

Dean and CEO

If business schools operate like businesses, should deans consider themselves chief executive officers?

by George Bickerstaffe

Today's business school deans have much in common with chief executive officers of major corporations. They run complex, money-making enterprises that have to keep pace with the competition and respond nimbly to changes in the corporate world. They demonstrate strong leadership as they motivate and manage their senior staff. They work long hours, travel around the world, and act as the most public faces of their organizations.

But deans also must handle the challenges of the academic environment, which include raising funds and supporting research initiatives. Few CEOs have to add such duties to their list of responsibilities. In fact—as eight international deans profiled here can attest—today's deans must fit one of the most complex job descriptions on record if they are to survive and succeed.

Groomed for the Role

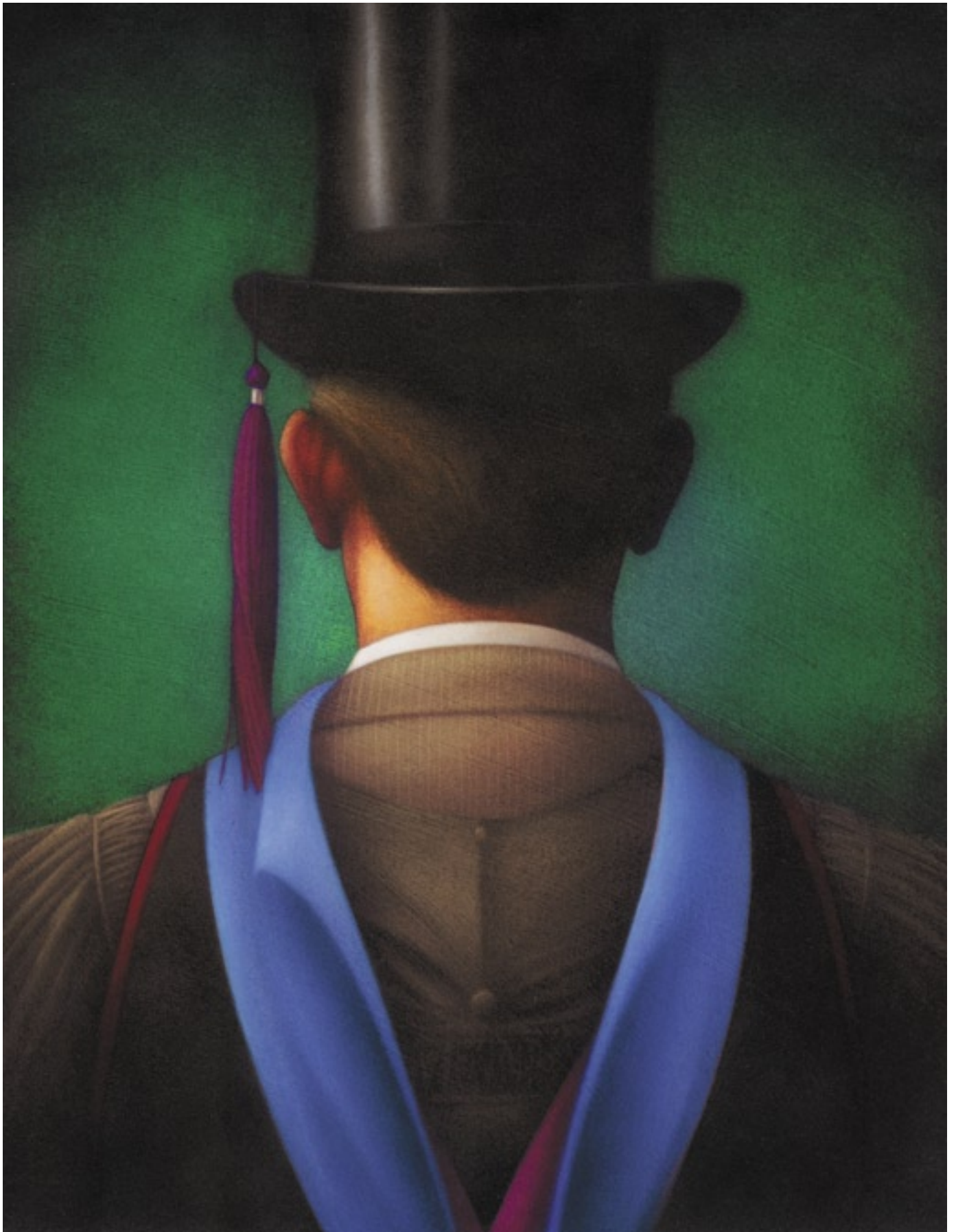
Today's deans are more like CEOs than ever because business schools are growing closer to the business world, says Gabriel Hawawini, dean of INSEAD in Fontainebleau, France, and Singapore. This convergence is happening, he says, “partly because schools need the support, partly because executive education is becoming of greater importance, and partly because business is now starting to say what it wants from business schools—in the type of MBA graduates it wants, for example.”

