



How to

A business school is only as good as its faculty. But in today's competitive market, how do b-school deans attract top professors—who want to stay for the long term?

Looking to hire a few good faculty? You're not alone. Seven percent of the full-time faculty in U.S. business schools were new hires in the 2004–2005 academic year, according to the Knowledge Services department at AACSB International.

Not only are business schools racing to fill thousands of open or soon-to-be open positions for tenure-track faculty, but fewer Ph.D.s are being produced to fill such roles. In addition, the individuals on the market are asking for significant amounts of money—sometimes more than current faculty are making. Those factors add up to a mathematical problem of too much need, not enough product—and ongoing calculations about how to change the equation.



Hire

The faculty shortage and salary inversion are compounding the difficulties of a task that is, even at its easiest, a delicate and painstaking endeavor. Yet, most deans must hire faculty at various points, even if just to replace those who retire. To find the best new candidates while retaining the senior faculty they already have in place, deans must be creative, flexible, patient, and focused.

The Biggest Problem

One of the first dilemmas deans will face as recruiters is how to hire new faculty without exceeding the budget. It's clear to deans that if they're going to be serious players, they have

to be able to pay what the market demands. A few years ago, for example, Rice University's Jones Graduate School of Management began a campaign to expand and make over the school, hiring more than 20 new faculty in the process. Gilbert R. Whitaker, who retired in July as dean of the Houston-based school, says he was given the go-ahead to pay market salaries for new hires.

"That was very important, because business school salaries are extremely high," he says. "We don't have a law or medical school, so we're out front in terms of compensation on campus. But we've been given the authority, within our budget, to pay what's necessary to attract strong faculty."

When salaries for new professors threaten to rise higher than salaries for existing professors, it's time to be open and collaborative with the faculty. Senior faculty realize that the future of the school is at risk if it doesn't recruit well, says Richard Klimoski, dean of George Mason University's School of Management. The school, which is located near Washington, D.C., in Fairfax, Virginia, has been aggressively expanding its faculty roster.

"We don't want anyone at the senior level to leave because they feel frustrated or insulted, so we involve them in discussions," says Klimoski. "At what level should we recruit? What will we have to pay?" This helps smooth the way, he says, when high-priced new talent is recruited.

While it's essential to offer competitive salaries, deans say it's possible to focus on lifestyle factors instead of dollar signs when negotiating with potential hires. "You may find facets of the offer that mean more to them than \$10,000 in salary," says Susan Phillips, dean of the School of Business at George Washington University in Washington, D.C. The school has hired 11 new faculty in the past two years. "In some cases, you can be creative in putting together a competitive offer.

For instance, we offer free GW tuition to the children of faculty. That's a huge benefit to some people."

Schools can also offer other incentives. The Ph.D. shortage throughout Latin America makes it difficult for Mexican schools to compete for top talent, says

Carlos Alcérreca, dean of the Division of Administration and Accounting at the Instituto Tecnológico Autónomo de México (ITAM) in Mexico City. To make up for the shortfall, ITAM encourages its top students to study abroad, providing scholarships and loans—and forgives the loans if students return to teach at ITAM. "These students have ties to our city and will stay here over the long term," says Alcérreca.

by Sharon Shinn

illustrations by Lou Beach

Conducting the Search

Before beginning any search for a new faculty member, deans first examine their needs. Says Klimoski, “We look at the big picture. What’s our mission? We look at the curriculum. Where are the gaps? And we look ahead. Where do we want to go? Once we have a picture of the game plan, the real work begins.”

At George Mason, says Klimoski, the recent strategy has been to focus on hiring junior faculty. “We look at the current faculty and see we’re getting old, so we know we have to build the next generation,” he says. “We also want to stay on top of the latest research developments.”

Hiring junior faculty requires a huge investment of time as deans and administrators contact schools with Ph.D. departments, ask for a list of possibilities, sift through files, invite in potential candidates, listen to formal presentations, conduct interviews, and then internally debate who would be the best fit with the school. “It’s a very labor-intensive process,” says Peter Pauly, associate dean of the Rotman School of Management at the University of Toronto. “We’ve made between six and nine hires per year in the past few years. To do so, we had to bring in 100 people for visits; and to bring in 100 people for visits, we probably had to look at 500 files.”

The process isn’t much simpler when deans are looking for more experienced faculty to fill chairs and other key positions. In these instances, deans often rely on their senior faculty to know who the major players are in their fields and make the initial contacts at annual events that Whitaker says are “as much hiring halls as conferences.” In some disciplines, like finance, these events are very well-organized and heavily attended.

