

BizEd

SPECIAL FOCUS: WOMEN IN
MANAGEMENT EDUCATION

JULY/AUGUST 2002

Donna Shalala

Back-to-School Basics

Women in
Business School:
Breaking the
30 Percent
Barrier

Accounting
Gets Glamorous



SPECIAL FOCUS:
WOMEN IN MANAGEMENT EDUCATION

BizEd Comments

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DEPARTMENTS



SPECIAL FOCUS

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Cover photo by Donna Victor
courtesy University of Miami

From the Editors

The Only Constant

In times like these, it's easy to rely on that age-worn cliché: "In life, change is the only constant."

In fact, in recent years the statement has enjoyed a resurgent popularity among technologists, business gurus, and trendspotters—they use it almost in frustration, as if to say, "We simply can't keep up."

In fact, the cliché often inspires a sense of helplessness; it implies that change happens around us, not because of us. Change, however, is often a matter of choice, not chance, especially where education is concerned. It's true that at one time technology threatened to sweep away traditional methods of education; however, as we

found in our article "The E-Learning Equation," business schools are becoming active participants in the era of e-learning, shaping its development to suit their needs in the next decade and beyond. In doing so, educational institutions improve on tradition, without erasing it.

Other changes, too, are a matter of choice. The number of women on business school rosters still lags significantly behind the number of men. It's a situation that could pose problems for schools, at a time corporations are realizing that the contributions women make to the world of business is too valuable to be overlooked. Some of the women leaders in education we interviewed for "Educating Women" have been affected by the gender gap; others made their way in spite of those who believed they weren't up to the challenge. Changing that perception may lie in the power of numbers, as business, business schools, and associations make the choice to take necessary steps to solve a complex problem.

Because of their efforts, change is already taking place. In fact, one professor whom we met at the recent AACSB International Annual Meeting, held this April in Chicago, says she knows that efforts to attract more women to the faculty and administration at business schools are finding success. "I know more women are coming to business school," she said, "because there's a longer line for the women's rest room."

Once business schools reach 50-50 gender parity, they may have another less pressing task to face: adding more women's rest rooms to campus. Until then, more imperative challenges—and changes—await. Change may be constant, but management educators can definitely choose how to change. Shaping the field to best suit their needs remains their greatest challenge. In such change comes innovation, progress, and, perhaps thankfully for women, a longer line. **■**



BILL BASCOM

Handwritten signature of Julia Bisson.

Letters

Impressions of BizEd

I've been impressed with *BizEd* magazine since its inception. It truly is the leading source of information and insight for the international management education community.

"Meet Joe Dean," published on page 36 of the May/June issue, was particularly informative, especially for academics that aspire to be business school deans. The nicely illustrated article provided an excellent summary of the characteristics, motivations, and concerns of business deans.

Articles in *BizEd* have been timely and relevant in academic and business environments. The last issue contained articles about Tom Peters, Enron, and the risks facing business schools. I used information from these articles in recent department meetings and in classroom lectures.

I'm always excited when my copy of *BizEd* arrives in the mail. I commend you for excellent work and encourage you to carry on!

Lawrence P. Shao
Professor and Division Head
Division of Finance and Economics
Marshall University
Huntington, West Virginia

Rich with Content

My compliments on the May/June issue of *BizEd*. Again, a very content-rich issue. "Meet Joe Dean" (which ends with a quote I had given the researchers) is very interesting. "Enron 101" is timely; "Business Schools at Risk" is useful. The small items (e.g., about University of Oregon's new building, and the INSEAD family business study) offer the kind of information that can



come in handy and is hard to get.

Great job, keep it up!

Wim Wiewel
Dean, College of Business
Administration
University of Illinois at Chicago

An Open Mind

Your "Business Schools at Risk" article (May/June 2002) was an insightful and challenging report on the central issues facing business schools. Whether business schools are at risk will depend on the open minds of faculty and their strategies for the future.

The Task Force chair, Judy Olian, makes realistic and candid observations on business schools' changing environment, constituency, and internationalization. Addressing the role of overstretched and underrewarded faculty, she suggests executive Ph.D. programs as a vehicle to transition doctorally qualified executives to the classroom. She also notes that AACSB, through accreditation, might address Ph.D. shortages without losing the benefits of variation

and differentiation. It is exactly on these two issues—accreditation and Ph.D.s as an academic qualification—that I would like to contribute to the ongoing discussion by bringing up some questions.

Having participated in several worldwide visitations, I have noticed that one never stops learning. I am always learning, and I am convinced that business schools learn a lot from a team of experienced peers. Nonetheless, there is always the risk of measuring for measure at the cost of trust. To put this differently: As much as we want to promote and increase quality, how much time do we devote merely to policing it? Most of us believe we have a clear idea of what a quality business school should look like; are we projecting our own ideas onto the schools we visit? To avoid the risk of Procrustean beds, how can we maintain sufficient open-mindedness, creativity, and reflexivity on what we are assessing and what the (unintended) results of our assessment may be?

These questions are all the more plaguing because we all agree on what the Task Force's chairperson calls "...an incredible competitive landscape in a continually changing environment." The response to this will be dynamic and very flexibly organized business schools. How well prepared are we then to critically look at our academic beliefs and accreditation standards?

Given our emphasis on research and research-qualified faculty, are we aware of the changes in knowledge production systems? Universities are not central anymore to this knowledge production; neither are business schools. There is an increased dialogue between science and society. Not only does science speak to



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society, society speaks back. The contexts have changed. So have the relationships between those who are producing the most relevant knowledge. Academe cannot continue to pretend it is producing superior knowledge.

We know that science works, that knowledge is reliable. But the more society and our environment change, the more we may become aware that our knowledge is, in essence, only a method. This actually makes knowledge more robust than we tend to believe on the basis of our academic traditions and standards.

Should not we—for our own academic benefit—pay much more attention to the so-called narratives of expertise? While the issues we deal with in business school may seem complex, they are never only scientific or technical. And if they are, are they relevant for tomorrow's challenges? Isn't it the narratives on business that connect the field of managerial practice with the field

of managerial research? Let us, by embracing executive Ph.D.s, officially recognize what is already common practice. Why? Are not the results of our managerial research as much part of practice as are our academic methods?

*J. Wil Foppen, Director
Graduate School of International
Management
Associate Dean
Faculty of Economics & Business
Administration
Universiteit Maastricht*

Praise for a Past Issue

"A New E-Attitude," the article in your January/February issue covering your conversation with Rosabeth Moss Kanter, is exactly the validation for which I have been searching.

The Watson Institute is a special education provider—with approved private schools serving the physically challenged, autism spectrum disorders, and emotionally disturbed

youths—dating back to 1917. It is sometimes difficult to convey that what is appropriate in this world for b-schools is also very relevant to our schools as well. We not only have campus-based programs, but offer training for educators, psychologists, and therapists in public school settings—some at quite a distance.

We have made a substantial investment in technology to make sure that we stay the premier provider in our region. However, it has always raised questions about how we know how much is enough, or how you validate your decisions. This article was extremely timely and right on target.

Thank you again for the article. Your magazine is not only good for insights into international management education, but into education management as well.

*Raymond B. White
Chief Executive Officer
The Watson Institute
Sewickley, Pennsylvania*

Headlines

Accreditation Review and Revision Continues

Among the most popular sessions offered at AACSB's Annual Meeting in Chicago last April were those titled "Changing Directions in Accreditation and Experimental Schools." Attendees crowded in to hear and discuss proposed changes in accreditation standards and processes.

For those who missed these sessions, the working draft of the new standards and the handbook for experimental reviews is posted on the Web at www.aacsb.edu. Members are encouraged to review the standards and make suggestions for improvements. According to Milton Blood, AACSB managing director of accreditation services, the Blue Ribbon Committee on Accreditation Quality expects to have another version of the standards up on the Web site by August, if not earlier.

The final set of standards will be put to a vote by members in April 2003.

Andy Policano, BRC chair and dean emeritus and professor at the School of Business, University of Wisconsin-Madison, says the committee has pursued three goals: revising reaccreditation, considering the accreditation unit, and revising the accreditation standards.

Reaccreditation: "The first thing we did was change the entire reaccreditation process to what we now call

"maintenance of accreditation," Policano says. Ten schools have undergone accreditation review under this experimental system, he says, and all ten have reacted positively to the experience.

In schools that participated in the experimental review process, questionnaires were sent to the dean, the

State University. An additional 17 schools are scheduled to undergo the maintenance of accreditation process in the 2002-03 school year, he says, and several schools scheduled for future accreditation reviews have volunteered to be reviewed early under the new guidelines.

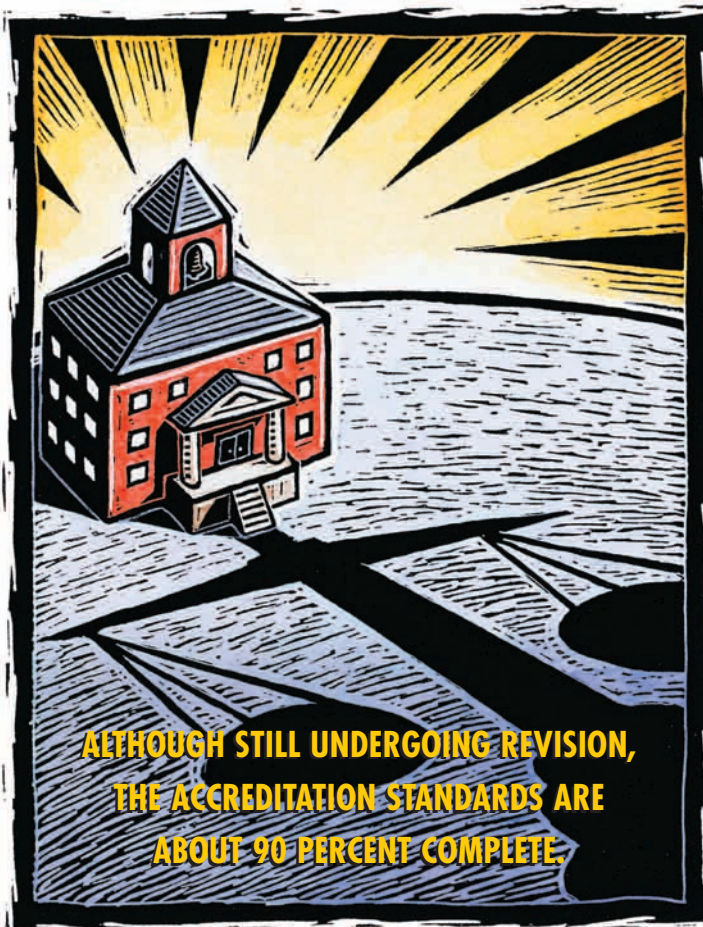
Accreditation unit: After much discussion and consultation, says Policano, the committee has decided that the unit to be accredited "will be, as it is now, the entire institution. The institution can ask that certain programs be excluded for various reasons, and the Business Accreditation Committee will, under the banner of AACSB, decide what to allow. This decision has received a lot of positive reaction because it allows the institution some discretion over what is included and what isn't."

The schools up for review will be asked to provide a list of exclusions up to two years before the review takes place, which will ensure that both the school and the Business Accreditation Committee know exactly what is being considered in the accreditation review, says Sorensen.

Of the 36 schools coming up for review in 2003-04,

he says, only one asked for an exclusion that the BAC decided not to allow, and a mutual agreement was reached.

Accreditation standards: Although still undergoing revision, the accreditation standards are "about 90 percent complete," says Policano.



chair of the review committee, the president, and the provost, asking them to evaluate the new system. Responses were "uniformly favorable as far as support for the process," says Richard E. Sorensen, dean of the Pamplin College of Business, Virginia Polytechnic Institute and

THE LARGEST GIFT IN THE HISTORY OF AMERICAN PUBLIC EDUCATION

He notes that some of the most significant changes involved making the standards “less U.S.-centric.” This required changing some of the measurement concepts that are specific to U.S. schools, as well as some of the language. “Words like ‘diversity,’ ‘full-time equivalents,’ ‘tenure’ and ‘tenure track’ will have to be modified for the global school setting,” Policano says. “We also moved away from describing what specific courses should be in the curriculum to focusing on learning outcomes.”

While the change in standards will allow schools more flexibility in meeting certain requirements, some members have expressed concern that the new standards might lack some quantitative preciseness, says Sorensen. “For instance, one of the earlier formulas took the number of student credit hours divided by 400 to determine a minimum full-time equivalent faculty,” says Sorensen. “But some things our accreditation standards measured weren’t available in other cultures. These schools didn’t use credit hours as the basis for determining faculty.”

The committee plans to have a draft of the standards ready for the membership vote at next year’s Annual Meeting in New Orleans. “By that time, the standards will have been reviewed by many different groups, the unit will have been pretty well established, and the maintenance of the accreditation process will have been through much experimental use. By the next Annual Meeting, we hope to be ready,” says Policano.

“There’s a lot of thoughtful discussion going on, but in most cases, members have made strong commitments of support,” says Sorensen.



University of Arkansas Receives \$300 Million from Walton

The University of Arkansas in Fayetteville recently received the largest gift in the history of American public higher education—a \$300 million commitment from the Walton Family Charitable Support Foundation of Bentonville, Arkansas, to establish and endow an undergraduate honors college and endow the graduate school.

“This unprecedented generosity from the Walton family will transform the University of Arkansas for our students and faculty, and in the process position us to serve as a powerful engine of economic development and cultural change for the entire state,” said University of Arkansas Chancellor John A. White. “What the Walton family has done today will improve life in Arkansas for generations to come, and we are grateful beyond words.”

“Our goal is to build a ‘Top 50’ public research university to help lift our state, and this gift will do two extremely important things to propel us in that direction,” White added. “First, it will allow the university to recruit greater numbers of highly talented undergraduate and graduate

students. This is essential because Arkansas ranks next to last among the 50 states and the District of Columbia in the percentage of the adult population with bachelor’s and advanced degrees. Second, through the recruitment of new faculty and new graduate students, we will be able to build significantly stronger research programs in critical areas.”

The gift is the largest ever made to a U.S. public university, and the fifth largest made to a public or private university, according to *The Chronicle of Higher Education*. The Walton Family Charitable Support Foundation was founded to support specific charities in the state of Arkansas. It was established by the family of the late Sam M. Walton, who created Wal-Mart Stores Inc., now the world’s largest corporation.

In October 1998, the Walton Family Charitable Support Foundation made a \$50 million gift to what was later renamed the Sam M. Walton College of Business at the University of Arkansas. At the time, the gift was the largest ever made to an American business school.

Rob Walton, chairman of the board of Wal-Mart Stores Inc., and co-chair of the university’s Campaign for the Twenty-First Century, said, “The investment we are mak-

ing demonstrates our confidence in the University of Arkansas and its potential for leadership in the global academic community. It is also an expression of our commitment to building a brighter future for the state.”

Walton noted that the gift was also an expression of confidence in Chancellor White and Doyle Williams, dean of the business school. “We have been impressed with the rapid improvements at the Sam M. Walton College of Business after our \$50 million investment three and one-half years ago,” Walton added. “Under the leadership of Dean Williams, the College has made substantial gains in research productivity; outreach to business and industry; multicultural diversity among faculty, students, and staff; new facilities and technologies; student enrollment; and academic reputation. We are confident the gift made today will permit similar gains across the larger university.”

“I am deeply touched by this response of the Walton family to the impact of their \$50 million up-front cash investment in the Walton College of Business in 1998,” said Williams. “This new \$300 million cash investment to the University of Arkansas will impact both the University and the Walton College enormously. Although we have made much progress in recent years, this investment will propel the Walton College to an entirely new level of excellence and achievement.”

Walton is a co-chair of the university’s Campaign for the Twenty-First Century, a six-year effort launched in 1998 to raise \$500 million in private donations. With the Walton family gift, the campaign is \$100 million over its goal, more than two years

ahead of its deadline. G. David Gearhart, vice chancellor for University advancement, noted that the campaign leaders would soon determine a new goal for the campaign while most likely extending its life for another year. As a condition of receiving the \$300 million gift, the university must commit to raising an additional \$300 million for academic and support programs between January 2002 and the end of the campaign.

Of the \$300 million gift, \$200 million will be used to establish and endow a new, universitywide undergraduate honors college; \$100 million will be used to endow the University of Arkansas Graduate School. The honors college is designed to

“capture” high-achieving Arkansas natives who are lured out-of-state by colleges and universities with attractive scholarship programs. It is also designed to attract talented out-of-state students. Students qualified to enter the honors college also will be enrolled in one of six undergraduate schools of the university, including the Walton College of Business.

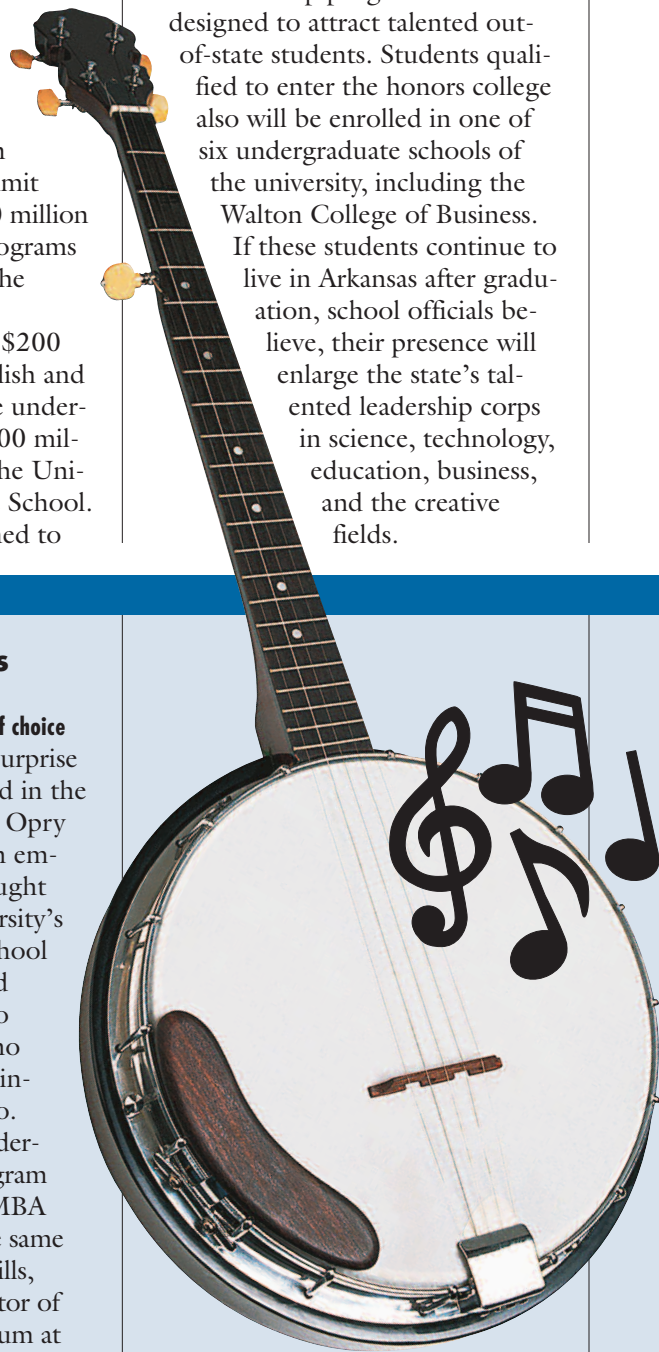
If these students continue to live in Arkansas after graduation, school officials believe, their presence will enlarge the state’s talented leadership corps in science, technology, education, business, and the creative fields.