In the past, as business schools delivered education via disciplinary silos, schools sometimes preferred a dean who would not interfere with the traditional academic structure. According to Peter Lorange, president of IMD in Lausanne, Switzerland, some schools tended to choose deans who would not cause any problems—who were, in effect, the weakest candidates. That's no longer true. “The role is not ceremonial anymore,” he says.

But are prospective deans prepared to act as CEOs—in effect, to take on the challenges of running complicated, expensive, international organizations? Maybe not. According to Leo Murray, former long-term dean of Cranfield School of Management in the U.K., business schools and the management education industry generally are not doing enough to groom individuals with the necessary skills of leadership, salesmanship, business acumen, and interpersonal communication. “Academia is not producing enough talent for business schools as an industry to remain successful,” Murray says.

In fact, unlike the business world, the academic world offers little formal training to candidates for top roles. “I think business schools only started to think about developing their own people relatively recently,” says Chris Bones, the principal of Henley Management College in the U.K.

Bones is trying to amend that. Henley runs an advanced management program designed for managers, and recently the school opted to put one of its own young faculty through the program. Bones notes that academics



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at other schools are also starting to put more thought into management training for their young faculty.

Another source of training for aspiring deans is the New Deans Seminar offered by AACSB International. This year, the program will be held June 25 through 28 in Tampa, Florida. Topics covered include raising money, achieving accreditation, managing change, and surviving other challenges that face deans. With such advance training through seminars and management programs, tomorrow’s deans will be significantly more prepared to take on their jobs as chief executives.

The Business of B-School

Unlike a major corporation, a business school is not just a cash-producing enterprise. It’s also an academic institution. Should the top executives of such hybrid institutions practice what they preach and conduct their schools like businesses?

Yes, but with a few key differences, believes W. Steve Jones, dean at the Kenan-Flagler Business School at the University of North Carolina in Chapel Hill. “In a business, the measures of success are very simple—ROI, earnings per share, and so on,” he says. “At a school, the important measures are the knowledge you generate through research and how you pass it on to students.” A school’s success isn’t calculated over the short term, he adds. “It’s not about quarterly results.”

Jordi Canals, dean of IESE Business School in Barcelona, Spain, believes “a business school has to be both a business *and* a school. If you’re too much a business, then you become like a consulting firm or a corporate university.” On the other hand, he adds, a business school that is not run like a business becomes no different than any other academic unit within a university, with none of the special attributes and abilities a b-school can possess.

Standalone schools that are not part of a university system are run even more like businesses—with one huge difference, says Bones of Henley Management College. “We have to act to ensure our continuing existence, like any other group of managers,” he says. “And—and it is an ‘and’ not a ‘but’—we are also a charity. We have a role in helping to better people. Our goal is more than just making a big surplus. So while we will want to be businesslike and professional, we would never move away from that charitable ethos.”

A Demanding Skill Set

Precisely because a business school blends business and academia, there’s ongoing debate about what kind of background a dean must have to be the most effective top officer. While an academic might have a better grasp of managing faculty and a business professional might have a truer picture

of the business world, it’s hard to argue that one set of skills is preferable to the other. The broad consensus is that modern deans need abilities in each area.

“A great business school combines the best of academic and business cultures,” says Robert L. Joss, dean of Stanford’s Graduate School of Business in California. “The business experience helps deans appreciate the challenges students will face and helps them understand the importance of operational issues in the life of the school. The academic experience lets deans appreciate the importance of research in keeping faculty at the leading edge of their fields. Deans with academic experience also understand the challenges involved in teaching MBA students. If deans lack experience in one area, it is very important that they recognize that and do their best to compensate.”

Deans need to develop a broad range of skills because they have distinct and multiple roles to play—only a few of them analogous to the job of a typical CEO. They must provide ethical, educational, and managerial leadership for faculty, students, staff, and alumni. They must raise the funds necessary to maintain and enhance the institution. They also must ensure the efficiency of the school’s internal workings, watch the competition so the school can address its weaknesses and exploit its strengths, and act as the external embodiment of the school.

