UCLA and the University of Washington believes the difference is that Japanese corporations operate in the spirit of kaizen. The word means “good change,” but within the business context it refers to small, unalarming changes that don’t trigger the natural human tendency to resist or sabotage radical reforms. If management invites every employee to think of one change that will save a few dollars a year or

speed up production time by 30 seconds, no one feels too overwhelmed at the challenge. Everyone works together, and the incremental improvements can lead to huge benefits. Maurer presents eye-

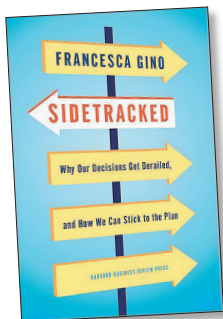
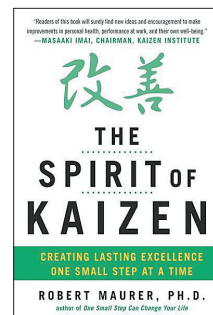
opening and often charming stories of the ways kaizen has saved failing businesses, reduced employee friction, and improved product quality, all while costing little money and boosting morale. It’s such an appealing idea, there seems to be no reason not to try it.

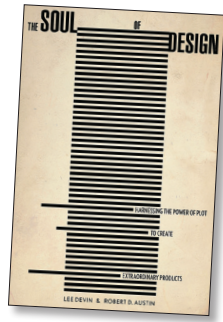
## THE SOUL OF DESIGN

**AUTHORS:** Lee Devin and Robert D. Austin

**PUBLISHER:** Stanford Business Books, US\$24.95

**WHAT MAKES** special products—Apple iPads, Vipp trash bins, Bang & Olufsen TVs—so special? Theater professional Devin and Copenhagen Business School professor Austin are determined to





decode that mystery. Their approach is wildly unconventional, as they consider extraordinary products in the context of art, complete with the trappings of plot, trajectory, and resonance. While they understand that any successful commercial product must find a market, they begin with the

notion that special offerings can't be compared to anything else; they must be created and judged by their own standards. To business-

people trying to imagine the next great unexpected hit, they offer this advice: "You must be able to clear your mind of limitations caused by your desire that the thing be a suc-

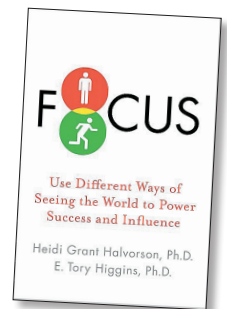
cess in the market." It's the latest in a series of books about design thinking in business, but it brings in a fresh perspective.

## FOCUS

**AUTHORS:** Heidi Grant Halvorson and E. Tory Higgins

**PUBLISHER:** Hudson Street Press, US\$25.95

**PROMOTION-MINDED** people are motivated by hope of gain; they're energetic and enthused when they're pursuing a prize. Prevention-minded individuals are motivated by fear of loss; they make plans *and* backup plans to ensure they don't fail. The diametrically opposed approaches to life that these two groups embrace can cause tension in the office and dissension at home, but each perspective is invaluable in the right circumstances. The authors, both of Columbia Business School, describe how each personality responds differently to work situations, advertising campaigns, and life challenges—and how to use those differences in positive ways. "The most effective teams or organizations will solicit (and respect) input from people with both kinds of dominant motivation when it's time to innovate, while recognizing that their respective inputs will be most valuable at different stages of the process," they write. Both entertaining and insightful, this book will help executives understand the sometimes mysterious behavior of their customers, their employees, their bosses—and themselves. Z



## Don't Miss

**WARREN BUFFETT FANS** will enjoy *Tap Dancing to Work*, a collection of articles by and about the legendary investor. *Fortune* editor Carol Loomis edited the book and wrote some of the original articles, which appeared between 1966 and 2012. There are a few places where hindsight shows Buffett misread a market—but plenty of other places where his business savvy shines through. For instance, in a 1982 letter, he decries the practice of trading in stock index futures. "We do not need more people gambling in nonessential instruments identified with the stock market in this country, nor brokers who encourage them to do so." Right again. (Portfolio/Penguin, US\$27.95)