INNOVATIONS

MBA for Music Lovers

In Nashville, Tennessee, the export of choice is country music, so it’s no surprise that a business school located in the same town as the Grand Ol’ Opry would offer an MBA with an emphasis in music business. Taught through the Belmont University’s Jack C. Massey Graduate School of Business, the two-year-old MBA program is designed to meet the needs of people who currently work in the music industry or would like to do so.

The school has had an undergraduate music business program for about 30 years, and the MBA program is designed with the same emphasis on core business skills, notes Wesley Bulla, coordinator of the recording studio curriculum at Belmont’s Mike Curb School of



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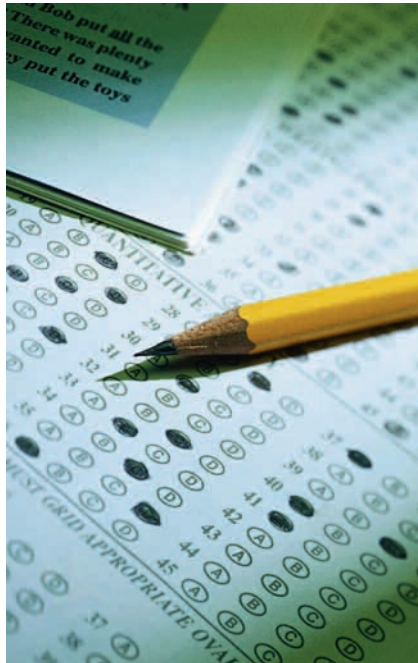
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ETS Will Drop Some Overseas Testing Centers

The Educational Testing Service has announced that it will drop 84 of its 195 overseas, computer-based testing centers because the centers are not economically viable. According to an article in *The Chronicle of Higher Education*, such cuts could affect about 60,000 test-takers worldwide who might want to take tests that would enable them to study in the United States. The cuts are a result of contract negotiations between ETS and Thomson Prometric, the company that administers computerized exams for the organization.

According to the *Chronicle* article, ETS officials plan to establish centers at various schools and colleges where



students can take handwritten exams. On specific testing dates, the company might make computers available.

ETS currently offers computer-based testing to more than 1.5 million people worldwide through 400 domestic centers and 195 international centers. ETS president and CEO Kurt M. Landgraf says that 80 percent of the company's international test-takers are served by 20 percent of the centers and that only 15 percent of international test-takers will be affected by the cuts.

Among the exams ETS offers are the Graduate Management Admission Test, the Test of English as a Foreign Language, and the Graduate Record Examination. For more information, visit the Web site at www.ets.org.

Music Business. "The undergraduate students take the standard core courses, such as marketing, economics, and accounting. Then they follow one of two variants," he says. "One side focuses on business, which is the administrative side, and the other is production, which is the creative side. The music business really has two personalities." The specialized music courses cover topics such as intellectual property, publishing, record company operations, studio production, and artistic management.

The new MBA program also gives students a solid grounding in basic courses and adds ten hours of concentration on the music business. Most of the resident faculty tend to be Ph.D. holders and all have a love for this specific industry. One was a vice president for a record label, one has written a series of books about

the music field, and another was Bobby Goldsboro's band leader. "I myself have a Ph.D. from the school of medicine at Vanderbilt, but I teach studio courses and recording engineering," says Bulla. "If I were in North Carolina, teaching at N.C. State, I might have a Ph.D. in chemistry and be teaching courses on manufacturing textiles. Here in Nashville, we're in the music business."

In addition to staffing the program with music experts, the school brings in lecturers who are "heavy hitters from the industry," says Bulla. Some speak at general seminars where all the students are invited, and some come in for one course and talk about a specific topic.

Only a handful of students have enrolled in the music business MBA program so far, which Bulla calls a "work in progress." The program

was targeted to appeal to executives already working in the music field who wanted a chance to move up through the corporate ranks. For those individuals, Bulla emphasizes, it's critical to understand business as well as music. "All the music business corporations are owned by huge parent corporations, and they all have a traditional business corporate structure," he says. "People realize very quickly that they have to fit the corporate mold in addition to being creative."

While some music schools do offer a bachelor of music degree with a business concentration, Bulla says Belmont is the first to offer an MBA through the business school. He says, "We face all the same challenges that any other accredited business school would face, but we also squeeze in the music business focus."

Winning Ways

A team from the Haas School of Business at the University of California Berkeley won top honors in the second annual MBA Jungle Business Plan Challenge presented by Forbes and Korn/Ferry International. The winning team took home a prize of \$25,000. More than 225 teams submitted entries in the entrepreneurship competition. Runner-up was the University of Michigan Business School, and a special prize for the most promising entrepreneur went to a team from Columbia Business School. Other top finalists included teams from Harvard Business School, the University of Washington Business School, the Wharton School at the University of Pennsylvania, the University of Cincinnati, The Anderson School at UCLA, and the McCombs School of Business at the University of Texas in Austin.

In addition, teams of student winners have been announced in a series of case competitions held across the United States. MBA students from Emory University's Goizueta Business School in Atlanta won the tenth annual School Challenge real estate case competition, sponsored by the Georgia chapter of the National Association of Industrial and Office Properties. Four graduate business students from Pennsylvania State University captured top honors during the 19th Annual Rutgers-Camden MBA Case Competition held at Harrah's Casino Resort in Atlantic City, New Jersey. The team from the Rutgers University School of Business at Camden earned second-place.

MBA students from the University of Pittsburgh's Joseph M. Katz Graduate School of Business won first place and \$1,500 at the 9th an-

nual George Washington University/KPMG Case Competition held in Washington, D.C. The second- and third-place awards of \$1,000 and \$500 went to the University of Tennessee, Knoxville's College of Business Administration, and GW's School of Business and Public Management, respectively.

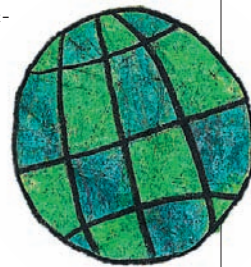
Michigan State University won the 11th Annual Big 10 MBA Case Competition held at Ohio State University's Fisher College of Business, Columbus, Ohio. The University of Illinois took second place, and the University of Wisconsin won third-place honors.



Sara Freedman (right), the new vice-president/president elect of Beta Gamma Sigma, and Carolyn Woo, the newly named vice chair-chair elect of the AACSB Board of Directors, attended the Annual Meeting of AACSB International in Chicago. Although the women won't serve their terms concurrently, it is the first occasion when women have been chosen at the same time to head the two organizations. Freedman is dean of the College of Business and Industry at Mississippi State University; Woo is dean of the University of Notre Dame's Mendoza College of Business in Indiana.

AACSB Appoints Global Advisor

In an effort to expand the global reach of AACSB International—The Association to Advance Collegiate Schools of Business, Otis W. Baskin has been appointed special advisor to association president John Fernandes. Baskin, a professor of management at Pepperdine University in Malibu, California, will work with Fernandes on global planning and accreditation efforts.



“AACSB wants to continue expanding its reputation as the premier organization for business school accreditation while bringing to light the critical issues facing business educators,” Fernandes said.

“We already have an outstanding core group of non-U.S. business schools as members, and we want to work with them even more effectively. We also want to increase our international membership. This effort will assist our entire membership through increased discussion and dialogue about how business education should serve the global marketplace. Otis is the perfect person to assist with this effort because he has been very active in international business education.”

Baskin was formerly dean of the George L. Graziadio School of Business and Management at Pepperdine. He previously served as dean at the Fogelman College of Business and Economics at The University of Memphis, and director of the School of Management at Arizona State University, West Campus. His appointment with AACSB begins on July 1.

MANY OF THE TECHNOLOGICAL ADVANCES OF RECENT YEARS ARE

“FRAUGHT WITH ENORMOUS ETHICAL AND SOCIAL IMPLICATIONS.”

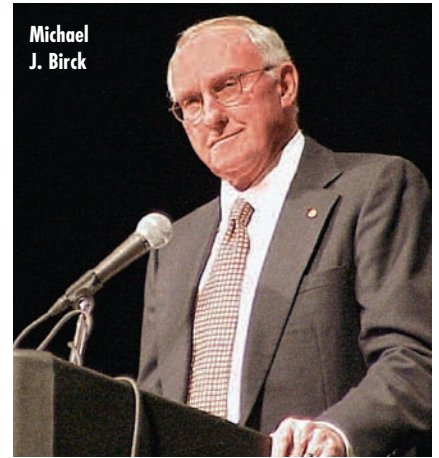
BGS Honoree Emphasizes Ethics

Business leaders today must find their moral compasses and realize that new technology brings accompanying ethical challenges, according to Tellabs Inc. chairman Michael J. Birck. He offered his observations at a Beta Gamma Sigma luncheon where he was recognized as the organization's 2002 International Honoree. The luncheon took place during the Annual Meeting of AACSB International in Chicago.

Calling technology his vocation and higher education his avocation, Birck said that he would like to see how “we can blend the two to-

gether.” But he also warned that technology can create as many problems as it solves and noted that many of the technological advances of recent years are “fraught with enormous ethical and social implications.”

Birck said, “I suggest that what we need, beyond the technology component, is a value system, a moral compass, self-reliance, patience, passion for learning, and judgment. Those are things that don't normally come with a technology degree, and I suspect that over the past few years they haven't necessarily been a part of a business degree, either. I think both areas need to rethink some of their fundamentals.”



Michael J. Birck

If business schools and businesses focus on values, morality and ethics, Birck concluded, they will be able to re-establish the trust that is “absolutely necessary for the kind of business world that we all want to see.”

The Greening of China

Nearly 100 professors from 40 of China's business schools recently met in Beijing to discuss incorporating environmental content into the curricula of Chinese graduate schools. The International Conference on Business and Environment Education was organized by the World Resources Institute's China Business Environment, Learning and Leadership (China BELL) project, as well as the Center of Environmental Education and Communications of China's State Environmental Protection Administration.

Seven of the Chinese business schools — Fudan University, Hong Kong Polytechnic University, Beijing University, Renmin University's business school and finance school, Tsinghua University, and Dalian University of Technology — developed the core curricula that was introduced at the conference. Acting as advisors were several U.S. business schools, including the University of Pennsylvania, New York University, University of California at Los Angeles, the University of Colorado-Boulder, and the University of Hawaii.

“China has relatively few business schools and a booming economy. It is very likely that today's MBA students will quickly move into positions of great responsibility when they graduate,” said Rick Bunch, the director of business education for the World Resources Institute.

“Preparing them today to manage their firms sustainably tomorrow should reap great benefits, not only for China's environment and economy, but also for the world's.”



Donation Funds New Center at DePaul

The College of Commerce at DePaul University in Chicago, Illinois, has received a \$3.45 million donation from Richard H. Driehaus, a Chicago investment fund manager and alumnus of the school. The donation will go toward endowing a chair and establishing a center in behavioral finance. DePaul has named Werner F.M. De Bondt, a pioneer in the behavioral finance discipline and professor of finance at the University of Wisconsin-Madison, as chair of behavioral finance and director of the new Richard H. Driehaus Center in Behavioral Finance.

The gift by the Driehaus Lead Trust to establish the center is the second-largest donation ever made to DePaul's College of Commerce and the fourth-largest gift given to the university. Driehaus is chief

executive officer and founder of Driehaus Capital Management Inc.

“This gift allows DePaul’s business school to attract an outstanding scholar, initiate research, and expand teaching in behavioral finance,” said Arthur Kraft, dean of the College of Commerce. Kraft said expanded study of investor psychology and organizational behavior will help students understand and anticipate market phenomena that cannot be forecast from financial statements alone—such as the investor enthusiasm for financially unproven Internet firms during the 1990s.

Olin Opens EMBA in Shanghai

The John M. Olin School of Business at Washington University in St. Louis, Missouri, has launched an Executive MBA program in partnership with Fudan University in Shanghai, China. The startup of the program was underwritten by Anheuser-Busch Foundation, the charitable arm of the international beer brewery, and Emerson, a St. Louis-based engineering and technology firm with global connections.

The 19-month Olin-Fudan EMBA program will include 20 graduate business courses, each co-taught in English by an Olin business school faculty member and a Fudan faculty member. The classes will take place in Shanghai in four-day modules. Students also will be required to complete a two-week residency at the Olin School in St. Louis. Seventy-four students—the program’s current capacity—have been admitted to the first class. Chinese nationals employed by multinational companies make up the majority of candidates for the program.

Smith Focuses on Ethics, Military Business

Two new programs—one for grad students, one for executives—will broaden the offerings of the Robert H. Smith School of Business at the University of Maryland in College Park. A defense-focused MBA degree offered jointly by Smith and the Graduate School of Business and Public Policy at the Naval Postgraduate School in Monterey, California, will help the

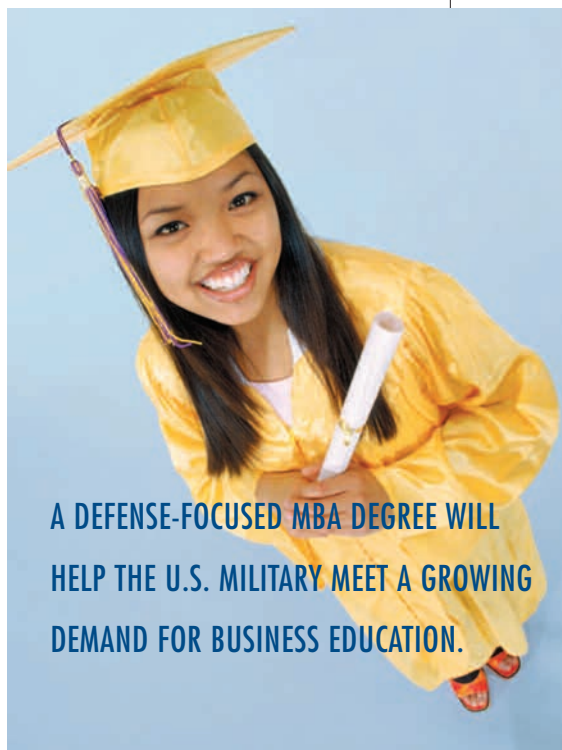
in e-commerce, supply chain management, strategy, and marketing. Smith school faculty will teach the core business courses, and the Naval Postgraduate School will teach the courses focused on defense. Prospective students must apply to both schools and meet the admission requirements of each. The degree will be a combined MBA granted by both schools.

Meanwhile, the Smith School will also launch the Smith Executive

Ethics Certificate Program to help directors, managers and other decision makers learn to build and maintain a climate of ethical behavior within their organizations. The four-day certificate program offers a customizable curriculum, including components such as a visit inside a federal prison for a look at the lives of convicted white-collar criminals; discussions with thought leaders on ethical standards; and case studies of timeless critical moments in business leadership and decision-making situations.

Organizations participating in the program will be offered instruction

by legal, insurance, and/or fraud experts. Customized options such as industry and regulatory standards training; corporate crime and government enforcement role-playing; crisis communications coaching; social responsibility guidance; and the federal prison visit, will help executives better understand the implications of illegal business practices.



A DEFENSE-FOCUSED MBA DEGREE WILL HELP THE U.S. MILITARY MEET A GROWING DEMAND FOR BUSINESS EDUCATION.

U.S. military meet a growing demand for business education.

The combined MBA program, which begins this fall, will be open to military officers and Department of Defense civilians. It will provide students with a unique understanding of business operations within the federal government and the Department of Defense, as well as core skills



SHORT TAKES

■ The annual **North American Collegiate Entrepreneur Awards** are being expanded by the Jefferson Smurfit Center for Entrepreneurial Studies at Saint Louis University, St. Louis, Missouri. In 2003, the competition will expand beyond North America to draw from a global pool of undergraduate entrepreneurs. The director of the program has received a commitment from Australia and New Zealand to organize the competition in those countries for 2003 and is working to attract additional organizers from other countries around the globe. Currently the competition is divided into 15 regions throughout North America, each producing a winner to advance to the North American level. Applications for the 2003 competition will be accepted in late fall of 2002 and early winter of 2003. For more information visit nace.slu.edu/.

■ Munir Quddus has been named dean of the College of Business at **Prairie View A&M University** in Texas. Previously, he was chair of the department of economics and finance at the University of Southern Indiana for five years.

■ Robert B. Duncan has been appointed dean of **Michigan State University's** Eli Broad College of Business and Eli Broad Graduate School of Management, East Lansing, Michigan. The appointment includes a tenured professorship in MSU's Department of Management. Previously Duncan served as the Richard L. Thomas Professor of Leadership and Change at Northwestern University's Kellogg Graduate School of Management.

■ **E.M.Lyon** of Lyon, France, has announced that its 2002–2003 MBA program will be sponsored by the Daimler-Chrysler group, whose world headquarters are in Stuttgart, Germany. The move will boost the school's drive for internationalization and help it forge stronger links with the business world. The sponsorship provides students with an opportunity to undertake an in-depth study trip to Daimler-Chrysler's headquarters in April 2003. The 2002–2003 MBA class will also be taught by 30 lecturers from abroad, visiting from schools such as England's Cranfield University and Thunderbird in Glendale, Arizona.

■ The **Yale School of Management** in New Haven, Connecticut, is opening a new research and teaching center to study Corporate Governance worldwide and the relationship between legal regulatory frameworks and the global economy. The Yale School of Management International Institute for Corporate Governance (IICG) was inaugurated in April by World Bank president Jim Wolfensohn, who also was awarded the annual Yale School of Management International Center for Finance award.

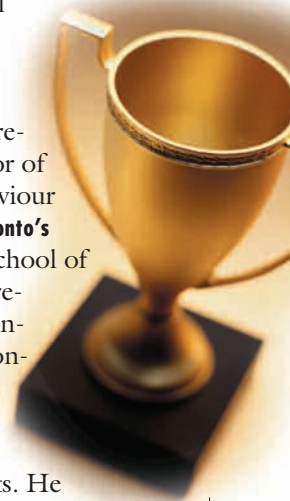
■ **Marci Armstrong** is leaving the Executive MBA Council after seven years of service, including terms as chair and past chair. While she was chair, the EMBA Council opened an office in California, added professional staff, and strengthened its partnership with AACSB. Since 1998, Armstrong has served as associate dean for masters programs at the Cox School of Business at Southern Methodist University in Dallas, Texas.