Says INSEAD’s Hawawini, “The dean’s role is essentially to connect to the external world in general and the school’s alumni network in particular, though that assumes that the school is internally strong already. If it’s not, then—while communicating externally is always important—the role might be more internally focused to help to build up the school.”

Jones of Kenan-Flagler and Canals of IESE both believe that a dean has a set of interrelated goals: The dean must establish a mission, then formulate a strategy to achieve that mission. Part of the strategy involves hiring an outstanding faculty and a dedicated staff, who will work to achieve the school’s long-term goals. Therefore, says Canals, it is critical to set a mission for the school and ensure that the faculty’s interests align with that mission.

Canals also believes deans have a wider role in helping to develop the management education industry generally, through involvement in bodies like AACSB International and the Graduate Management Admission Council. At the same time, he says, business school deans have a much broader mandate: They must interpret business to society and communicate to corporations what society expects of them. Thus, he says, deans are not just contributing to their own schools, but to society as a whole.



Money and Travel

Even without the world outreach, deans have plenty to occupy them on campus. Their time is divided into a whole host of duties: raising money, handling faculty issues, dealing with alumni, dealing with students, and meeting with corporate recruiters and school supporters. Since all the functions are critical to the school, a dean can be spread very thinly. “The workload is intensive, and you have to be organized,” says INSEAD’s Hawawini.

How many hours a dean spends on each particular task varies with the school. Stanford’s Joss, for example, says he spends approximately 40 percent of his time raising funds. Hawawini also gives a great deal of his attention to fund raising, especially since INSEAD launched a €200 million fund-raising campaign in 2004.

Nonetheless, Hawawini estimates that he spends the bulk of his time—about two-thirds of it—on the road, meeting corporate supporters, alumni, and friends of the school who are not alumni. Every other month, he spends a week visiting INSEAD’s Singapore campus. Once a year, he visits each of INSEAD’s 23 local advisory councils in countries around the world. He travels to the U.S. two or three times a year and is a frequent visitor to the Middle East.

Lorange of IMD also divides his time between travel and on-site responsibilities. When he’s on campus, most of his time is taken up with staff and faculty meetings and answering a heavy load of e-mails. The job “requires absolutely full attention, six days a week, typically 10 hours a day,” he says.

Still, most deans realize that any other top executive maintains a similar schedule. “The workload is comparable to that of a business professional like a senior lawyer or a senior business executive,” points out Jones of Kenan-Flagler.

Managing Time and Relationships

To survive the demanding schedule, deans, like CEOs, must know how to delegate and set priorities. Jones says his priorities are always driven by three central tasks: attracting good people, ensuring the financial health and future of the school, and making sure it provides the right kind of learning environment and experience. Within each activity,

he adds, “there is further prioritizing based on where my involvement has the greatest leverage.”

Jones gives this advice to deans: “Determine where you need to be personally involved, and then delegate in areas where you not only don’t need to be involved, but where others are really more effectively engaged than you are. For example, there is a lot of ‘prospecting’ work in fund raising, where development staff are better and more effectively employed than the dean.”

Hawawini notes that business schools today are run by a team, not a person; and his own team includes a deputy dean for faculty and a deputy dean for administration. Stanford’s Joss delegates many HR responsibilities to his senior associate dean for operations, who functions somewhat as a COO. For instance, says Joss, the associate dean helps recruit top managers and reviews all areas of the business school in terms of how they are positioned strategically and how they are managing financial, human, and physical resources.

Although most deans believe in delegating, they emphasize that some responsibilities need to be handled personally by the dean—such as faculty issues, relationships with key corporate supporters, and fund-raising efforts.

“Yes, you delegate; but you also have to make sure that you know what is going on,” sums up IESE’s Canals.

While it’s essential for deans to have strong support from their associate deans and staff members, they also must establish good working relationships with their bosses, who are usually university presidents. But sometimes, like CEOs, deans must report to many bodies: the president of the university, the faculty, the international advisory board, the executive committee of the alumni association, and more. Not all of these have the power to hire and fire, but they can make life pleasant or unpleasant for a dean, says Canals.

Edward A. Snyder, dean of the Graduate School of Business at the University of Chicago, also acknowledges many bosses. He says, “Formally, I report to the university president. But I also try to elevate the advisory council to a sort of board that I report to. These are very high-powered people. I also think that I report to the faculty, the students, and the alumni. Alums especially like to know the strategy and the financial picture.”

Stepping Down

At some point, no matter how good a dean’s relationship with his staff, his board, and the university administration, he begins to consider retiring from his position. Some deans stay in office for more than 20 years, but it’s more common for deans to keep their positions for one or two defined terms.