"**LEADERSHIP IS OFTEN** a struggle," writes Steven Snyder in *Leadership and the Art of Struggle*. "Yet societal taboos often prevent leaders from talking openly and honestly about their struggles for fear of being perceived as ineffective and inadequate." Snyder, a former Microsoft executive who is now executive-in-residence at the University of St. Thomas, profiles top officers who fought their way through a variety of crises, from failing business models to floundering worldwide economies. His conclusion is that flailing CEOs must become more grounded, explore new pathways, and deepen their ability to adapt if they want to survive the bad times—and join the ranks of exemplary leaders. (Berrett-Koehler Publishers, US\$19.95)

"**TODAY, ALL OF US** live in a world of management's making," write Joan Magretta of Harvard and Nan Stone of *HBR*. Thus, they believe everyone needs to understand the basics of management, from value creation to succession planning, and they lay out those basics in *What Management Is*. Using concise prose and plenty of examples, they trace the evolution of management and its place in the world today. As they note, "Management's business is building organizations that work. Underneath all the theory and the tools, underneath all the specialized knowledge, lies a commitment to performance that has powerfully altered our economy and our lives." (Free Press, US\$26)

# idea exchange

## How to Make a Profit in Ten Days

### The Idea

Give student teams ten days—and just CAN\$5—to create businesses with economic or social value

### Location

The University of Victoria's Peter B. Gustavson School of Business in British Columbia, Canada

### The Program

The Gustavson School has a surprise in store for the fourth-year undergraduates enrolled in its three-month immersion entrepreneurship specialization. In the last ten minutes of the first-day orientation, faculty give students this directive: "You've got ten days—go out and make as much money as you can. Then come back and tell us how it went." That's the premise of the Peter Thomas Innovation Project, which kicks off the students' semester.

"Students are often shocked," says J. Brock Smith, professor of marketing and entrepreneurship and director of the Innovation Project. "Some rise to the challenge, some don't. But they all learn something from it."

### The Outcomes

After ten days, students report how their projects fared and what they learned. Three teams win awards such as polo shirts or leather portfolios, purchased with funds from benefactor Peter Thomas, founder of Century 21 Real Estate Canada Ltd. In 2012, the "most profitable" award went to a team that produced two- to three-minute promotional YouTube videos for firms, and the "most social value" award went to a team that sold lemonade at events and solicited donations to the Make-A-Wish Foundation. The class also chose the idea with the most long-term potential: a forum where parents could trade children's clothing and toys.

Previous teams have thrived once class ended. One team—which sold advertising space on dry erase calendars that they distributed to students—stayed in business five years. Another received \$1 million in venture capital to turn their idea into TeamPages, a suite of online tools for amateur sports teams.

**This student team sold lemonade and solicited charitable donations at events. Pictured, left to right, are Jiaying Liu, Keenan Berg, Chris Harper, Innovation Project benefactor Peter Thomas, Ashleigh Fourie, and Alex Currie.**

### Ground Rules

Students—who work in teams of five—cannot risk more than \$1 each. They can use their own assets, such as cars or cameras, or borrow assets, but they cannot accrue debt. Any intellectual copyrights belong equally to all team members. They cannot violate laws or university policies. Finally, their enterprises cannot involve food preparation, alcohol, explosives, or toxic materials. Smith approves each project before the teams begin.

It's better to deal with these issues up front, says Smith. He learned this lesson in the project's first year, when students who had formed a door-to-door paint recycling service discovered that some people had put out paint cans containing dangerous chemicals that could not be recycled in North America. Those students invested \$5; the university paid \$6,000 to ship the cans to Europe.

"We've gotten our \$6,000 worth out of telling that story," says Smith. "But it shows the importance of planning ahead."

### The Benefit

On the first day, most of the students have no entrepreneurial experience. "Afterward, they have the confidence to say, 'I've identified an opportunity and brought a product or service to market,'" says Smith. "The stakes are small, but they all walk a little taller and they're ready to be coached." 