■ Walter L. Mullen has been appointed coordinator of assessment and academic research at **Quinnipiac University**, Hamden, Connecticut. In his new position, Mullen will work with deans, chairs, and faculty to oversee curricular assessment efforts, especially in the area of general education.

■ In other news from Quinnipiac, an anonymous alumnus has donated \$50,000 to the school's Entrepreneurship and Small Business Management Institute to fund the annual Student Business Plan Competition for the next five years. The competition has total prize winnings of \$10,000 annually.

■ Gary Latham, Secretary of State Professor of Organizational Behaviour at the **University of Toronto's** Joseph L. Rotman School of Management, was presented with the Distinguished Scientific Contributions Award by the Society for Industrial and Organizational Psychologists. He was cited for his significant efforts in advancing the science of industrial-organizational psychology, particularly in the area of goal-setting as a theory of employee motivation.

■ Gilles De Wavrechin has been appointed dean of academic programs for **ESCEM School of Business and Management** in France. He was formerly project manager for executive education at the ESCP-EAP group, participating in the development of corporate universities and tailor-made training programs for international executives.



SHORT TAKES

■ The College of Business Administration at **Florida International University** in Miami is now offering all of its undergraduate core business classes online. Because the core curriculum is standardized throughout the state, this option is available to all undergraduate students at Florida's state universities.

■ The William F. Harrah College of Hotel Administration at the **University of Las Vegas**, Nevada, is introducing several new programs and scholarships in conjunction with the hospitality and gaming industry's effort to



attract more minority employees and executives, particularly African Americans and Hispanics. As part of this program, UNLV has formed a partnership with the **University of Mississippi**, Boyd Gaming, and the Boyd Foundation. Minority students who have graduated with a degree in business from the University of Mississippi will be eligible to pursue a second degree in hotel administration from UNLV and receive up to \$12,000 in scholarship support for the one-year program.

■ The Terry College of Business/NACD Directors' College at the **University of Georgia** in Athens recently received accreditation through Institutional Shareholder Services, making it the only ISS-accredited program for board director education in the Southeast.

■ The United States Association for Small Business and Entrepreneurship has named its 2002 National Model MBA Program Winner: the F.W. Olin Graduate School of Business at **Babson College** in Babson Park, Massachusetts. Competing programs were judged on innovation, quality and effectiveness, comprehensiveness, and sustainability over time.

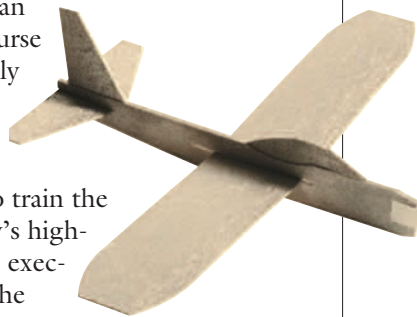
■ The **University of Chicago** has announced a new program that combines scholarship support with a practicum on leaders in and outside of business. Each year, the Chicago GSB Distinguished Fellows Program will be offered to five top MBA students, chosen for their potential to make a difference throughout their careers. The program provides more than \$100,000 in support for each individual over a two-year MBA education.

■ Frank S. Keith has been named executive director of the **Rutgers-Camden High-Tech Business** incubator/Commercialization Center, a new initiative designed to nurture start-up businesses in southern New Jersey and the metro Philadelphia region. The Virtual Incubator offers computer and telecom services to new businesses and connects aspiring executives with experts at the William G. Rohrer Center for Management and Entrepreneurship at the Rutgers-Camden business school.

■ More than 30 Brazilian MBA students from **Fundação Getulio Vargas** of São Paulo, Brazil, recently visited **Cranfield School of Management** in England to participate in a management development program. The students are all managers at Embraer, one of the world's largest aircraft manufacturers, and they are part-time students of an MBA course specifically designed by the Brazilian school to train the company's high-potential executives. The development program combined classes from Cranfield's School of Management and School of Aeronautics; it focused on the future of the airline industry and how change will be managed in terms of airline operation, manufacture, and regulation.

■ The AACSB International Board of Directors has approved a new member appointed by chair Jerry Trapnell. **Richard E. Flaherty**, dean of the College of Business at the University of Nevada in Las Vegas, joined the board in July and will serve for a three-year term.

■ Recent research initiatives at The Fox School of Business and Management at **Temple University** in Philadelphia have propelled the school to the top one percent of institutions for research citations in the field of business and economics. The ranking comes from ISI Essential Science Indicators, a new Web-based compilation of science indica-



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MBA/MS pharmacology
MBA/MS nursing MBA/JD (juris doctor)

Chicago's Jesuit University

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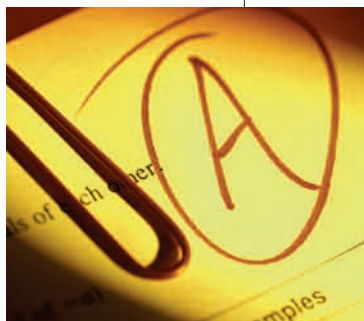
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tors and trend data derived from the Institute for Scientific Information's analysis of highly cited papers, authors, organizations, journals, and nations. ISI Essential Science Indicators tracks more than 14,000 institutions worldwide to compile its rankings in this field.

■ **Worcester Polytechnic Institute's** Collaborative for Entrepreneurship & Innovation recently hosted the first of a planned annual series of conferences called CEO East Student Entrepreneurship. The conference was held in Newton, Massachusetts. Other sponsors of the event were the Collegiate Entrepreneurship Organization and the Coleman Foundation. At the conference, which was designed for university students interested in running their own businesses, the New England Collegiate Entrepreneur Award ceremony was held. Students were judged on the innovation and social impact of their businesses.

■ Members of **AACSB International** are generally well-satisfied with the services offered by the organization, and 60 percent of them feel that the value of their membership has increased over the past two years, according to the preliminary findings of a recent member survey. Fifty-four percent say the value of accreditation services has increased in that period of time, and 72 percent say the value of knowledge services has risen. Members also give high marks to certain specific member services, calling themselves "highly satisfied" or "satisfied" with *BizEd* (94 percent); the online member directory (93 percent); eNewline (92 percent); the affinity groups (81 percent); and the ME jobs program (68 percent).



■ **North Carolina State University** in Raleigh will begin awarding a Master of Business Administration degree as it changes the name of its Master of Science in Management degree to the MBA. The content and focus of the professional master's degree will not change.

■ The Tuck School of Business at **Dartmouth College**, Hanover, New Hampshire, has launched the Tuck Non-profit Fellows Program to provide mentoring and financial assistance to MBAs who take positions with qualifying nonprofit or public sector organizations. While separately funded, the Nonprofit Fellows Program extends the internship support provided by Tuck GIVES (Grants to Interns and Volunteers for the Environment and Society) and complements Tuck's programmatic and course work in this area. **Z**

At the Top of

Donna Shalala is one of the few women to excel in the two very different arenas of academia and government. She has relied on humor, flexibility, and a sense of teamwork to manage complex organizations rich with their own cultures.

by Sharon Shinn



Her Game

In 1994, the University of Wisconsin at Madison received its first invitation to the Rose Bowl. Last January, the University of Miami football Hurricanes blew through the Nebraska Cornhuskers to win its own Rose Bowl competition. At first, it seems as if the two events are unrelated—until you realize that both schools achieved this sports pinnacle after being associated with Donna Shalala. She was chancellor of UW Madison from 1987 to 1993, and in June 2001, she assumed the presidency of the University of Miami in Coral Gables, Florida.

The football successes are important because, as Shalala points out, the two areas perceived as weaknesses for women running major universities are overseeing college athletics and raising money. It hasn't been true for Shalala. While she was at the University of Wisconsin, various sports facilities were opened or renovated, football attendance increased substantially, and the hockey team won the NCAA championship. She was also successful in raising more than \$400 million for the school's endowment and spearheading a \$225 million state-private partnership program to upgrade the university's research facilities.

While Shalala is probably best known for her stint as Secretary of Health and Human Services under Bill Clinton, she has held other key roles in education and government as well. Her success in diverse environments has contributed to a winning formula in higher education.

CAREER HIGHLIGHTS

- 2001- President, University of Miami
- 1993-2001 Secretary, U.S. Department of Health and Human Services
- 1987-1993 Chancellor, University of Wisconsin-Madison
- 1980-1987 President, Hunter College of the City University of New York
- 1977-1980 Assistant Secretary for Policy Development and Research, U.S. Department of Housing and Urban Development
- 1975-1977 Director and Treasurer of the Municipal Assistance Corporation of the City of New York
- 1972-1979 Associate Professor and Chair, Program in Politics and Education, Teachers College, Columbia University
- Education: A.B. degree in history from Western College for Women, Ph.D. from The Maxwell School of Citizenship and Public Affairs at Syracuse University

BusinessWeek once named you one of the five best managers in higher education. What does it take to be a good manager in this field?

A great deal of experience. Running a university is very different from managing a Cabinet department, because a university is so nonhierarchical. There are so many centers of power. A university position requires more consensus-building, more interpersonal skills, and more attention to process. In addition, you can't have a controlling personality, or you'll get an ulcer. I once described myself as a tugboat captain, a world-class nudger.

In your career, you've alternated between academic and government environments. What skills have you been able to transfer between the two worlds?

First of all, I think that academia made it easier for me to be an administrator in government, particularly in an umbrella cabinet department. Each agency has its own culture and own traditions, very much like higher education. There are large egos to manage. To get things done, you have to build a consensus and co-opt the bureaucracy. You have to have a good sense of humor. And you need a skill set that allows you to juggle a lot of things at once—the politics, the substance, the interpersonal matters, the budget, and the policy questions.

I've tried all sorts of approaches to building a consensus and promoting teamwork. For instance, in the government, I got all the agency heads to sit in on each other's budget hearings. I made *them* build the budget for the department, using the same budget number that the Office of Management and Budget had given me. Over time, they began to listen carefully. They didn't necessarily favor huge increases in their own programs after they heard about other programs. The process also fostered collaboration because they heard about overlapping objectives and knew there were projects they could do together.

As a university president, you have to possess very strong management skills. If you were teaching a management class right now, what would you consider the most important skill to impart?

How to put decision-making systems in place so that people don't feel left out but decisions get made. The second skill would be how to delegate.

“Learn how to work with the faculty, that’s the most important thing. University presidents get killed if they don’t listen carefully enough. Faculty members can either make or break a presidency. At the same time, they are the key to the reputation of the institution.”

All over the world, enrollment in business schools is going up. Why do you think the study of business has become so popular?

I think people perceive a business degree as being the most valuable terminal degree they can get. For instance, a law degree isn’t as useful as a business degree because it doesn’t offer skill training. A business degree actually gives you skills.

Business schools worldwide have implemented global alliances and curricula that focus on global issues.

What are some of the key skills that business educators need to teach so that their students are effective in global settings?

Managing in multicultural settings and managing people from different cultures. We’ve also got to recruit more sophisticated students. I remember a CEO telling me he took his brightest young manager to Europe, and all the manager wanted to do was find a hamburger. Business students will have to learn to speak other languages and have respect for other cultures.

Do you have plans to increase the international emphasis at the University of Miami’s business school?

We’re going to be even more international than we’ve been in the past. We’re the only university in the United States that offers an MBA in Spanish. We also probably have more bilingual finance students, in a number of languages, than anyone else in the world. Knowing our students are going to be facing global challenges, we’re also recruiting a student body that’s highly diverse.

In management education, we’re facing growing competition from for-profit schools. Is that a concern in other areas of education?

Yes, most of higher education is facing competition from proprietary institutions that do not make the same kind of investments in the physical buildings or tenured professors that we do. Because we have not been as responsive as those schools have been in terms of hours and access and cost, many people have floated over to those institutions—only to get, in many cases, very weak degrees that really don’t give them the qualifications they need. It’s a challenge for us. It’s lit a fire under higher education. I think it’s important that we teach across the day and recognize that adult students have different kinds of needs. We shouldn’t lower the quality of what we teach, but make it more accessible.

One current trend in business education is toward integrated curricula. How important do you think it is for schools to offer cross-disciplinary degrees?

Knowledge now is very interdisciplinary. Increasingly, you cannot just study through the lens of a single discipline. What is important is that, within the discipline itself, there is some kind of theoretical framework—that you get the intensity that you need to learn a new subject and that you acquire new skills. I’ve never thought the subject matter was as important as the way in which the course was conceptualized and the intensity with which it was presented. For example, we once conducted a freshmen seminar where one of the world’s great scientists taught a whole course on the potato. And it was a great course.

A growing number of business schools are adding online programs to their curricula. Do think traditional universities will embrace online education?

I think they will to some degree, but mostly to reinforce what goes on in the classroom. I’m very wary about online education. It can reinforce, and it can enrich. But at the end of the day, education is all about the interaction among students and a gifted faculty member. And that is why we have never fundamentally changed the education system since the Greeks put a teacher in front of a group of students and had them talk to each other.

While at the University of Wisconsin, you were instrumental in expanding the school’s research facilities. Universities are sometimes under attack for focusing too much on research and not enough on teaching. How would you answer such criticism?

In fact, when I went to the University of Wisconsin, we did a survey, and teaching was what the people of Wisconsin were concerned about. They sent their best and brightest kids to Wisconsin, which paid no attention to undergraduates. So we embarked on a major effort to reform undergraduate education. We focused on teaching and on improving the way undergraduates were treated. At the same time, we expanded research and built better research facilities. But we never abandoned undergraduate education. We made it better.

Are there other issues facing higher education today?

How to integrate technology into the classroom and how to find talented people who can use that technology while still having human interaction with students are critical issues. The great challenge is to get the student away from the computer and into a conversation.



How is such technology being implemented at your School of Business Administration?

Every classroom at the University of Miami is outfitted with very sophisticated technology. In addition, we're entirely wireless. Students can sit anywhere on campus without having to plug in their computers—they can even sit outside. Increasingly, business is an IT culture, so students are learning modern technology while they're learning business.

What other challenges will your business school face in the next three to five years?

I think increasingly our challenges will be related to our ability to operate globally in a world we don't necessarily know. One day you might be in India, and the next day you might be in Iran. Students can't just take business courses. They need to understand culture, philosophy, and religion.

Let's turn to the subject of women in education. How do you think the picture for women has changed in the past 20 years?

Number one, women dominate higher education. Most of the people *in* higher education are women. Two, women have moved into administrative positions in higher education, including leadership positions, particularly in public higher education. Women have had wonderful opportunities to manage large institutions. But the stumbling blocks for women in higher education have always been fund-raising and athletics. Before Nan Keohane became president of Duke University, she and I discussed the best way to talk about athletics. I just said, "Show your enthusiasm." I think there's no question now that women can raise money, and that they can talk to basketball and football coaches.

As the first woman to head a Big Ten University, did you face any specific challenges or obstacles?

I certainly did. In fact, until I got to this position, no one thought I was qualified for any position I had. Right through my career, I overreached, until I got here. I've never been in an administrative position in which the consensus was that I actually had the qualifications.

Because you were a female or because you hadn't had the experience?

Both.

How did you convince them?

You just do a good job. You surprise them. There's something to be said for low expectations.

In management education, only about 33 percent of the student population is female. How can we interest women in business schools?

Make them gender-friendly. Women aren't underrepresented in law or medicine. Business is just lagging behind. But those numbers were five percent when I was in school, so there's been a huge increase. Do I think it will get to 50 percent? You bet. Over the next decade? Yes. No question in my mind.

How can schools improve the numbers of women occupying top administrative positions?

I think that number will keep growing, particularly now that we have women in the Ivy Leagues, leading some of the best universities in the country.

Do you consider yourself a role model for other women?

I've helped coach a number of college presidents over the years. I had a number of senior women at the department of Health and Human Services. And here at Miami I have three women vice-presidents. One I employed, two were already here. It's a very diverse set of vice presidents.

What advice would you give to other women first assuming a presidency of a major university?

Learn how to work with the faculty, that's the most important thing. University presidents get killed if they don't listen carefully enough. Faculty members can either make or break a presidency. At the same time, they are the key to the reputation of the institution. Therefore, shared governance becomes extremely important to understand. It's a different world, a different culture. It's a guild.

What are some of your goals for the University of Miami while you're there?

To make it better! To move it to the top ranks of American research universities, to improve the quality of undergraduate education, to help our medical school move to the top 20, and to help the school be a better citizen of our community. That's good enough. **Z**

Women's enrollment at many business schools still hovers around 30 percent, even while law and medical schools have long enjoyed gender parity.

Now, prominent advocates for women in business are focusing their efforts on this issue, intent on breaking the 30-percent barrier.

by Tricia Bisoux

In the 21st century, a young girl can grow up to be CEO of a Global 500 company, owner of her own multimillion dollar business, or chairwoman of the board. But that doesn't mean she'll *want* to. In general, women seek careers that offer challenge, meaning, flexibility, and connection; but unfortunately, many young women don't view business as a means to those ends.

"Business schools are not competing with each other as much as with other professional schools for the hearts and minds of women," says Myra Hart, a professor of management at Harvard Business School, Cambridge, Massachusetts. "Women see the upper echelons of business as more hierarchical, whereas they see law and medicine as something they can do individually or collaboratively. They perceive that they will have more control over their careers in these fields than in business, and that they'll still be able to make a difference."

It would be naïve to say that gender discrimination no longer exists, but it may no longer be the central barrier to women's entry into the business world. Research shows that women often eschew business education due to preference,

not prejudice. That reality presents an unexpected challenge to business schools: To move beyond 30 percent, b-schools may need to do more than actively recruit women. They may need to change their admissions requirements, curricula, and faculty hiring requirements to win women over.

No single corrective is likely to shift the tide, believes Anna K. Lloyd, CEO of the Committee of 200 (C200), a Chicago-based organization of women business leaders that supports women in enterprise. "If I were a business school dean, I would start focus groups and talk to women across all backgrounds, all family situations," she says. "I would rethink the structure of the courses, the ability of the professors, and the financial aid offerings. MBA programs, too, need to be recast—business schools and their curricula need to catch up with the level of self-confidence of this generation of women."

Professor Liz Fulop, head of the school of Marketing and Management at Griffith University in Queensland, Australia, agrees. "Businesses and universities have to work together to change how women perceive business as a career option and

emotional investment,” she says. “That will entail a great deal of soul-searching about why, despite all we have done, universities and businesses remain lonely places for women at the top and pressure cookers for those in the middle.”