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Canals at IESE admits that it’s difficult to set a time limit on how long one person should remain as dean. “As long as you are adding value, then you may go on if you want to,” he believes. “I think there are three dimensions: How do stakeholders feel about you? How are you performing against the metrics? And do you feel you are still up to the job?” Even so, he is a firm believer in set terms that are neither too short nor too long, because these promote good discipline on all sides. He considers three years ideal.

Snyder at Chicago, who is coming up on the end of a five-year term, takes a similar view. “You try to do your job and make the best decisions you can no matter how long you’re staying,” he says. “Deans who want to stay a long time can become too timid, and that’s not good. On the other hand, if your stay is too short you might become reckless. But I don’t really think it’s an issue. The only time where staying long-term is good is in fund raising, where it can take a long time to build relationships.”

While a top CEO usually retires from the job altogether when he moves out of the corner office, many deans re-enter the workplace as faculty. In fact, the desire to get back to teaching or research can influence a dean’s decision to leave. Deans rarely have the time to teach, though many try to take a class or two; they have even fewer chances to conduct research or publish.

This can be worrisome. As Canals says, “If you think you are not progressing your academic career by being a dean, then it is time to step down.”

Like retiring CEOs, deans want to leave behind prosperous institutions that have clear directives for their future success. As business schools develop a greater understanding of how much they resemble true businesses, more individuals will be groomed for the top position and given all the tools they need to achieve greatness in the dean’s office. **Z**

George Bickerstaffe is author of *Which MBA?*, an annual guide to business schools published by the Economist Intelligence Unit.

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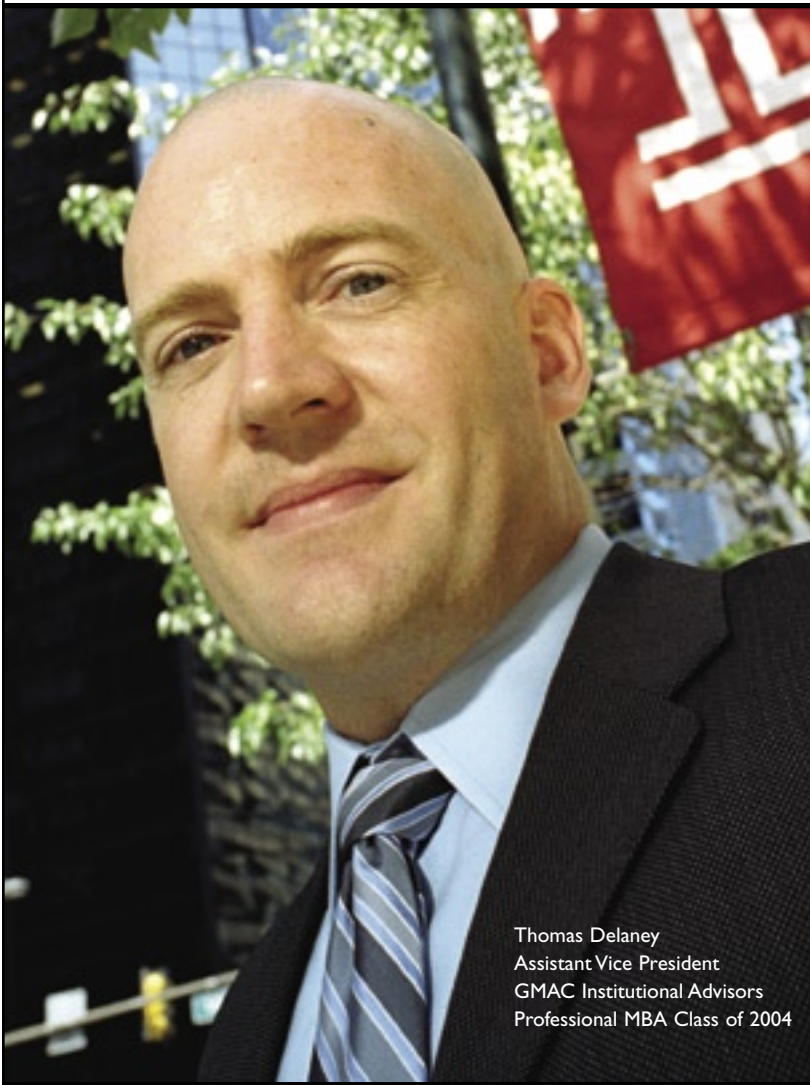
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