Senior faculty are also recruited through networking and relationship marketing, says Karen Newman, the new dean at the Daniels College of Business at the University of Denver. She was formerly dean at the Robins School of Business at the University of Richmond. Newman makes phone calls to friends and colleagues, joins computer listservs of people in specific fields, and stays in touch with individuals who interviewed in the past but took jobs elsewhere. Recently, Newman orchestrated the hiring of a professor she’d spoken to a few years ago about a position at Richmond. They stayed in touch, and when he learned she was moving to Denver, he inquired about a job at that school.

“One of the lessons I’ve learned is to interview good people and make friends,” she says. “A lot of candidates will choose to go elsewhere, but life is long and the world is small. These people will reappear later in life. When I’m recruiting, I’m expanding my network. Whether or not I hire them, I want everybody I interview to walk away saying, ‘Gosh, I’d



really like to work with her. Maybe not now, but later.”

Most schools also advertise for new faculty as a way to ensure that the search is broad and meets administrative requirements for posting open positions. Advertising can be more than a method of recruiting, says Klimoski—it can be a form of brand-building. “It’s always good news when schools are recruiting,” he says. “In some cases, the advertising is a bragging opportunity. It says, ‘We at George Mason are proud of the fact that we can recruit a few good men and women.’”

Sometimes, despite all the effort, the perfect candidate doesn’t appear—or doesn’t accept the job. “We’re quite willing to fail a search if we don’t find the right person,” Newman says. “Sometimes that means searches take two years instead of one.” Others agree, saying they will hire visiting faculty if they can’t find the perfect long-term hire.

Alternative Solutions

The doctoral shortage means there aren’t enough candidates available to fill all open positions—but there might be other ways for schools to groom potential new b-school faculty. AACSB International has convened a Ph.D. Bridge Program task force to look at two ways to expand the pool. One option is to recruit faculty with Ph.D.s in related fields and provide them with short but intensive training in b-school curricula. Another option is to train experienced practitioners so that they can become professionally qualified as teachers.

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The task force is part of the association’s response to the doctoral crisis, but individual deans are also considering some of the same options. “We’ve hired people who have Ph.D.s in related areas and morphed into business teaching,” says Phillips. “Psychologists can teach in organizational behavior areas. Economists can focus on international trade. To find faculty, we need to look more broadly outside of our identified fields.”

For instance, GW’s accounting department was interested in a woman who was a nontraditional candidate. The candidate had a Ph.D. in marketing from a top school, a research history in a related field, and teaching experience. Once she took enough accounting classes at GW, the department felt “she was somebody we should stretch to hire,” says Phillips. She adds, “In AACSB’s study on the doctoral shortage, one of the recommendations was to retrain people from other fields to teach in business school, and she is a perfect example of that.”

The Adjunct Factor

If the Ph.D. shortage and rising salaries make it too difficult to find terminally qualified faculty, will b-schools begin to rely more heavily on contract and adjunct faculty? Their advantages are compelling.

“Adjunct faculty bring relevant business practices into the classroom,” says Tan Chin Tiong of Singapore Management University, where adjunct faculty make up 25 percent of the roster. “They provide a good balance between the academic rigor of our tenure-track faculty and practical relevance. Because Singapore is small and compact, adjunct faculty are readily accessible and available for consultation with students.”

“These people are more flexible, they’ll teach more, and they aren’t paid as much,” says Karen Newman of the University of Denver. “They tend to have practical experience, so students love them. Having full-time clinical faculty benefits the school—but if you have too many you lose the scholarly part of your climate.”

Other agree that adjunct professors have much to offer but shouldn’t be heavily relied on to fill gaps in the faculty. “You have to be careful,” says Peter Pauly of the University of Toronto. “Not everybody who has been successful in business is going to be successful in the classroom.” He believes it’s critical for researchers to be in the classroom, discussing

Whitaker likes the idea of growing his own candidates—even though the Jones School doesn’t have a doctoral program. “We’re thinking about creating some post-doctoral programs for people who’ve gotten doctorates in related fields and are interested in the higher salaries of business and the research questions that business schools address,” he says. “We could hire them at a fairly moderate salary and have them teach one course. They could work on research with our faculty. In a couple of years, we might be able to transform a pure economist into a finance professor or a pure psychologist into a marketing or organizational behavior professor.”