Organizations such as C200 are making an effort to accelerate the soul-searching process, by developing coalitions to work with businesses and business schools and sponsoring research to delve more deeply into the issues. A groundswell of activity is building, especially in the United States, to convince women that business careers are compatible with life goals that often include work *and* family. To achieve this goal, many believe business schools will need to change on fundamental levels to promote a sense of balance between the two. Otherwise, if they appear to force women to choose between work and family, most often family will win out.

A Paradigm Shift

The root of women’s lack of participation in business is firmly planted in image—the aggressive, hierarchical image that business seems to convey to women. A lack of successful role models is a top factor in that negative message, says Phyllis Buford, CEO of the Consortium for Graduate Study in Management in St. Louis, Missouri.

“If young girls don’t see the proper role models—if we don’t show them more Carly Fiorinas—then they may not even give a business career a second thought,” says Buford. “The more we make young girls aware of careers in business, the more we’ll see women in those careers. We must break the myth that girls can’t add, subtract, and divide as well as men can. And we must create a marketing strategy that tells women about careers in business.”

Lisa Kudchadker, an MBA student and president of the Graduate Women in Business, a student organization based at Rice University in Houston, Texas, points to the case stud-

ies that she says are too heavily centered on male experience. “Eighty to 90 percent of protagonists in our case studies are male,” she notes. “When there is a female protagonist, she’s usually in trouble. That’s discouraging, and it’s something that needs to change.”

Unfortunately, the role models that are available can reinforce the idea that business and family are mutually exclusive terms. New, controversial research in the book *Creating a Life: Professional Women and the Quest for Children* exacerbates this perception. Author Sylvia Ann Hewlett found that many successful women in business planned to have children; in their pursuit of success, they just “forgot,” she writes. As

10.9% of dean positions and 21.3% of associate dean positions in the U.S. are filled by women.

—AACSB International

a result, some women “feel as if they’ve been robbed” of the chance to start a family. Some have criticized the book’s findings, but its message to women is clear: You can have children or a career in business, not both.

On top of that, *Time* recently published a list of women who resigned from high-powered positions to be with their families: Karen Hughes stepped down from her post as aide to George Bush to spend more time with her family in Texas; Jane Swift dropped out of the Massachusetts gubernatorial race soon after giving birth to twins; Candace Olsen, CEO of the Web site iVillage, resigned to take care of her two children. In the face of such press, b-schools may have their work cut out for them.

Katherine Giscombe, senior director of research with the women’s organization Catalyst, New York City, notes that more corporations are adding family-friendly incentives such as flex-time and onsite daycare to their “perks,” but they are not yet the norm. “Work-family programs need to be strengthened,” she says. “If a woman wants to work part-time for a few years, she should not worry about getting bumped off the track to successful positions. She should not be penalized.”

It will take initiatives on many different fronts not only to cultivate more role models, but to make business a more prominent and palatable career option for women. The

56% of women MBA students cite the lack of role models as the primary reason more women don’t seek graduate business degrees.

87% believe featuring more women business leaders as role models would encourage more women to pursue a business education.

—“Women and the MBA: Gateway to Opportunity”



Girl Scout badges, clockwise from top left: **Your Own Business**, **Business-Wise**, **Dollars & Sense**, and **Money Sense**.

53% of women business owners participated in the Girl Scouts of the USA as young girls.

—1998 study from the National Foundation for Women Business Owners

problem as it manifests at the MBA level is only the tip of the iceberg, believe women's groups. Many corporations, business schools, and organizations are encouraging positive role models in the media and business case studies; they're also sponsoring programs at high schools and working to change the corporate mindset that women must put their careers first, or risk being left behind. They maintain that only by focusing on the pipeline at all levels—middle school, high school, college, graduate school, and the corporate world—can business schools expect to see an increase in the number of women in their ranks.

Early Exposure

Business educators may not realize it, but teenage girls receive subliminal messages about business, messages promoted by television and other media that portray business as a hierarchical, cutthroat enterprise. Those messages need to change, says Fiona Wilson, assistant professor at the Simmons School of Management. The school is part of Simmons College, a women-only college in Boston, Massachusetts.

"We know that neither teenage boys nor teenage girls have a particularly favorable view of companies," she says. "In fact, Andersen did a survey in 2001 that found that 45 percent of teens have an unfavorable impression of corporate America. We know they're not thinking favorably about business. We just don't know why."

Simmons College is working with the C200 on a landmark study that will look at the messages that young girls receive about business, from their middle school to undergraduate years, explains Wilson. "We want to look at women at the formative stages of their education, when they begin to think about careers for the first time," she says. "Our research will focus on girls and boys in middle school and high school at about 20 different schools around the United States. This population has never really been looked at this way before." The study, which will be completed this fall,

will look at the top-ranked television programs, magazines, and Web sites for teenagers to explore how businesspeople, especially women in business, are portrayed.

C200 and others sing the praises of efforts of organizations that show girls a positive image of business, such as the Girl Scouts of the USA, headquartered in New York City. Girl Scouts, at all ages, can earn badges in entrepreneurship, business, and money management. The message of these popular badges, says Sara Au, the organization's media consultant, "is to help girls learn the kinds of financial lessons that will help them succeed in the real world."

Another organization at the center of efforts to introduce girls to business is Independent Means, a for-profit company based in Santa Barbara, California, with sister programs in New Zealand and Australia. IM offers products to help girls become financially independent, and also sponsors summer programs for girls such as Camp CEO and Camp \$tartup.

MBA graduates, corporations, and schools such as Babson College in Babson Park, Massachusetts, and Wellesley College in Wellesley, Massachusetts, have been active participants in IM programs, says Brooke Espinoza, the organization's program manager. To see an appreciable change in the numbers of women enrolling in their programs, she says, business schools may need to set their sights on adolescents to truly see a boost in the number of women on their campuses.

Young girls have a "very active entrepreneurial streak," says Espinoza. That streak, however, is often not channeled into corporate careers. "The corporate world can be seen as cutthroat, but entrepreneurship often speaks to women; they know it allows them to design their own schedules. When young girls look to their futures, they aren't thinking, 'I want a family and I want to work.' They're thinking, 'I want a family and I want to work—and I don't want to feel guilty about it.'"

In addition, many girls envision their future careers as "socially responsible" or meaningful, descriptions that current representations of business do not often inspire, adds Espinoza. In an effort to change that perception, Independent Means itself changed from a nonprofit company to a for-profit entity, Espinoza explains. "We wanted to show girls that we actually practice what we preach."

Populating the Pipeline

Unfortunately, girls' enthusiasm for business—or at least business education—is often lost by the time they reach college graduation. Women's enrollment in undergraduate business programs is at or near parity with men; but that number drops dramatically at the graduate level, according to "Women and the MBA: Gateway to Opportunity." The study is a result of the collaborative efforts of Catalyst; the University of Michigan Business School, Ann Arbor, Michigan; and the Center for the Education of Women, also at the University of Michigan.

Giscombe of Catalyst puts it bluntly: "Younger women aren't choosing careers in business because they still perceive the business world as unaccommodating to women."

Catalyst, which has long studied women in U.S. businesses, will soon be completing a study on women in corporate leadership in Europe, to see how the problem crosses borders, she says. In addition, Catalyst, along with C200, is also joining a new nonprofit organization at the University of Michigan Business School, which comprises an alliance of

business schools, corporations, and nonprofit groups. The nonprofit, which is yet to be named, has a monumental task before it, which requires the participation of the business school community to be a success, says Jeanne Wilt, the new organization's executive director and the assistant dean for admissions and career development at UMBS.

48% of undergraduate students in U.S. business schools are women.

—"Women and the MBA: Gateway to Opportunity"

35% of MBA students at 251 business schools worldwide are women.

—BusinessWeek Online

Getting Involved

Several organizations, including the following, publish studies and other information about gender parity issues. Many of these organizations are also interested in forming alliances with business schools worldwide to increase women's participation in business:

Catalyst

120 Wall Street, 5th Floor
New York, New York 10005
212-514-7600
info@catalystwomen.org
www.catalystwomen.org

The Committee of 200

625 North Michigan Avenue, Suite 500
Chicago, Illinois 60611
312-751-3477
info@c200.org
www.c200.org

The Consortium for Graduate Study in Management

5585 Pershing, Suite 240
St. Louis, Missouri 63112
888-658-6814
buford@cgsmb.org
www.cgsmb.org

Girl Scouts of the USA

420 Fifth Avenue
New York, New York 10018
800-478-7248
misc@girlscouts.org
www.girlscouts.org

Graduate Women in Business

c/o Rice University
Jones Graduate School of Management
6100 Main Street
Houston, Texas 77005
lisak@rice.edu
www.gwib.org

Independent Means

126 Powers Avenue
Santa Barbara, California 93103
805-965-0475
webmaster@independentmeans.com
www.independentmeans.com

The University of Michigan Business School Women's Initiative

Jeanne Wilt, executive director
701 Tappan, Room D2260
Ann Arbor, Michigan 48109
734-763-1276
jwilt@umich.edu
www.bus.umich.edu/womenMBA/initiative.html

30% of MBA students in U.S. business schools are women.

—“Women and the MBA: Gateway to Opportunity”

24.8% of students in U.S. executive MBA programs are women.

—AACSB International

“There is nothing else out there serving this particular niche, nothing else that ties business schools and business together to address this problem,” Wilt points out. The organization will respond to a number of issues raised in the “Women and the MBA” study, including pipeline development, the introduction of more role models, and education about the nature of a business career. Twelve U.S. schools are now participating in the organization, and two international schools also have expressed interest, says Wilt.

“It’s an issue of basic pipeline development and a lack of positive role models of women in business. More important, there is a lack of understanding among women about what business is,” she explains. “It’s very clear to them what a doctor or lawyer does, for example, but they have more stereotypical ideas about business. They think it’s all about Wall Street.” It’s up to the business community, she stresses, to give them more accurate, attractive images to consider.

Advancing to Parity

Many business schools that have made women’s enrollment a priority have reached levels of 38 and even 40 percent. According to the Committee of 200 Business Leadership Index 2002, however, women still lag behind men in every area of business. The wage gap has closed to a 7.60 on a ten-point scale, but in areas such as venture capital funding, they are at a woefully low 1.10. And index of charity fund-raising seats? Zero.

The situation has reached a breaking point, many believe. A shortage of workers in business is expected to hit peak levels by the end of this decade. To that end, many believe it is now urgent to encourage more women and minorities to enter the pipeline.

“We started to see research about diversity in the workplace in the late 1980s,” says Wilt of the University of Michigan Women in Business Initiative. “More than ten years later, we see improvement in other areas, but not in this one. As we look forward to a much more diverse society, we need the education pipeline to support that.”

Sonja Ossario, Catalyst’s director of public affairs, points out that in the future, more companies will see their diversity not as an obligation, but as a source of strength. “In a

recent study, we found that 89 percent of the top companies have a diversity program in place. They do this to gain a competitive advantage—to be able to draw from the full pool of talent, not just half.”

A new push for the promotion of business may increase gender equity and diversity in the workplace, but many foresee that its success may go beyond benefiting only women. As more men begin to assume household and childrearing responsibilities, it is expected that they, too, will begin to demand change in educational and work requirements. Change at all levels of the pipeline, from high school to col-

Where a **10** benchmark equals parity with men in 10 aspects of business such as salary, board seats, and venture capital funding, women **3.95** have reached an average

—The Committee of 200 Business Leadership Index 2002

500,000 executive, managerial and administrative jobs will open up annually in the U.S. between now and 2008. However, **250,000** each year only business majors graduate.

—“The Pipeline Report, 2002,” The Diversity Pipeline Alliance

lege to the workplace, may also simply make the corporate world a more comfortable and productive place to work, for both men and women. **Z**

W Educating Women

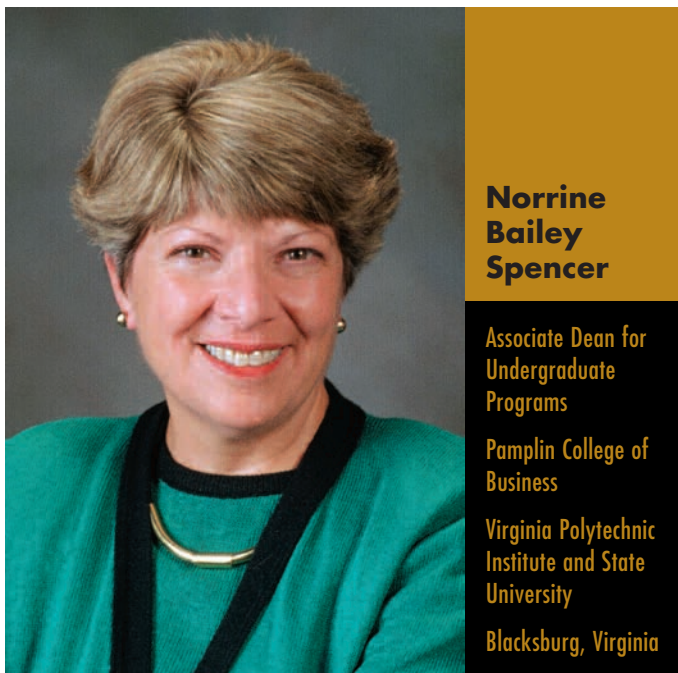
Eight deans and professors tell their personal stories of achieving success in the disproportionately male world of management education.



by Sharon Shinn

Behind every successful individual is a remarkable story fueled by a singular set of drives and ambitions. In the field of management education, some of the most fascinating stories are told by women who have taken positions as teachers and administrators in a field that has traditionally been dominated by men. Even when they aren't aware of how impressive their achievements are, these women are beating the odds: Only about a third of the current MBA classes are made up of women, and only 11 percent of business school deans are women. A long, challenging road lies between the point of enrollment in business school and the time of assuming the high-profile role of dean.

For eight women who currently are deans and faculty members at business schools worldwide, those challenges have been diverse. Some say they have fought against prejudices and inequities; others merely fought to do well in their own careers, not even noticing the gender disparity in their fields. Their stories are unique, but they share a common thread: The skill and desire to succeed.



The launching of Sputnik may have defined Norrine Bailey Spencer's career. America's fear that the Russians would move ahead in the space race caused schools nationwide to encourage young students to take math and science courses, so Spencer joined a test group of kids who enrolled in advanced curricula in 6th and 7th grade. After finishing the program years later, she chose to study math in college.

"It was a time when women were locked in their residence halls at night, and there weren't that many young women studying math. Just getting together to have study groups was impossible," she says. "I think that having been an only child and taking a major that was not traditional for women made me very comfortable in isolated situations."

Some of Spencer's epiphanies came in the late '70s when she was reading landmark books such as *The Managerial Woman* by Margaret Hennig and Anne Jardim and *Men and Women of the Corporation* by Rosabeth Moss Kanter. "In *Managerial Woman*, the authors maintain that men and women have similar goals in the corporate world, but they experience things vastly differently in terms of life responsibilities, opportunities, and pressures. They also noted that women who were succeeding in the corporate world were of a mold—they had been educated in nontraditional areas and were often the oldest child or only child. Even though I fit some of those characteristics, it prompted me to think about

the lack of equity in terms of predicting success. I also thought Kanter's early work about the isolates helped me understand what I was going through."

She has since been determined to offer herself as a role model by taking visible positions in the academic world and in associations that benefit women. She is a member of AACSB International's affinity group for women in management education and has co-chaired the Virginia Executive Committee of the American Council on Education's National Identification Program. Nonetheless, she doesn't believe anyone has to choose a role model based solely on gender. "I say that because I didn't have that luxury—I didn't have a female professor in my major until I was a senior. And so I think it behooves all of us to be sensitive to people who didn't have the same opportunities we had."

While she takes personal responsibility for mentoring others, Spencer also believes colleges must do some of the work by reaching down to high school girls to make sure they develop an interest in math and science. That might mean sponsoring computer camps for girls; it might mean opening a dialogue with high school and junior high school teachers. It might mean following research by organizations such as the American Association for the Advancement of Science, which is looking at how people are attracted to technology fields, she says.

Spencer believes business schools can attract more women, but first they must analyze "what the patterns are and where the work needs to be done," she says. "Are there curricula that seem to be disproportionately of this gender or this race? If your degree program doesn't reflect the population of your students, why?" In addition, she says, business schools must "make sure they treat women fairly and create a climate that encourages them at a college level."

Schools also must make a point of bringing in female role models to show students that women can be successful, particularly at the corporate level. "A couple of years ago we had a dinner featuring 200 alumnae who had been nominated as outstanding people," she says. "We had them sit down to dinner with 200 undergraduates, so that every other person was a successful businesswoman. That kind of informal networking has taken place quite naturally for men, but it has not been quite so prevalent for women."

Spencer encourages women to find other opportunities to network, "through a national sorority or through the National Organization for Women, or a club, or a choir, or your circle of friends. Even if you take away the labels of networking and mentoring, you need to find someone who shares your aspirations, who supports you and encourages



Helen Frame Peters

Dean of the
Carroll School
of Management

Boston College

Chestnut Hill,
Massachusetts

you, and who is savvy about the outside world.”

Helen Peters always expected to be an academic. She just took a long detour into the world of finance first, holding a variety of positions in key firms in the financial services industry: Scudder Kemper Investments, Merrill Lynch, the Union Bank of Switzerland, and the Federal Reserve Bank of Philadelphia, among others. She has chosen to enter the world of academia now because “this is an unbelievable time to be in education.”

At Boston College, the undergraduate degree focuses on arts and sciences, and Peters thinks it’s absolutely critical that students acquire core skills. “They have to take math, learn how to write effectively, and acquire computer skills, so they have tools they can trade with someone who might hire them. I tell undergraduates to take as many courses as they can that will make them interesting people, that will push them beyond their courage, but not beyond their ability.”

As a successful woman in both business and business school, Peters works toward gender equity in a number of ways—for instance, by being part of the Trustees’ Council of Penn Women at the University of Pennsylvania. The group brings potential faculty to the school to give lectures, creates opportunities for women in sports, holds dinners so that students can meet with successful alums, and works to get women appointed to managerial positions. “There was one woman dean when we started. Now more than half the deans at the University of Pennsylvania are women,” she says.

It’s a far cry from her own days as a student, when she was the only female getting a Ph.D. in finance at Wharton. Professors made much of that fact—for instance, giving her an indifference curve based on bikinis and miniskirts. “That can be the kind of thing that keeps people down, unless they have a tremendous amount of courage and the desire to prove themselves,” Peters says. “A Ph.D. program is tough. I started with 16 people, and only three of us got our degrees.”

Though much of the sexism is gone, there is still inequity in the numbers of men and women admitted to business school, Peters notes. She doesn’t believe this is because there aren’t enough women applying to graduate schools. “Maybe the proportion of men applying is higher, but there are plenty of women applying who have the right scores and the right skills. You don’t have to admit them in proportion,” she says.

Even when the numbers are equal, Peters believes it’s still more difficult for women to get a Ph.D. than it is for men. Because Ph.D. programs are getting smaller and they are frequently funded by the school, schools are less likely to take a chance on someone who might not complete the degree, she says. That often means choosing a candidate with a very focused background in the discipline that’s going to be studied.

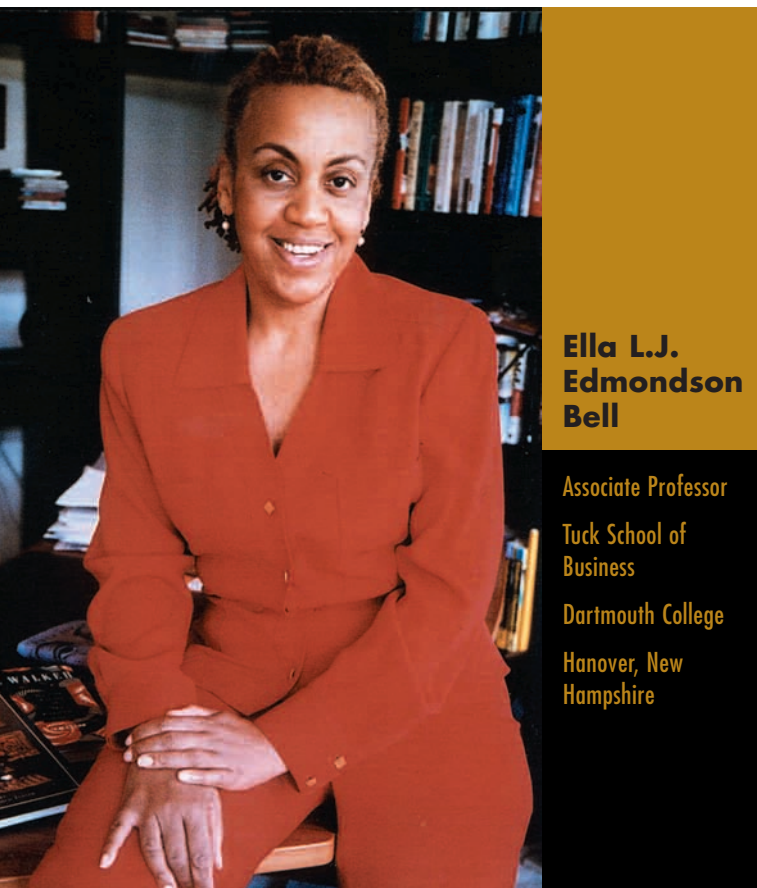
“Women tend to be very broad-based. Men tend to be sharpshooters. Ph.D. programs encourage the sharpshooter focus,” she says. “As much as I think it’s important to be broad-based in education, I think it is a disadvantage to someone interested in entering a Ph.D. program. If I were coming out of an undergraduate program right now, I doubt if a school would have taken a chance on me.”

Even when women earn their Ph.D.s, they face some difficulties moving up the academic ladder, Peters says. “It’s harder for a woman to be a dean of a business school than to be president of a university,” she says. “Three Ivy League schools have female presidents. But of the six Ivy League universities that have business schools, none have female deans, and there are only three female deans in the top 50 business schools. I think it’s because business school is really where the rubber hits the road in terms of potential donors, business alums, and the connection to the business community—and that community is predominantly male.”

But if women don’t pursue Ph.D.s, they may find their opportunities limited, she believes. “If I’d had an MBA, my own career would have been much more difficult, because there were so many talented MBAs walking around on Wall Street. I was one of the few people with a Ph.D. It didn’t make a difference that I was female—I was enough of an oddity just being a Ph.D. I came in with a very specific skill. I was the expert. They had to give me all sorts of opportunities, because no one else could do what I did.”

“Many younger African American women are not being groomed. They come from good schools, they’re bright, and they **don’t necessarily believe racialized sexism is alive in the workplace.**”

Ella Bell



**Ella L.J.
Edmondson
Bell**

Associate Professor

Tuck School of
Business

Dartmouth College

Hanover, New
Hampshire

Ella Bell has spent her entire career in the classroom—and much of that time focusing on issues of race. “My expertise is in understanding issues of women, particularly women of color in managerial positions,” she says. “It’s an area that has been understudied, undervalued, and basically invisible.”

Even ground-breaking studies of women in the workforce have failed to explore the issues as they relate to women of color, she says. “Researchers assumed that if you were a woman, you had the same experience, regardless of race, industry, or class—and that’s not true. That’s why black women, Latina women, and Asian women aren’t in the pipeline. That’s why they’re not represented in the high echelons of companies.”

Last summer, she and co-author Stella Nkomo published *Our Separate Ways: Black and White Women and the Struggle for Professional Identity*, which examines how the life of a black woman differs from the life of a white woman in the corporate world. “Executives would tell us, ‘We can’t retain black women. We don’t know how to recruit them.’ Black

women have an extraordinarily difficult time trying to break the informal network. They’re not included. White women talk about a glass ceiling. Black women experience a concrete wall. They can’t even see to the other side. There are three black men in key positions at top companies, but there are no black women at all.

“Many younger African American women are not being groomed,” Bell continues. “They’re not getting mentors. They come from good schools, they’re bright, and they don’t necessarily believe racialized sexism is alive in the workplace. Therefore, they’re being derailed early in their careers. They start switching companies, or they start looking at non-profits and nontraditional fields. Others are just hanging on, thinking something will happen if they wait long enough. But the bottom line is, they have to get the resources to do their jobs. They have to build relationships. They have to push their way in, and not everyone knows how to do that.”

One key is to help black and white women build coalitions, she believes. “Part of the problem is that white women don’t identify around their race. Black women do. White women get seduced into thinking they can make a difference, until they run into the glass ceiling. Black women aren’t seduced—they aren’t even courted. But until they understand the power games that are being played, neither group will get the advantages they could be getting.”

As more women—and more minorities—join the workforce, businesses everywhere will have to think about “who has power and how we share power,” she says. “One group—white males—cannot be the only power holders. Organizations and business schools must look at the people who are different, the women and the people of color, and discover the issues that are blocking them. What are the information networks and informal practices they might be excluded from? What types of promotions are they not getting and why?”

The first step toward equalizing the numbers in corporate settings is to improve the numbers at business schools. “We need to identify and recruit black women into business schools so they can be in the pipeline for top positions in companies,” Bell says. “Part of recruiting is developing students, and part of it is knowing that black students might want to do research a little bit differently. I have often been told, ‘If you study race, you won’t get an academic position.’ In the year 2002, students are still being told that they have to study popular theories and statistics. If you’re going to study race, you’re going to break down the status quo; those theories aren’t going to be too popular. But we have been studying white men for a *very long time.*”



Sandra J.N. Dawson

KPMG Professor of Management Studies

Director of The Judge Institute of Management

Master of Sidney Sussex College

University of Cambridge

Cambridge, England

Sandra Dawson can claim two impressive titles: She's the first woman to head the Judge Institute of Management and the first woman to be elected Master of the formerly all-male Sidney Sussex College. "People ask me what it's like to be the first woman Master at a Cambridge college founded for men. I say, 'I have no comparisons. I don't know what it would feel like to be a man elected in 1999,'" she responds. "What I can say is, that as the first woman, I do have a sense of history. This college has been going for 400 years. Women were admitted 25 years ago, and now it has a woman who was elected by the fellows. I feel that now the door of Sidney is open, so whoever is Master next can be either a man or a woman. The fellows won't have to think, 'Oh dear, should we have a woman, should we have a man?' So I do have a sense of history and great pride, but I go about the job as Sandra Dawson, who happens to be a woman."

Dawson also was recently named Businesswoman of the Year at the *Cambridge Evening News* Business Excellence Awards, an honor that she won for the work of running the business school. "The university is 800 years old and the business school is 12 years old, but the business school is at the leading edge of teaching, research, and executive development," she says. "We have to run it like a business. We have to look at our revenues, our reputation, our capacity to grow and develop, just as any business does."

She's quite aware that there are relatively few women in comparable positions in British schools. "I think any working woman in the business world or in business education is quite used to going into rooms where she knows she will be the only woman," she says. "But gradually it's becoming not uncommon to be one of *two* women out of 12 or 14."

She believes that more women can be brought into high-ranking academic positions in the U.K.—but they'll have to be actively encouraged. Those recruiting for management positions should look at curriculum vitae "in an open way," considering applicants who have had nontraditional careers. "They should look at their skills and achievements, without expecting everybody to come through some sort of regulation career track. That will enable more women to get positions up the ladder."

While Dawson doesn't generalize about whether women have more commitment to family issues than men do, she does say, "I always knew my family was enormously important. A day never goes by that I don't think about the balance between my work and my family. I made sure I could secure my life as a wife and mother and at the same time be successful in my career."

In that career, she says, it was critical for her to have "a strong sense of myself making the right decisions for me and not being swayed too much by a particular tide. One can't say, 'This is the way to do it.' I said, 'Let's see where I can be in the next two years, the next three years,' all the time striving to do extremely well. Out of that has come a career, but it wasn't mapped out from day one."

As important as it is to seize the opportunities that come her way, Dawson believes it's even more important to have a "sense of joy" in what she's doing. "That keeps the other things in balance," Dawson says.

"My first career obstacle was that I didn't know what I wanted for a



Jeanne M. Brett

DeWitt W. Buchanan Jr. Distinguished Professor of Dispute Resolution & Organizations

Kellogg Graduate School of Management

Northwestern University

Evanston, Illinois

career, except I knew I didn't want to be a schoolteacher or a secretary," says Jeanne Brett. When she entered college, she knew she was interested in industrial psychology and eventually discovered the Industrial and Labor Relations program at the University of Illinois. "I loved it! It was interdisciplinary, it was intellectual, it was applied. The faculty, all male, did not seem to notice that I was the only female student."

Gender issues didn't surface for her, either. "I was obliv-

**“Men and women who reduce work for family are stigmatized,
even when others privately envy them.”**

Jeanne M. Brett

ious to the fact that there were few women. No one in my educational environment was suggesting that what I was doing was either inappropriate or impossible for a woman. When I entered the job market, I had lots of interviews and several offers.” She entered a nurturing environment for women when she joined Kellogg, where other women were already established in professorial positions.

Still, she acknowledges that the job of teaching is “a lot harder than when I first came to Kellogg in 1976. Research standards have increased, as has competition for journal space. The technological expectations for classroom performance require hours of preparation time. Students’ expectations of what goes on in the classroom have also changed. We used to do the exercises and sit around a big table and talk about the results. It was rather relaxed. Now every minute of the class is orchestrated to maximize the students’ time.

“There haven’t been many changes that make the job easier,” she continues. “We’re teaching fewer but larger classes, for example. We have less and less clerical support. We are sharing teaching materials and ideas, but that too raises the bar. Then, once you get tenure, all your professional associations want you to be an officer, journals want you to be a reviewer, schools want you to review other’s tenure decisions. You have to learn to say no.”

While the job itself may be harder, the situation for women has grown better, she believes. She cites the high number of female applicants for Ph.D. programs, as well as a growing number of tenured, chaired female faculty at Kellogg. In the business arena, the major obstacle to success she sees for women—and for men—is the fact that jobs eat up more and more of an individual’s time, making it more difficult for anyone to balance a career and a family.

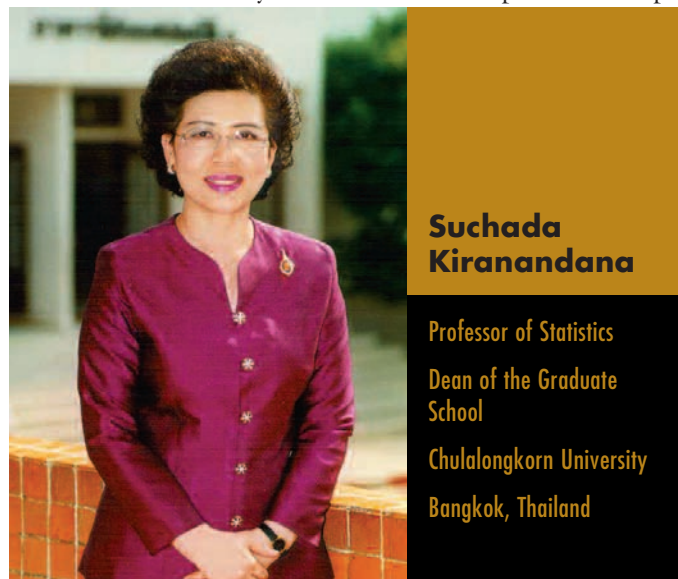
“Technology and competitiveness have increased the difficulty of professional jobs without reducing their scope,” Brett says. “Men and women who work longer hours get paid more, are believed to be more loyal, and get opportunities that are not presented to those who are not around as much. Men and women who reduce work for family are stigmatized, even when others privately envy them.”

In fact, one of the accomplishments she is proudest of in her own career is being able to strike just that balance between “having a productive full-time career while rearing two children and sustaining a marriage.” She urges other women in the business management field not to hold off on having children until they’re perfectly situated, because “there is no good time in this career to have babies. I do not advocate waiting until you have tenure. And, while your

time is your own, except when you are in the classroom, your desks at home and at school are always piled high with work. You have to make a life and battle the tendency to overwork. And know that, in making a life, you make choices that affect your professional standing.”

As for her own future choices and career moves, she says that she can’t even begin to guess. “Karl Weick once wrote a paper titled, ‘Careers as eccentric predicates.’ I tend not to know what my goals are until I’m halfway there.”

In Thailand, women are more equally represented in business—and business school—than they are in America and parts of Europe,



**Suchada
Kiranandana**

Professor of Statistics

Dean of the Graduate
School

Chulalongkorn University
Bangkok, Thailand

says Suchada Kiranandana. Business school applicants must pass a national entrance exam, and women traditionally score well. As a result, about 50 percent of undergraduate students are women. More faculty members are also women, she says.

“I think in Thailand, many of the male Ph.D.s find it more challenging and gratifying to work in the business world, whereas many of the women like to teach and do research,” she says. That trend was a bit reversed after the recent Asian economic crisis, she says: “It was a little easier to get more men on staff.”

As for herself, Kiranandana always wanted to teach—and teach in Thailand. Though she received her graduate degrees at Harvard and has been offered attractive positions in business, she says, “I could never push myself away from school. And I always believed my responsibility was back here in Thailand.”

Nonetheless, she feels that it’s important to her, as a business educator, to have a clear understanding of the business

world, which is why she accepted a position as independent director and member of the audit committee of the Thai Farmers Bank. “If you are a faculty member and you have an opportunity to look really deeply into a business, it enriches your experience and your confidence. It gives you a bridge to the real world,” she says.

It’s not surprising that her outside commitment has to do with numbers, since Kiranandana has been drawn to math from the beginning of her education. She remembers how exciting it was when the first computer, an IBM 1620, came to Thailand. “Not that I’m attracted to the computer, but I like knowing numbers and how to use them. In business, you have to rely on the data,” she says.

She’s also committed to globalization and was involved with Global Forum 2002. Kiranandana believes it’s particularly important for business schools in small countries like Thailand to keep pace with international developments. “Rules change, laws change, and people change. You have to be able to exist in this type of turmoil,” she says. “Business schools in Thailand must stay abreast of what’s going on. We have to turn out graduates who can do business in the country and in the world.”

While female graduates from business school are heading up businesses and government agencies in very acceptable numbers, she says, there is still a pull on working women to fulfill the traditional homemaker roles. “Women here have a double role—we work, then go home and do all the work there. In Thailand, it might be easier to get paid help, but women are still expected to take care of the family,” she says.

Therefore, choosing a supportive partner is critical for women who want careers and families, and Kiranandana has one. They have an agreement: One of them needs to be home with the children. “It’s on a first-come, first-taken basis,” she says. “We have a book and we have to sign up. If you come late to the book and the day you want is taken, you have to stay home with the kids.”

Maintaining that balance gets a little easier as the children get older, she notes. As the years have passed she has shifted the time frames she allots to work and home. Even so, it’s not easy. “I have two boys, I’m a full-time teacher, I’m the dean and department head, and I also do some social work on committees and with associations. It’s difficult to manage my time. My students say to me, ‘How can you survive? You’re not late to class, you always give exams on time.’ So I think they look at me and say, ‘Hmmm, this is not going to be easy, but this is something I can manage.’”

“My career has been most significant when I have done things that were high-risk, cutting-edge, or never done before,” says Sueann



**Sueann
Ambron**

Dean of the College
of Business and
Administration

University of Colorado
at Denver

Ambron. This included founding Avulet Inc., a company that delivers Internet-based services for telecom and datacom companies, as well as stints in high-tech divisions of Viacom, Paramount, and Apple. “I love figuring out what it is people want to use and how they will use computers and digital information in new ways.”

She also has been particularly drawn to technology and education. “Can technology support education in significant ways? The answer is yes, but it’s not as easy as we thought in the late ’70s and early ’80s.”

Even though Ambron spent much of her career in a high-tech field, she didn’t have a sense of being a lone woman in an industry dominated by men. “I never even thought about it,” she says. “In places like software development, there was such a demand for new work that gender just wasn’t an issue. In my experience, technology is one of the fields where women can really excel, particularly in Silicon Valley. There, you’ll find women who are CEOs or chief technology officers.”

While she has always found the technology field exciting, she was recently lured back to academia. “I’ve always valued the ability to work on new ideas, which you can do in a higher education environment,” she says. “I thought I could bring my business experience back to the university in a way that would be beneficial to the students and faculty. I have a very different point of view than I did when I was first teaching at Stanford. I am interested in how the university can build value in the business community.”

She hasn’t quite left her real-world passion behind, however, and she considers it essential that any business school ally itself closely with its surrounding business community. The Denver campus of the University of Colorado is “smack dab in the middle of the Rocky Mountain business environment,” she says. She feels comfortable calling on top business leaders for input on the curriculum, exchanges on research ideas, and political or financial support.

“Business schools have to be very sensitive to the needs of the businesses they serve. Do their students have the skills and talents that these businesses require? In addition, business schools have to be very sensitive to the changes in the busi-

“Historically, every time women have poured into the workforce, there has been a huge ripple effect, the shifting of the tectonic plates of society. That’s what’s happening now.”

Nancy F. Koehn

ness environment. What are the implications of multinational companies trying to work from Colorado? What are human resources practices like in the U.S., and how do they differ from human resources practices in Europe, Asia, or Latin America? What are the trends in telecom, tech, and biotech?” Both businesses and business schools benefit when the two come together to discuss such issues, Ambron says.