Deans can also find new faculty simply by looking in other corners of the market. The Rotman School has targeted international scholars as it has expanded its roster by 45 faculty in the past eight years. According to Pauly, “Toronto is a multicultural city, so we’ve been able to attract people from all over the world. If you only want to hire from the top ten U.S.

their work with students. Therefore, at the Rotman School of Management, all teachers in the first year of the MBA program are full-time faculty.

In Latin America, says Carlos Alcérreca of ITAM, the U.S. notion of tenure gives way to the concept of a stable “participating faculty.” At ITAM, participating faculty is responsible for teaching most of the student hours, and he wants to keep it that way. While the school’s location in Mexico City makes it easy to find qualified adjunct faculty, he says, “our goal is to maintain and even increase our percentage of participating faculty.”

Still, full-time lecturers can make up for some of the shortfall in new doctorates. That’s particularly true in classes like communications, where students need to acquire specific skills rather than substantive knowledge, says Gilbert Whitaker, former dean of Rice University.

The shortfall in Ph.D. faculty also may cause deans to start thinking how to realign the staff. For instance, some are looking into dividing faculty into teaching and research tracks. “It’s fairly painful,” admits Susan Phillips of George Washington University. While she believes some individuals are just as happy not having a research obligation, she thinks the challenge lies in keeping them current and engaged in their fields.

“Even if they’re not conducting cutting-edge research, they might work on cases,” she says. “Or they might make presentations to conferences or take students on residencies abroad. There are a lot of ways for them to be intellectually active even if they’re not writing for top-tier journals.”

Focus on Retention

schools, you're going to be in for a tough fight, so we are open to individuals from other countries."

Another alternative is to concentrate searches on seasoned professors—those with three to ten years' experience—who often value lifestyle and personal satisfaction more than a high paycheck. That's been Newman's strategy. She says, "In the market of more experienced faculty, the candidates know what they want and don't want. They've already embarked on their research agenda, and they're usually terrific teachers. I'd much rather hire people after they've been out of school a few years and I can see their track record. Why hire a brand-new Ph.D. when you don't know if you're going to get a diamond in the rough or a cubic zirconium?"

Selling the School

Once the ideal candidate is identified, schools work to craft the ideal offer. At George Mason, no matter what department is looking for faculty, the hiring is done through the centralized office of the senior associate dean, David Harr. While it can take weeks to hammer out the details, the school likes to have an oral commitment from the candidate before sending out a formal offer letter.

"We say to candidates, 'If we make this offer, will you accept it?' That's really the moment of truth," says Harr. "We want to send them the message that, if they commit to us verbally, we take that seriously."

When wooing candidates, deans are quick to point out the advantages of their schools over possible contenders. For instance, when she was hiring at Richmond, Newman would praise the school's competitive salaries, good clerical support, free parking, beautiful campus, and small classes. "I could say, 'You won't give more than 75 grades in any one semester,'" she reports.

Phillips likes to tell candidates that George Washington offers a diversified mix of students, a heavy emphasis on graduate education, recently upgraded facilities, a strong bias toward interdisciplinary activities—and a great location. Says Phillips, "For individuals doing research, Washington offers many data sources, as well as opportunities to work with people at the World Bank, the Federal Reserve, and the International Monetary Fund."

The opportunity to conduct research is also a selling point for international schools. At ITAM, says Alcérrec, "we emphasize the interesting nature of the economic transformation Mexico is experiencing, which provides unique research opportunities."

At Singapore Management University, provost Tan Chin Tiong points out that the school's location "provides faculty a

Once they've hired great professors, how do deans keep them from jumping ship when a better offer comes along? Every school can recite instances in which top faculty members are lured away—but often, they say, the lure isn't just money. Sometimes a change in venue gives a professor a chance to return to a city where family lives or to work with a respected colleague. The challenge for deans is to weight the other factors in favor of the school so that faculty won't want to leave for anything less than a perfect offer.

One of the keys to keeping junior faculty happy is to put some effort into making sure they succeed. Among other things, this means extensive mentoring by senior faculty and feedback as the newcomers hone their teaching methods. In fact, George Washington offers special teaching seminars and has brought in master teachers to help new faculty sharpen their skills. "You can't just plop them down," says Susan Phillips. "You can't just plant them and hope they sprout."

Many schools also give new hires a relatively light teaching load at first, so they can focus on developing their research identities and meeting scholarship demands. At Rice University, junior faculty on the tenure track are also offered a little breathing room. Appointments are made in two four-year stages, with the tenure decision made in the seventh year, as opposed to the sixth-year tenure decision in place at many schools. "This gives faculty more time to meet tenure standards," says Gilbert Whitaker.