She is not just focused on increasing numbers of women in business school, but on improving business education in general. “The business school at CU-Denver is the largest graduate school of business in the state of Colorado,” she says. “We have 2,490 students, and slightly more than 50 percent are women. Make it a great educational experience for students, and you’ll get more men *and* women.”

While Nancy Koehn sees her career as a “healthy mix of serendipity and conscious planning,” she says two factors were very impor-




tant in her development: excellent mentors and a strong sense of her own goals. She always found it critical to “understand what I really loved and where I had been as a scholar—being able to keep a split screen in my mind’s eye between my bank of experience and what I learned would really make me tick. I would tell every woman who aspires to a position of leadership never to lose sight of either of those data files.”

She also owes a debt to mentors and teachers who “helped me learn to think broadly about how to navigate organizations; how to think rigorously and with integrity about the material of my trade; and finally, how to hold on to my humanity in moments when there were many political, substantive, psychological, and material demands on me.”

Those demands have been intense. “I’ve worked 80 hours a week for ten years. How do you do that and hold onto a rich and satisfying marriage? We talk a lot about the work/life balance. I don’t know that those are the right file folders. Living well in this context is a very complicated enterprise, but it’s critical to the next generation of female leaders. We are human beings first, and our ability to lead or communicate leadership to the next generation has to come from that animated corpus of our humanity.”

The fact that the corporate world has too few female leaders is something Koehn analyzes from a historian’s perspective. She believes a key barrier to the rise of women is the fact that “organizations founded before 1975 were really built around a professional workforce of men, with commitments that are different from women’s traditional commitments,” she says. “The very structure that has grown up in companies in a post-war era was not designed to accommodate women who have elder parents or huge family responsibilities.” Some companies may be investigating ways to change this, she points out, noting that Deloitte & Touche has pioneered a range of job categories that give men and women more flexibility in their working lives.

In addition to the structural issues, she says that the competitive nature of global business has also made corporations resistant to change. “How do you figure out how to deal with huge social and economic injustices when most businesses feel that the intensity of competition is growing by leaps and bounds? With more competition, there’s often less economic, financial, strategic, and cultural slack to experiment with change. The margin for error is so small.”

Time may be the best ally for women who are able to look to the future. “I think we might be in the third chapter of a ten- or 12-chapter book about the huge shift in the balance of power in society,” she says. While women have always worked hard, she says, not until the last 25 years have they entered the workforce in such great numbers and in so many positions of leadership. “So if you think about what that power shift means organizationally for both large businesses and individuals, and how those things sync up, some changes just aren’t going to happen in Chapter One. It involves too many organizations—work, family, community, and state, local, and national governments. Historically, every time women have poured into the workforce, there has been a huge ripple effect, the shifting of the tectonic plates of society. That’s what’s happening now. We’re not going to get any fast answers.” 



Upping the Count in Accounting

The tempest of controversy surrounding Enron's collapse has had at least one positive outcome: It's put the spotlight on accounting, a profession students often overlook in favor of other careers. Now that accounting has caught the public interest, the AICPA believes it's the perfect time to show everyone just what the field has to offer.

by **Tricia Bisoux**

illustration by Lou Beach

No one denies that the debacle that brought down Enron may have cast a negative light on the accounting profession. Don't be surprised, however, if you don't hear too many business school accounting administrators complaining.

"It's negative, but it's attention," says Dan Deines, a professor of accounting at Kansas State University in Manhattan, Kansas. "The public has watched as a huge company has gone under and individuals have lost millions of dollars. Now, people are realizing the importance of a high-quality audit. They're realizing that audits, when they're done right, can make a difference in people's lives. Enron has added a stigma to accounting, but it has forced us out into the light."

Now that the public is asking questions, many stakeholders in accounting education believe that this may be the best time to take advantage of students' new-found interest in the field. "One challenge we have been trying to overcome is that students simply don't appreciate the broadness of the profession and the impact a career in accounting can have," states Beatrice Sanders, director of academic and career development for the American Institute for Certified Public Accountants (AICPA) in New York City. "Enron has raised awareness of the whole profession, among the public as well as young people. It's raised awareness of the importance of CPAs to the economy and the whole capital market system."

As two of the most outspoken advocates for proactive promotion of the accounting profession, Sanders and Deines are optimistic that interest in accounting will continue to build. By taking this opportunity to educate the public, business school accounting programs will not only attract more students to accounting programs, but also promote a more positive image for the profession as a whole.

Reversing the Trend

In the 1990s, even as demand for qualified accountants increased, student interest in the profession plummeted. From 1998 to 1999, the number of graduates in accounting decreased 20 percent in the United States, according to "*The Supply of Accounting Graduates and the Demand for Public Accounting Recruits—2001*," compiled and published by the AICPA. From 1999 to 2000, the number dropped six percent more. And although there was a 19 percent

Adding in the Value of Career Planning

increase in master's degrees awarded from 1999 to 2000, there was a 10 percent decrease in bachelor's degrees and a 9 percent decrease in candidates taking the certified public accountant exam. Only 115,493 candidates sat for the exam in 2000, the lowest number since 1979.

The U.S. is not alone. In the last five years, countries such as Australia, China, and South Africa also have experienced a shortage of accountants, often caused not only by declining enrollments, but also by a lack of interest in the auditing process. Many students who earn accounting degrees do not become auditors, but instead pursue more glamorous careers as consultants or brokers.

In response, many accounting programs have begun to ramp up their efforts to reinforce the importance of an auditing career in today's business environments. To underscore these efforts, the AICPA has committed five years and \$5 million to a comprehensive direct marketing campaign to spark interest in accounting careers. The campaign, launched last fall, includes print ads and a student-run Web site (www.StartHereGoPlaces.com) that target high school students and young adults. One ad highlights the importance of accounting skills to running a movie studio. The ad stresses the job's flexibility, letting students know that if they "know business and accounting skills, they can go anywhere."

It's All About Image

At the heart of the accountant shortage is the fact that accounting simply has the hard-to-shake reputation of "being boring," says Deines. In his research of student enrollment and retention in U.S. accounting programs, he has found that neither high school students nor their teachers hold accounting in particularly high esteem.

In the late '80s, for example, Deines surveyed college-bound high school students in the Kansas City area, asking them to rank ten occupations, including attorneys, police officers, teachers, social workers, journalists, and accountants, in ten categories of career satisfaction. Accounting enjoyed its highest ranking under "salary," where students ranked it seventh. In seven of the ten categories, however, accounting came in dead last.

"I found that there still is a perception of accounting as boring, lacking personal satisfaction and challenge, among both students and teachers," says Deines. Furthermore, business classes offered in high school, such as bookkeeping, were also viewed negatively—even socially unacceptable—by students. "I found that to be disturbing. I look at the bright, articulate, caring students who have been in my classroom and who have gone on to rewarding careers," asserts Deines. "How can we still have this incredibly bad stereotype when

As accounting educators, we often find that the classroom alone provides students only a narrow picture of accounting as it functions in the real world of business. To broaden that picture for students at King's College William G. McGowan School of Business in Wilkes-Barre, Pennsylvania, we have expanded our accounting curricula to include comprehensive and ongoing career planning at all points of a student's development.

The accounting department cooperates heavily with the director of the Office of Career Planning and Placement in our "Career Development Across the Curriculum Project." We foster a partnership between faculty and career services staff in a year-by-year approach to learning that integrates hands-on coursework with self-assessment, career exploration and planning, skill building, and ultimately, job placement.

Year-by-Year Involvement

The department's retention efforts begin long before students declare a major with quarterly open house presentations to prospective students. At these events, members of the accounting department speak to students about the "core competencies" that an accounting education will develop: oral communication, critical thinking, effective writing, quantitative analysis, technology, library and information literacy, and moral reasoning.

These presentations are only a starting point. During each year of undergraduate study, we follow a carefully structured process of encouragement and career planning designed to show students what the accounting profession has to offer and prepare them for their post-graduation careers.

The Freshman Year—In the fall semester of their first year, all business majors who enroll in the introductory accounting course are encouraged to meet with a career counselor and enroll in CARP 211, a course taught by career planning professionals to help students learn about the profession, gain self-understanding, and facilitate the decision-making process. In the spring, students are encouraged to attend a presentation co-sponsored by the accounting department and the career planning office. There, recent accounting graduates relate their early career experiences, and director of the career office provides job market projections for accountants to give students a picture of what they face after graduation.

The Sophomore Year—In the fall, students are encouraged to enroll in CARP 211; in the spring, the career office presents a program on resume writing in the intermediate accounting course. Students then work with a career planning professional to develop an effective resume. At this stage, if we've been effective in communicating to students the rewards and challenges of accounting, more students who were undeclared will choose an accounting major over another discipline.

The Junior Year—In the summer before their junior year, accounting majors pursue work experiences to expand their understanding of the field and build their resumes. When



by Barry Williams

they return to school in the fall, students are encouraged to enroll in CARP 412, which provides a step-by-step approach to career assessment, occupational information, and effective job searches. Videotaped mock interviews with career planning staff are also recommended.

In the spring, juniors are encouraged to participate in the on-campus recruiting program for summer placements. The 412 course also prepares juniors for the on-campus recruiting program which occurs in the fall of their senior year. Representatives from high-powered companies such as PricewaterhouseCoopers, Ernst & Young, and IBM, as well as local accounting firms, private industry firms, and governmental agencies attend the event.

The Senior Year—When students return to campus, they register with the career planning office. They work with that office throughout their senior year, participating in the on-campus recruiting program and establishing placement files. Students who take cost accounting and auditing courses are required to attend professional meetings of the Institute of Internal Auditors and/or the Institute of Management Accountants, which provides valuable networking opportunities. Students considering graduate school are encouraged to discuss the possibilities with career planning staff. Our goal is to ensure that they are well-prepared for work or further study and satisfied with the career path they have chosen.

The New Accounting Profession

Although career planning is a part of most graduate business programs, it perhaps plays an even larger role in accounting, where student retention is so important. Integrating career planning into classroom activities gives students a greater stake in the accounting profession early on. They are better able to recognize from the onset that their education will meet the needs of the “new” profession. They also understand the variety of opportunities available, as business advisors, litigation support specialists, technology consultants, and financial and estate planners, as well as the traditional roles in attestation and compliance.

Although our program has been in place only two years, we have seen student interest increase significantly. Through a well-designed career planning program, accounting departments can win over the most elusive members of a business school body: the “undeclared.” We must show these students that they can look forward to a broad education in strategy, organizational structures and operations, and content-based accounting skills that will lead them to a successful and rewarding career.

Barry Williams is the chair of the Department of Accounting at King’s College, William G. McGowan School of Business, Wilkes-Barre, Pennsylvania.

our profession has so much flexibility and opportunity?”

Campaigns aimed at dispelling the prevailing stereotype are an important first step, he believes. Even more important is to make sure that educational materials about accounting get into the hands of prospective students—and teachers—as students begin to make decisions about their future careers.

“In the past, many programs have made up brochures, but nobody sent them out. That was fine in the early 1980s when numbers were still going up,” Deines says. But in 1989, the numbers started going down; even worse, he says, the perception of accounting didn’t change, and has not changed in the last 15 years. “We have not done anything to change it. The academics traditionally just washed their hands of it and said, ‘It’s not our problem.’ But it *is* our problem, and we have a responsibility to solve it,” he emphasizes.

In 1989, KSU and 12 other schools each received a \$250,000 grant to do just that. With the help of the grant, KSU threw out its old, test-oriented accounting curriculum and transformed it into a hands-on, project-based curriculum that emphasized problem solving and teamwork. Next, the school began sponsoring community outreach programs to speak with students and teachers about accounting, which has had a tremendous effect, says Deines. KSU’s accounting department has seen its enrollment increase from 188 in 1989 to 325 in 1995, before it had to raise GPA requirements to control the number of majors at around 250.

An especially effective program is a one-day session at the school in which the college invites teams of teachers to learn more about accounting as a career. The school gives them an AICPA information package that includes a recruiting video, a poster, and lesson plans related to accounting that teachers can incorporate into the curriculum. At the session, accounting professionals and educators talk to them about the profession and what it has to offer.

“The teachers start to see accountants not as nerds, but as bright, talented people. Our ideal is that if we can bring these teachers in and change their minds, they’ll go back to the school and we’ll have long-term advocates for our profession. Every year, they’ll tell our story,” Deines says.

“Accountants have an image as boring geeks in green eye shades,” he adds. “We need to tell a better story.” In other words, it’s time to show the public that there’s much more to auditors than Enron. **Z**

For more information about the AICPA’s marketing campaign or to obtain promotional materials, contact Beatrice Sanders by phone at 212-596-6218 or by e-mail at bsanders@aicpa.org.

Contrary to pundit predictions, the steady growth of online learning has not augured the extinction of brick-and-mortar educational institutions. In fact, e-learning may serve as a catalyst, not for the extinction of the traditional classroom, but for its evolution.

Five years ago, when Doug Durand became dean of the College of Business Administration at the University of Missouri in St. Louis, the reactions of some faculty members to the prospect of an online MBA were clear: No way. While there was some support among the ranks, for a few faculty members, e-learning simply wasn't an option.

Durand knew from previous experience, however, that online educational delivery could be extremely effective. He had helped build a similar—and successful—online Master of Health Administration program at the University of Colorado in Denver. So, he challenged his faculty members to take another look.

Two years ago, after much passionate discussion, UMSL's Professional Online MBA was born. The 48-hour program—conducted 48 percent online, 52 percent face-

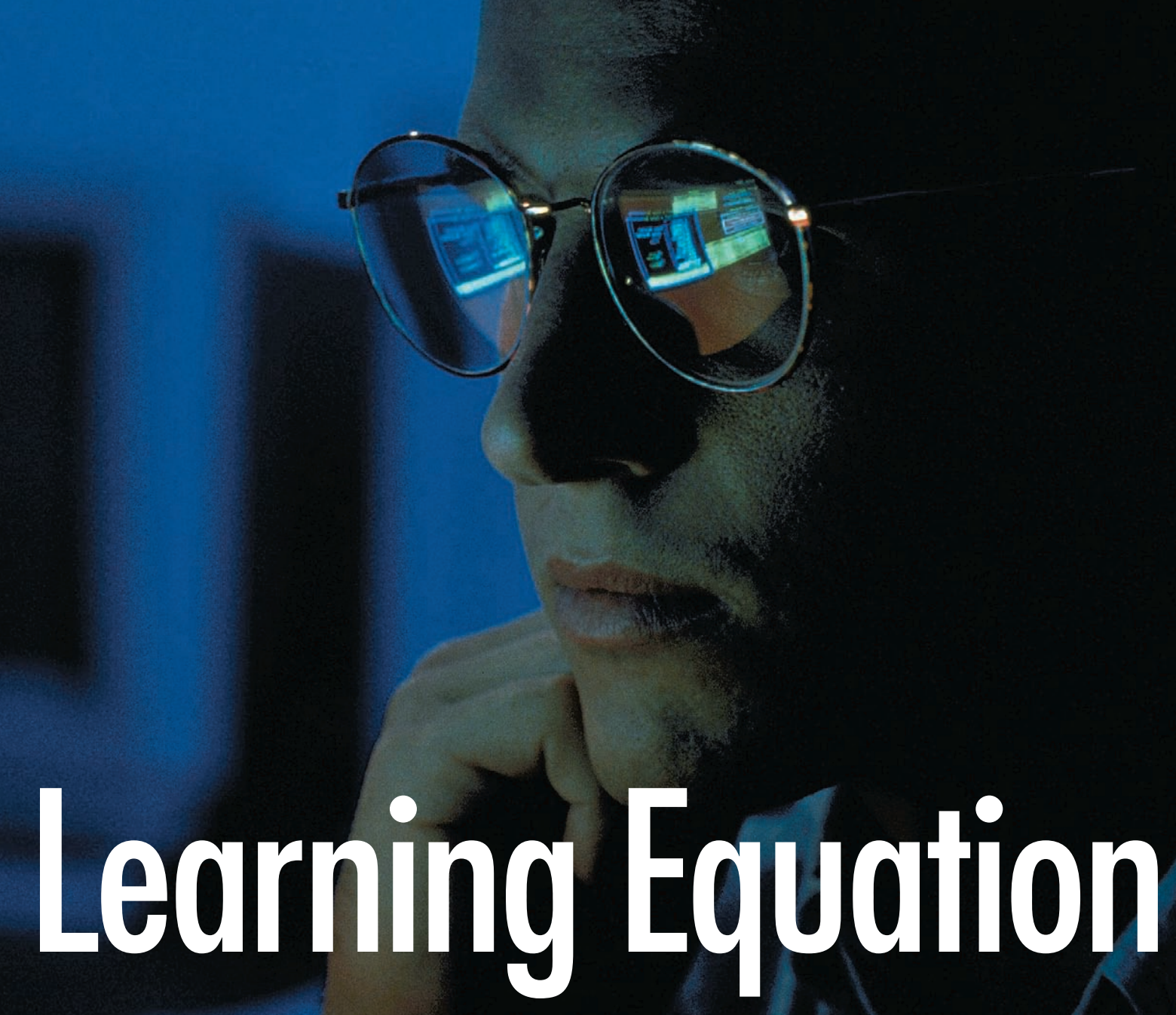
by **Tricia Bisoux**

face—started with a cohort of 12 students, and has since grown to 25. Not only has the program flourished, says Durand, but participating faculty have discovered that e-learning, when paired with traditional delivery, affords educators opportunities to deliver more information, more efficiently, to a wider range of students than ever before.

“The faculty members in the online MBA program acknowledge that it is the best teaching experience of their professional careers,” says Durand. “They have found that students have very high expectations of the course. Not only do they want it to be relevant and up-to-date, they often want to work at light speed.”

Almost before they realized it, many educators have been indoctrinated into a new era of e-learning, in which online methods and traditional classroom methods are merging into a hybrid model for education—what many are calling a





Learning Equation

HARRY SIEPLINGA/GETTY

“blended solution.” Such techno-traditional methods are creating what may be a new generation of supercharged students, able to access and absorb more knowledge than their 20th-century counterparts even imagined possible.

“Don’t Stand in Front of the Train”

The reality of e-learning has been less revolution than evolution, one in which students can take advantage of the strengths of both online and offline learning interactions. And like evolution, Durand believes that e-learning is not something educators can discourage; they can only hope to mold it so that it most effectively suits their needs.

“Those who don’t wish to participate in the online courses don’t have to,” Durand points out. “But I tell them, ‘Just don’t stand in front of the train.’”

In fact, there is a sense among e-learning’s strongest advocates that education is currently experiencing an era of

advancement akin to the years after the invention of the printing press in the 15th century. As a result of that invention, knowledge could be disseminated to a large audience, rather than to the upper class and clergy alone. Today, technology is playing a similar role. It is creating opportunities for education for those who might otherwise have to do without, believes Andy Rosenfield, the founder and CEO of online education provider UNext/Cardean University, headquartered in Deerfield, Illinois.

“Few things are as globally demanded as higher education, but most people in the world have no possibility of going to college simply because of where they were born,” says Rosenfield. “The profound value of technology-based education is that it can offer education to those who might not otherwise have access to it. What you see today is only a tiny precursor of how big the market for online education

will become.”

E-learning methods also offer more options to the growing number of nontraditional students pursuing higher education, says Kristin Bledsoe Emerson, public relations manager for eCollege, which designs and builds online learning communities for educational institutions. Emerson points to numbers from the National Center for Education Statistics, which show that of the 15 million students attending higher educational institutions in the U.S., 6 million are part-time, 8 million are 22 or older, and 5 million attend community colleges.

“Traditional students are becoming the minority,” Emerson says. “While a college campus will always be part of the educational equation, institutions need to respond to the demands of the growing segment of nontraditional students who, for the most part, are already in corporate America or going back to school to get a better job. This group often needs to be able to access their education after work, after the kids have gone to bed, and on the weekends.”

Rosenfield agrees, noting that distance education—and e-learning in particular—fills the requisite for lifelong learning that is becoming more important to the business world. “We now know that you cannot fill up your tank of knowledge when you’re 23 or 24 and then drive through life off that tank alone. In a constantly changing world, you have to retool your knowledge and skills. This requires lifelong learning, in the classroom, on the job, and at home.”

Not a Minute Wasted

For those who long for the “good old days” of low-tech learning, Rosenfield points out that much of the activity in a purely traditional classroom can be classified as simple housekeeping: passing out syllabi, giving assignments, planning projects, or going over preliminary questions.

Now, he says, imagine a classroom in which students come in on the first day with a copy of the syllabus already in hand. They’ve already read the first assignment and discussed it with classmates in an online chat. They’re ready with questions before the professor even has time to say, “Good morning.” As high-tech as e-learning may be, one of its central roles has become simply to clear the clutter, so participants can get quickly to the business at hand—learning.

“There’s no longer any reason to waste precious class time teaching the mundane, ‘nuts-and-bolts’ material that students can learn just as easily at home with a technology-

Heeding the Corporate Call

The piece of the e-learning puzzle that may have the most influence on higher education institutions is the corporate demand for online employee training products. Jeanne Meister of Corporate University XChange predicts that the corporate use of e-learning, as a training tool and as a marketing tool, will be the area of highest growth in the next few years.

“Online education is a huge ‘member benefit’ that more companies are offering to their customers,” explains Meister. Chevron, for example, is now bundling educational opportunities at a discount as a benefit to its credit card holders. Barnes & Noble is offering free online courses in literature, business, art, and other subjects to its customers via its online Barnes & Noble University. Technology companies such as Cisco, IBM, and Dell have included an online component, and so have nontech companies such as MetLife and Motorola. In the next few years, universities will have to contend with a landscape in which their corporate customers are also rivals in the delivery of online educational content, Meister says.

“E-learning is a way for companies to build ongoing relationships with their customers,” she says. “Therefore,

“Online learning alone is not a viable model. The social dynamics of workplace and everyday life are highly relevant for learning, and to suggest that technology can replace these environments is false.”

based supplement,” observes Rosenfield. “This means that the professor can use class time to deal with the issues and potential problems the materials raise and explore them in great depth.” Once the mundane is relegated to cyberspace, he adds, “the classroom can be used in a richer way.”

Such a format also encourages a more egalitarian structure, which compels all students to contribute to discussions, instead of only a vocal few. “Everyone who has graduated from our online MBA program has agreed that there is actually more interaction in this format; students engage in some extremely lively discussions electronically,” says Durand. “Online there is no back row to hide in. Everyone is engaged, all the time.”

That is not to say that e-learning can be an end in itself, notes G. Roland Kaye, dean of the Open University Business School, Buckinghamshire, United Kingdom. Rather, he



more companies are viewing online education as a way to gain a competitive advantage.”

That competitive advantage also applies to in-house learning opportunities, says Donnee Ramelli, president of General Motors University. GMU buys off-the-shelf and customized content from a variety of sources, including UNext/Cardean University. The corporate training arm typifies the corporate customer that universities may have the greatest opportunity to serve.

“We do not want to apply development funding to anything other than content that is proprietary to GM,” says Ramelli. “Therefore, we search for partners with premium, off-the-shelf content that focuses on human resources, information services, or manufacturing. We use a variety of sources so that we can cover all possible segments of our audience.”

Companies are hungry for e-learning products, he says, simply

because they enhance their employees’ learning in what is becoming an accelerated business environment. “Faster learning is really a competitive advantage for a company,” he notes. “Most companies are committed to learning, growth, and development. But if they go online and provide faster opportunities for learning, they can deliver a different competitive outcome for themselves.”

emphasizes, it is one tool among many distance learning techniques that serve a variety of learning styles.

“Online learning alone is not a viable model,” says Kaye. “The social dynamics of workplace and everyday life are highly relevant for learning, and to suggest that technology can replace these environments is false.” Only when it is used in conjunction with a range of media and modes is it most effective, he maintains.

Even so, in many respects e-learning solves problems that schools didn’t know they had, believe these educators. Just as society didn’t realize it had a communication problem until the use of e-mail became widespread, educators may not have viewed underutilized class time or reserved students as obstacles. Now, many educators believe that e-learning, in addressing these aspects of the classroom, only serves to enrich students’ overall learning experiences. But just as technology solves some problems, it, of course, never fails to create new ones.

A ‘No-Profit’ Profit Center

Even with the accolades educators bestow on e-learning,

they admit it presents new, complex challenges to higher education institutions. First and foremost, it’s expensive to implement. Although many business schools dream of online MBA programs that are self-supporting, achieving that dream is, by its nature, a long-term proposition.

“It’s only been recently that business schools have wanted to be part of the game,” says Anne De Jaeger, managing director of FTKnowledge, a business education provider owned by Pearson, headquartered in London. “There have been many failures, partly because this game is very costly. If you create an e-learning product that has not been externally funded, you can have a tremendous amount of money tied up in those programs.”

FTKnowledge has integrated e-learning options into its general learning products for corporate universities and business schools. While e-learning cannot replace *every* way of learning, it provides a valuable mode of learning to students who prefer the medium, emphasizes De Jaeger.

She cautions, however, that many people are not yet ready for online education. The market is still growing, and schools

must be patient. "Offering an e-learning program as an open enrollment program is not something that takes off easily," she explains. "People don't sign up for an open enrollment e-learning course as easily as an on-campus course. They're so accustomed to getting so many things for free on the Internet, they are reluctant to pay for online courses."

Schools that start gradually by integrating e-learning into their face-to-face courses will find greater success with the medium, she says. Furthermore, she adds, by introducing the benefits of e-learning to students bit by bit, schools will also build the demand for it.

Making a profit on e-learning programs is probably not in the near future for most, says Donna Spinella, dean of the Cross-Continent MBA program at Duke University's Fuqua School of Business in Durham, North Carolina. Even Fuqua's well-established, widely acknowledged online program has yet to be a profit center for the school, she admits. "Yes, schools are doing it because they feel committed to advancing business education to a higher level," she observes. "But they're also doing it because, generally speaking, daytime programs often run in the red. Schools are looking for other ways to generate income. The long-term goal for programs like this is to have them pay for themselves."

The For-Profit Model

At least one online education provider *is* making money: the University of Phoenix. Based in Phoenix, Arizona, the online university boasts 110,000 students worldwide. Although the school has suffered criticism for what some perceive to be a quantity-over-quality approach, analysts have acknowledged that the school's business model has made e-learning into a viable profit center.

"Many companies and universities have tried and failed to offer online education on a for-profit basis. It's just not easy to do," says Jeanne Meister, CEO of Corporate University XChange, a corporate education research and consulting firm based in New York City. "The University of Phoenix is doing it right—its stock has held up in a tough market, and it has proven its business model. It has a powerful marketing engine, with 350 online enrollment counselors who do e-marketing. They realize you have to market aggressively and have a massive amount of content to attract students."

Brian Mueller, executive president and CEO of the online university, holds that one of the fundamental strengths of the University of Phoenix model is the niche that it serves, one

that previously had not been targeted by many branded institutions. "Traditional universities have a set of missions that we don't have. First, they often serve the traditional student who needs to be not only educated, but also socialized. Second, they offer tremendous education in research," says Mueller.

"The University of Phoenix has a different model, one that meets the educational needs of working adults," Mueller adds. "There are those struggling to come up with an effective business model for online education. We have made a philosophical decision to run it like a business."

Headquartered in Minneapolis, Minnesota, Capella University is another for-profit online education provider targeting working adults. It does so, however, on a much smaller scale than the University of Phoenix. Five thousand students are enrolled in its degree programs, including 2,000 in its business degree programs.

A privately held company, Capella University has not disclosed whether it has earned a profit. The company reports,

however, that its revenues have increased from \$1.1 million in 1996 to \$30 million in 2001. Its chancellor Steve Shank believes that although some traditional universities have been resistant to online education, they won't remain so for long.

"The continuing evolution of the Web and broadband technology will create great potential for higher education," he says. "As

more schools become involved in e-learning, we will have an incentive to continue to pioneer the best experience for students."

Teaching the Teachers

Yet another challenge of e-learning is that there is a steep learning curve for faculty. Educators who teach purely online courses, or even courses in a blended format, must learn to transfer their offline skills to a decidedly different online environment.

With e-learning methods, professors have less control over the direction of the class, says Peter Stokes, executive vice president of Eduventures, an education market research firm in Boston, Massachusetts. "Teachers become less the directors of their courses, and more the facilitators or intermediaries," he says. In addition, teaching students in online classrooms presents logistical challenges. "It's more difficult to herd cats when they're all over the state, country, or globe."

As Stokes points out, time-honored pedagogical methods often do not hold in an online format. For example, in the

"The online process mirrors the way well-run, globally distributed businesses operate. Today's employees are expected to communicate and collaborate online and keep their projects and ideas alive even when they're not face-to-face with colleagues."



absence of body language, professors must learn to be aware of the tone they use in online discussions. Professors must, in essence, re-learn how to present material, pace content delivery, and foster collaboration in a virtual classroom.

The online format also accelerates the pace of a course, which places much different demands on a professor, emphasizes Spinella. Like UMSL's online MBA, Fuqua's two-year Cross-Continent MBA combines online interactions with ten weeks of face-to-face learning at its campuses in the U.S. and Germany. The flexibility inherent to this format appeals to busy executives, but presents a challenge to faculty members who must create a sense of community and common goals among students scattered across the globe.

"Not everyone is well-suited to this style of teaching. You can't necessarily take someone who has great classroom skills and expect that this person will instantly know the parameters, both physically and intellectually, of teaching from a distance in an online environment," says Spinella. "One of the challenges that I think all schools are up against in this area lies in teaching the teachers."

Better Than the Average MBA?

Educators aren't the only ones being transformed by the demands of e-learning; the students emerging from accredited e-learning programs also are adapting to a new learning environment. Blended learning attracts students who enjoy the accelerated nature of an online learning format and often push the pace of the course to learn what they need more quickly.

"After our first cohort went through the program, it became clear to everyone that this format had attracted stronger candidates," says Durand. "It was a much different kind of student than our professors had been wringing their hands in fear over."

That's not to say that everyone who inquired about the program was a winner, he admits. "We received some calls from students who were looking for the quickest, easiest path to an MBA. But once they found out that the program included 52 percent face-to-face learning, they dropped it. The market quickly sorted itself out. In our experience, our

online MBA draws a group of students that is more committed, more experienced, more capable, more savvy—and more demanding."

Spinella of Fuqua's Cross-Continent program also has seen the students' need for "instant gratification" at work. "I call them 'application junkies,'" she says. "They're the kind of people who don't want to delay the pleasure of using their newfound knowledge.

They want to learn something today and test it in the workplace tomorrow."

In the end, she believes the blending of online education and traditional classroom models parallels the new landscape of business that managers must inhabit. "The online process mirrors the way well-run, globally distributed businesses operate. Today's employees are expected to communicate and collaborate online and keep their projects and ideas alive even when they're not face-to-face with colleagues. They know how to work with geographically distributed teams among people from different cultures, working nontraditional hours." In some ways, students who emerge from blended learning environments are better prepared for these realities, she adds.

Rosenfield of UNext/Cardean University agrees, noting that higher education institutions worldwide will see advancements via e-learning such as they have not experienced before. "The real power of technology-based education is that it will be transformative and profound in every modality," he says. "If we look forward five or ten years, we'll find the hybridization of education on campuses all over the world, at all levels. It won't denude the power of those institutions—it will make them richer."

As the number of nontraditional students climbs, their demand for flexibility, accessibility, and connectivity may soon define what universities must offer to remain competitive. What seems to be emerging is an environment where students can have it both ways: They can enjoy the freedom of online education while reaping the benefits of face-to-face learning. Now, more educators, administrators, and students realize that it's no longer a question of whether or not Internet-based technologies will affect education. The real question is how far it will go. **Z**

Bankrolling the Business School

A business school's best friends often are its top alumni, who are committed to its success and deeply involved in its special projects. Identifying them and keeping them interested are two of the keys to successful fund raising.

by **Sharon Shinn**

illustrations by Sally Wern Comport

Individuals try to avoid asking their friends for money, but institutions make a habit of it. Colleges of business know that the people most likely to contribute to their causes are the people who truly care about their schools: alumni and other donors who feel a deep connection with the institution.

“Business schools must understand that major gift development depends on the long-term relationships developed with key alumni,” says Donald Gray, vice president of the University of Wisconsin Foundation in Madison, Wisconsin. “It is equally important to realize that these relationships take time, energy, commitment, and patience by the dean, the faculty, and the development officer.”

Development officers and fund-raising professionals emphasize that, to successfully raise money, business schools must identify potential donors, understand the donors' areas of interest, and keep these donors deeply involved in the life of the school. Then, when capital campaigns are organized, both individual and corporate donors will be willing to continue to support the school, both in its ongoing needs and its special events.



Who Will Give?

Identifying likely donors is the first step in creating a successful fund-raising campaign, but schools must make sure they cast their nets wide enough, according to Bob Zimmerman of Zimmerman Lehman, an organization based in San Francisco, California, that raises money for nonprofits. “The most important thing is to diversify your fund-raising base and pursue as many potential sources as possible,” he says. “On the grant side, go after foundations and corporations and government agencies, as well as religious donors. On the individual side, go after all the individuals who make sense. That’s most obviously alums, but it would also include families of current students, friends of current students, and friends, relatives, and colleagues of the members of the board of trustees.

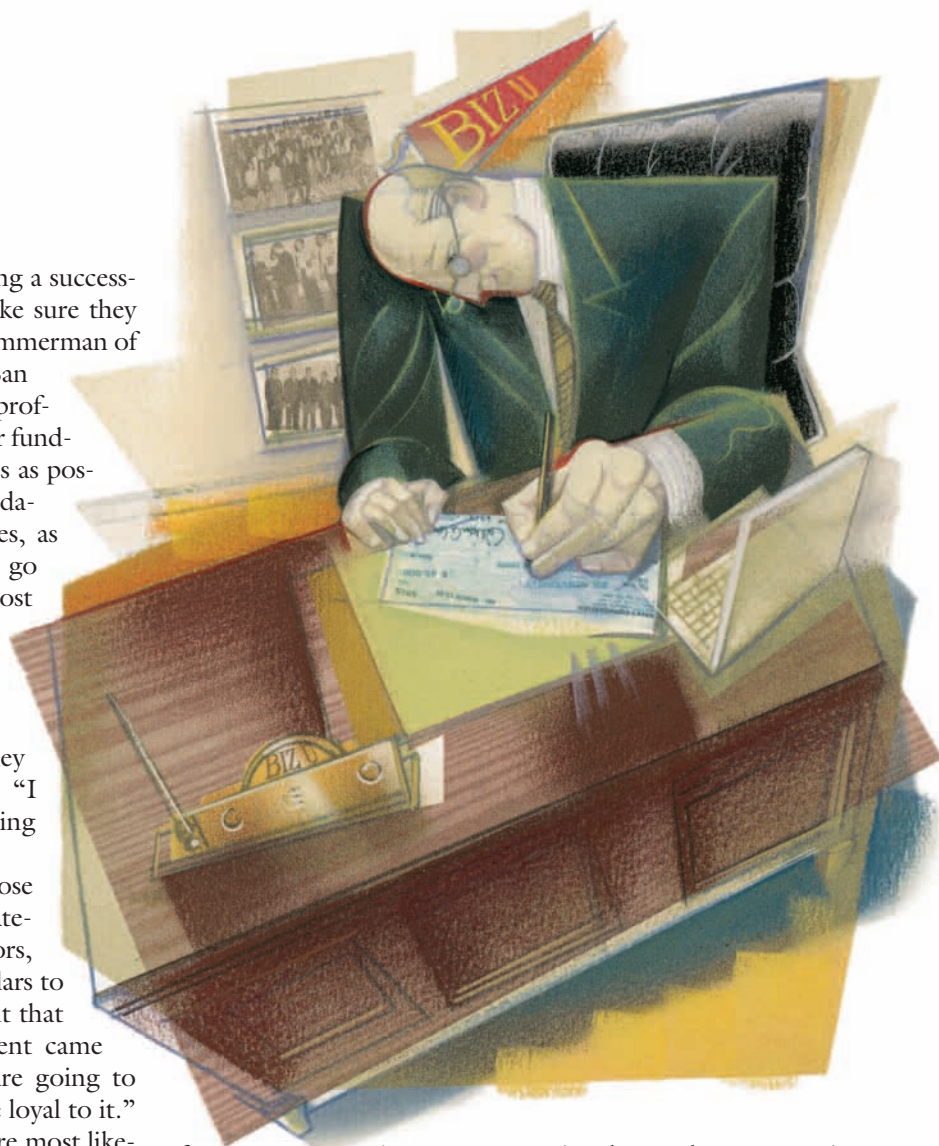
“It’s the rare nonprofit that is raising money from everyone who is appropriate,” he adds. “I don’t mean going after strangers. I mean turning over rocks in your own back yard.”

A great deal of money can be found under those rocks, he says. “Last year in this country—privately—foundations, corporations, religious donors, and individuals gave more than \$200 billion dollars to nonprofit organizations. What’s important about that prodigious amount of money is that 90 percent came from individuals. Ultimately the people who are going to sustain any nonprofit are the individuals who are loyal to it.”

For business schools, those loyal individuals are most likely to be alumni. “Most of our major successes come either from individuals or from corporations that have a prominent alum as a corporate officer,” says Gray.