At the same time, deans want to make sure new hires become invested in the school, the surrounding community, and even the country. At ITAM, says Carlos Alcérrec, "we recruit locals or foreigners who adapt to the lifestyle in Mexico, so that they will form roots here and stay."

At George Mason University, faculty are encouraged to get involved in school and community activities, such as a venture capital competition held in conjunction with a regional business association. "As we recruit, we tell candidates

strategic entry point in Asia for research opportunities." But he believes SMU has more to offer potential faculty, particularly those educated in the United States: It follows American-style management practices and it is working toward AACSB accreditation, so the administrative and educational practices are familiar to faculty recruited from the U.S.

"There is also an *esprit de corps* that exists among the faculty," says Tan. "Being part of a young, growing university means that faculty can make a significant impact on SMU's development." The five-year-old school has expanded rapidly from a full-time faculty of 35 in 2000 to 160 today.



that we're part of a vibrant economic region, and we want to make sure they experience that," says Richard Klimoski.

To underscore the relationship between the community and the faculty, George Mason recently featured its new hires on the cover of the school's magazine. The article inside explored their reasons for choosing the school—and also provided an excellent way for the school to communicate their strengths to stakeholders. "That article was one way we sent a strong message both to the new faculty and our community," says marketing communications director Dan Mackeben.

For the first year or two after an individual has been brought on board, both the new hires and the schools strive to make the fit a good one. "By and large they want to succeed and we want them to succeed," says Klimoski. "During the first two years, unless something extraordinary happens, it's rare for people to jump ship. The wanderlust starts after that. In a sense, you have a couple of years to solidify the relationship. After that, a lot of forces are in play."

One of those forces, of course, might be the desire for more money. That's particularly true as new faculty are brought on board at higher rates of income than senior professors—and deans have to figure out how to cope with that disparity or risk losing key people. "I'm now having to focus on ways to build some reserves so I can match salaries when one of my faculty comes in with an offer from another university," says Phillips.

Sometimes, of course, despite a dean's best efforts, faculty will decide to leave. That's when the whole hiring process starts over again.

Nonetheless, one of its biggest recruiting challenges lies simply in letting new Ph.D.s know that the school exists. Tan believes that most faculty are attracted to SMU because of the efforts and reputation of the university's various deans, who come from prestigious institutions such as Stanford, Wharton, and Carnegie Mellon. "We have had to work aggressively in our planning, organization, and networking," he says.

Singapore, like D.C., also lures potential faculty because it is a sophisticated metropolitan area. The University of Toronto enjoys the same attractiveness—but lifestyle issues

and urban amenities only get you so far, says Rotman's Pauly. "A school has to provide an environment that is stimulating," he says.

And, in many cases, schools have to accommodate individuals from dual-career families. "We have a universitywide spousal employment program which allows us to help people find something that is appropriate for them," Pauly says. "Within the university, we have incentive programs across departments. Therefore, if one department wants to hire or retain a faculty member, another department might find room for the spouse. We have to look at all those facets of our professors' lives and take care of them."

Indeed, at some point schools might not just be looking for where to place the spouse—they might be looking for where to place the family. Dan Mackeben, director of marketing communications for the School of Management at George Mason, says that in the future the school will consider developing town houses near the university where faculty can reside. This would provide a lower-cost alternative to high-priced housing in the D.C. metropolitan area. It would also be one more way to make the school attractive to candidates with multiple job offers.

Changes Ahead

Despite efforts to hire creatively and make their schools attractive to newcomers, deans know that finding enough faculty will be an ongoing challenge in the coming decade. Indeed, if the current shortfall continues, it could help reshape the way business schools deliver education.

Harr of George Mason predicts that more courses will be offered in lecture-hall style, followed up by labs where grad students interact with smaller groups of students. "That will allow us to leverage the expertise of our top faculty even when there are fewer of them around," says Harr. "We'll also work with other schools to develop best practices on how to make use of faculty time."

Pauly of the University of Toronto expects the future to hold a segmented landscape of management education, where only a few dozen schools actually generate knowledge, while the rest deliver "canned" programs devised by respected academics. "We certainly want to be in that first group," he says.

No matter how the business school market changes in the future, deans inevitably will have days where they will have to strategize about their next faculty hire. Like any good investment, the investment in human capital can be expensive but enormously rewarding. In any case, it's an essential one if administrators want their programs to keep paying dividends in the years to come. **Z**