Professionals in development offices make it a point to track alumni who might have the interest and the resources that would turn them into major donors. “People do give money if they’ve had a good experience when they were students or they have a good experience once they’re an alum,” says Karen Margo, senior director of development at Washington University’s Olin School of Business in St. Louis, Missouri. “You have to be a little savvy to figure out which of those people with good experiences are going to be in a position to help you out. You might try tracking the top 300 graduates, for example, because you can’t know everybody.”

Margo also monitors the pool of alumni by working with an alumni board, participating in an alumni awards program, and featuring alumni in a school magazine. “As someone who works in the development office, I am always looking



for ways we can give our prospective donor alums some visibility,” Margo says. She might also work outside of the Olin School—within the larger context of Washington University—if she thinks there is a connection to be made between the school and the potential donor.

She also makes it a point to understand why—and what—the potential donor might be interested in giving. “If you don’t know your prospect pool, it’s really hard to second-guess from the outside what people might be interested in,” says Margo. “You might give them a formal proposal about a new building, but you find out later that they’d rather help find scholarships.”

To avoid making that kind of mistake, advises Zimmerman, a development office should do some legwork on the donor it’s about to approach. “Colleges have to do a good job of research so they know that the X Foundation is interested in science labs and the Y Foundation is interested in scholarships,” he says. “They need to target—and they need to use the language that the funder wants to hear. If a foundation uses the word ‘empowerment’ 83 times in its

“Building an endowment is increasingly seen as fundamental to the future of the school. Major donors, be they individual or corporate, are interested in the long-term investment in the school’s future.”

—Shelley Nason, director of fund raising, London Business School

annual report, it’s probably not a bad idea for you to use the word ‘empowerment’ in the letter you send to the foundation. What I tell my clients is: What you have to say about your organization doesn’t matter. At all. What the donor *wants to hear* about your organization is what matters.”

The Corporate Connection

While individual donors may be responsible for many of the major gifts, corporate donors are not to be overlooked. The London Business School recently received a gift of nearly \$3 million from Adecco to endow a chair in business and society. “Building an endowment is increasingly seen as fundamental to the future of the school,” says Shelley Nason, director of fund raising. “Major donors, be they individual or corporate, are interested in the long-term investment in the school’s future.”

Corporations are most likely to support a business school when they perceive “an alignment of incentives,” she adds. “They can see, for instance, that it is valuable to them to support pure research where the outcomes influence policy or practice in their industries.”

Corporations also want strong ties to business schools where they plan to recruit heavily, and they know that donations to scholarship funds and prizes raise their profile on campus. At London Business School, corporations that donate significant amounts of money are linked to stewardship managers within the development office who help them

interact with faculty members or arrange student events. “Sometimes, but not always, we can offer them priority recruitment slots as well,” says Nason. “We try to make every opportunity available to our corporate partners to participate meaningfully in the life and work of the school community.”

Corporations also tend to donate to business schools because they realize it’s a two-way street, says Margo of the Olin School. Corporate donations that help fund an executive education center, for instance, give local executives a place to improve their managerial skills and bring fresh insights back to the office. “An executive education program gives companies a tool in their own backyards to help with their executive retention,” says Margo. “The benefits really accrue, and companies understand that.”

The Ties That Bind

Whether the donor is a corporation or an individual, says Margo, “we focus on building long-term relationships that could make a difference in a variety of ways. We look for people or companies who could either open up doors for students in terms of jobs, or who could contribute financially.” The crucial phrase here is *long-term relationship*, since all fund-raisers must work to keep the donor committed to the school on an ongoing basis.

“It’s all about cultivation,” says Zimmerman. “The thank-you letter you send with the first gift is the first step in getting the second gift. Here in San Francisco, the people at the

Assuring Success

Planning and careful organization are the keys to a successful fund-raising campaign, notes Don Gray, who recently oversaw a \$7 million fund-raising effort for the Fluno Center for Executive Education at the University of Wisconsin-Madison. “All major projects require that the dean and foundation approve,” he says. “Our development directors are not supposed to work on these projects unless they are officially approved as a priority by the dean, and there is a sufficient pool of potential major givers to assure success. We don’t announce the project until we are fairly certain it will come to fruition.”

Even so, if stakeholders don’t understand why the project is important, it might face an uphill battle, says Gray. “You need to make certain the case for support fits well into the mission, vision, and values of the institution, and that there is a reasonable expectation of success.”

Fund-raising projects still can be hampered by

“unreasonable expectations of campus personnel,” Gray says. “This can be avoided by training deans and department chairs in all aspects of the development process before the drive begins.” Another potential problem is a lack of enough potential major donors to fill out the “gift pyramid.” Gray says, “This situation can be averted by constructing the pyramid and making sure you have ample potential givers, assuming a success rate of one for every three prospects. The department interested in the project must work with us to identify major potential donors and help make these gifts happen.”

“Major projects are successful only if the school identifies and works with major givers,” Gray concludes. “Your officers, your dean, and your faculty must ‘think big’ and become knowledgeable and sophisticated on the processes of major gift development. In essence, those are the keys to success.”

"Keep in mind that 90 percent of the money comes from ten percent of the donors."

—Bob Zimmerman, Zimmerman Lehman, San Francisco

San Francisco SPCA are the best fund-raisers in the city. They send out a magazine called *Our Animals* that features pictures of their kittens and puppies. They invite people to come to their events. Sometimes they ask for money, and sometimes they don't. But they make you feel as if you're part of their family. Well, that's what fund raising is about."

Thank-you notes and publications about the college are two ways to remind donors of a school's existence. But to create deep, long-lasting relationships between the business school and the benefactors, business school fund-raising professionals must make donors feel as if they are truly a part of the life of the school.

"You have to connect them with the school in meaningful ways," says Margo. "You can't just develop relationships by going out to lunch." At the Olin School, some of those relationships are developed by asking donors to participate in strategic planning committees. Donors who give a thousand dollars or more are invited to attend special events such as seminars and receptions held around the country. The school also plans a luncheon for these donors so that dean Stuart Greenbaum can share his vision and personally interact with these friends of the university.

"We look for ways to get our dean in front of prospective donors, because he's very involved in that," says Margo. "We give him a forum where he can explain his vision of the school and have direct communication with the donors."

Other relationships are developed in more unusual ways. "A great way to connect with people is by borrowing something from them—a corporate jet, for instance," says Margo. "Or we borrow their houses to hold a reception. At the end of the event, they feel closer to the institution."

Both the Olin School and the London Business School strive to make connections between benefactors who donate scholarship money and the students who receive the money. London Business School sponsors a reception where the donors and the students can interact; Olin has a dinner that brings scholars and supporters together. At Washington University, the program has been in effect so long that alumni who received such scholarships as students now are beginning to come back as sponsors.

"We always make them the dinner speakers that night," Margo says. "It's a very successful and heartwarming program that makes those emotional connections with donors. It helps build a bridge between donors and the school so they feel as if they're on the inside of the school."

Special Projects

While schools of business are always involved in fund-raising efforts to cover capital expenses, often they find themselves

planning a capital campaign for a new building or new initiative. In that case, one of the challenges is making sure they don't steal money from ongoing efforts to fund the new campaign.

The difference between the two efforts is primarily a matter of gift level, says Gray of the University of Wisconsin Foundation. "Nearly all major projects concentrate on a few potential major givers who are already deeply committed and with whom we've been working for years. For the annual, ongoing support we rely on large numbers of annual gifts with the occasional larger gift of between \$25,000 to \$50,000. Most of the gifts that make up our continuing sup-

Class Act

One way to accustom alumni to the idea of gift-giving is to start them thinking about the idea while they're still in school. In 1983, Washington University's Olin School of Business started the practice of pledge campaigns for graduating classes, and it has successfully continued the program ever since. Last May, 100 percent of the EMBA's, 73 percent of the MBA's, and 34 percent of the BSBA's pledged gifts to the school for a total of about \$200,000. Faculty and staff advisors identify student leaders a year before graduation and ask them to organize a pledge committee for their class.

"It gives us an opportunity to educate them that each alumni generation helps the next class. Many of them realize that if they give back, the value of their degrees will continue to go up as the school continues to get better. That's how we get them started, and then giving becomes a habit," says the school's Karen Margo.

A similar class gift program has been in place for five years at the London Business School. "It makes sense to us that we take advantage of the fact that we have this very warm, involved group that is still a part of the campus community," says Shelley Nason. "A class gift gives them an opportunity to make an early investment in the school."

At LBS, the class gift generally goes to support a specific gift for the school, although last year's gift went directly to building the endowment. "The class gift committee works with senior staff and faculty to come up with a gift opportunity that will be inspiring to the majority of students and serve the needs of the institution," says Nason. The committee chooses three



potential projects, and the graduating students—the full-time MBAs, the part-time EMBA's, the students in one-year programs, and the masters in finance—all get a chance to cast their votes. "It becomes quite competitive. The students look back to what was given the year before and try to find something that's bigger and better. They might try to find a project for which they can get matching funds. It's a project they find fun and challenging, and it opens lots of opportunities for connections with each other," says Nason.

In addition, the LBS development office plans reunion fund-raising efforts every year, approaching graduates in their fifth, tenth, 20th, or 25th year out of school. "We usually can manage about four reunion projects a year," says Nason. "As with the class gift project, we encourage donors to make a special commitment."

port come from gifts of \$5,000 or less."

While the annual budget gets spent every year, and thus has to be re-raised every year, ongoing programs and regular donors usually can be counted on to provide those funds. It's the special projects that require more careful handling. "Whenever we make asks for a special campaign, we have a double ask; and we make sure part of that includes asking the donor to continue or step up his annual gift," says Margo. "We have tried to educate donors about the value and power of an unrestricted gift and what it can do for a dean now, this year. And then we say, 'In addition, will you also consider a gift to create an endowment or build this facility?'"

"My feeling about special campaigns is that, in the short run, they will rob money from the operating expenses, but in the long run, they'll help," says Zimmerman. "Special projects can be very sexy. They can bring in people who haven't given before. Once these people give to a special project or have a plaque put up on the wall with their names on it, you can include them in the regular pool of donors and start soliciting them on a regular basis. You might lose something in the short run, but ultimately the one hand washes the other."

Like Margo, Zimmerman advocates asking for a special contribution on top of the annual donation. "Look at environmental organizations that have memberships," he says. "They will ask their members to renew their memberships. However, during the year, they will also send out announcements about special projects they're initiating. All kinds of nonprofits, including colleges, are paranoid about going after the donors too often, but that's one thing I don't worry about. It's not a question of how often you go after donors. It's a question of whether you're cultivating them in other ways to make them feel they're part of the family. If you're doing that, then there's nothing wrong with approaching them a few different ways a few different times a year. Keep in mind that 90 percent of the money comes from ten percent of the donors."

Yet, even that ten percent will age or fall away as the years pass. It's important always to keep potential new donors in the pipeline, notes Margo—recent graduates without much spare money may become major benefactors in the future as their circumstances improve. Colleges must always be aware of these alumni, as well as other friends of the university who are passionately committed to schools of business—and willing to donate money to help them thrive. **Z**





Risk is a fact of life, and risk management is a fact of business. Worldwide, organizations in both the private and public sectors are beginning to adopt a holistic, integrated system of enterprise risk management — but some colleges and universities have been slow to adopt this new paradigm.

BUSINESS

by **Tim J. Leech**
illustration by Paine Proffitt

Risky

Everybody faces some degree of danger and risk. The key for most of us is learning to identify the risks we might encounter and deciding what we should do to mitigate them. Individuals practice risk management through insuring their property and planning ahead for various contingencies. Corporations develop complex strategies that allow them to protect their capital and prevent disasters.

An area that's skyrocketed in popularity
in the past two years is

“integrated enterprise risk management”

— the notion that a business entity needs
to manage all kinds of risk holistically.

Historically, business approaches to risk management have been largely “silo-based.” That is, assurance specialists such as internal auditors, environmental analysts, safety officers, and others assessed risks within their own specialty field, without looking at the total universe of risks to the business entity as a whole. However, these traditional forms of risk management and assurance haven't worked very well. Many major global studies are concluding that these silo-based approaches no longer can address the complexity and speed of change in today's environment.

Today, the term risk management is more and more often used generically to mean identifying and assessing *any* situation or circumstance that could have a negative impact on the achievement of business objectives. An area that's skyrocketed in popularity in the past two years is “integrated enterprise risk management”—the notion that a business entity needs to manage all kinds of risk holistically.

Extensive research supports the concept of this new risk management paradigm. For instance, McKinsey & Co. has published research indicating that organizations that operate from an enterprise risk perspective, as opposed to a traditional, silo-based perspective, are likely to have higher price earnings ratios and higher share prices. Towers Perrin has done similar studies that show better risk management results in lower earnings volatility, which can result in higher share value.

Backed by the Banks

To a large extent, the enterprise risk movement today is being led by changes occurring in financial institutions worldwide, where a massive reorganization is under way. In the past, regulators have required banks to maintain certain levels of reserve capital. In the future, banks will have to conform to new guidance that is being established by the Basel Committee on Banking Supervisions, which comprises supervisory banking authorities from many European countries and the United States.

This committee has recently finalized the Basel Capital Accord II, which specifies radical new approaches to supervisory oversight and capital reserve requirements. Now banks will need to look at credit and market risk as well as “operational risks”—that is, all forms of risk. System interruptions, rogue traders, a decline in the customer base, regulatory irregularity, or errors in processing credit card transactions all will have to be considered as potential risks. Banks that do not implement holistic, enterprisewide risk management systems will receive a negative “fitness score” that may require them to make adjustments in the amount of capital they reserve. Literally trillions of dollars will be on the line.

Along with banks, utility companies of all types are

expected to begin adopting enterprise risk approaches. Utilities are attempting to move from a sleepy, regulatory, monopolistic culture to an environment where they can compete in an open market. To do so, they need massive and rapid changes in the way they behave and think.

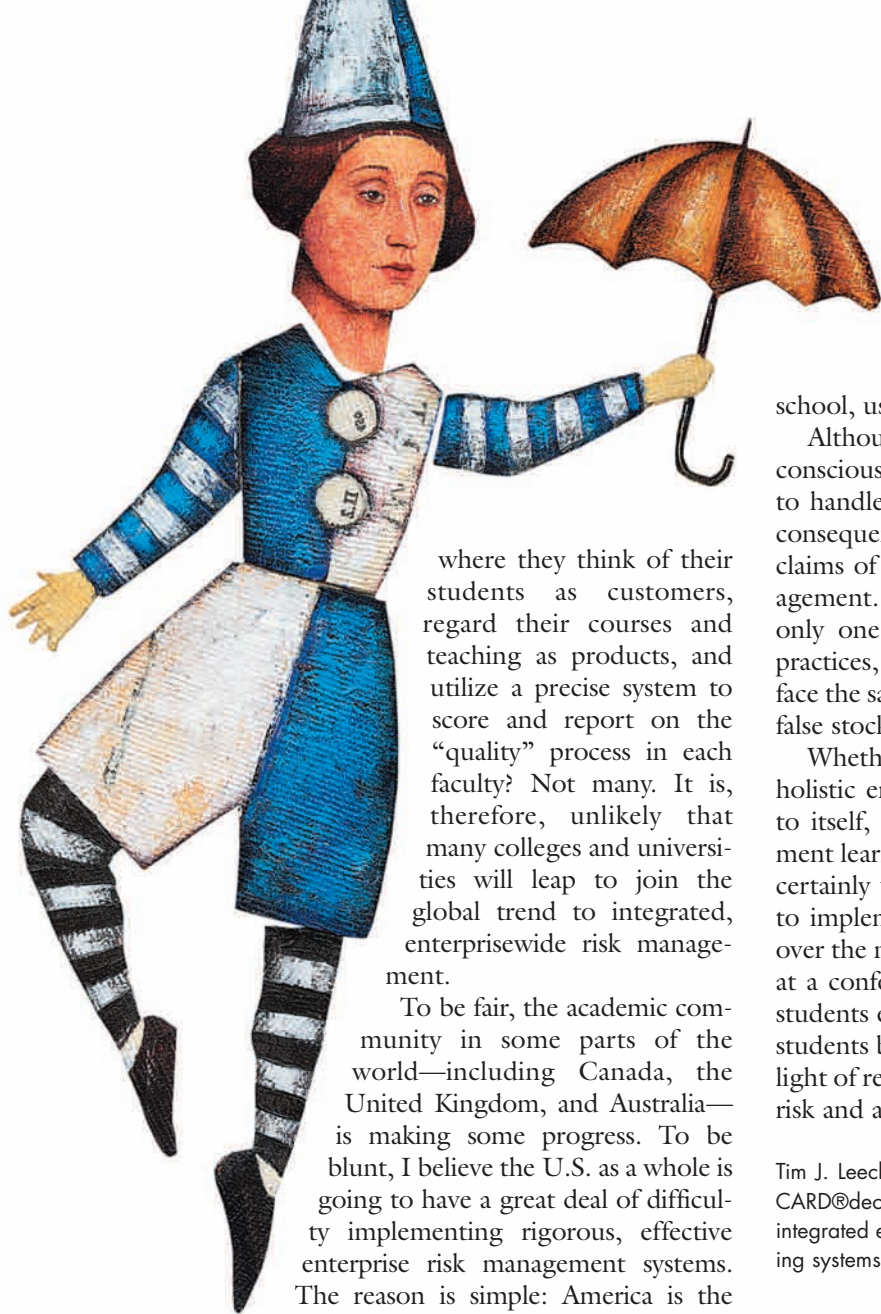
Where Are the Business Schools?

In contrast to the activity in other sectors, business schools and the entire academic community appear to have their heads in the sand when it comes to understanding, implementing, and teaching enterprisewide risk management. Very few professors currently specialize in the field of holistic enterprise risk management, so the topic is being taught by very few faculties.

Most of the current research studies on enterprise risk management have been driven by consultant firms, professional accounting associations, or internal auditors, rather than by the academic community. In fact, academics globally appear to have vigorously resisted the notion of applying holistic risk and control management to their own work. With the possible exceptions of legal and public accounting firms, no other sector has been so opposed.

For example, how many colleges and universities are ISO-certified, meeting quality system standards set by the International Organization for Standardization? The percentage would be miniscule. How many colleges and universities utilize systems such as the Baldrige quality system,





where they think of their students as customers, regard their courses and teaching as products, and utilize a precise system to score and report on the “quality” process in each faculty? Not many. It is, therefore, unlikely that many colleges and universities will leap to join the global trend to integrated, enterprisewide risk management.

To be fair, the academic community in some parts of the world—including Canada, the United Kingdom, and Australia—is making some progress. To be blunt, I believe the U.S. as a whole is going to have a great deal of difficulty implementing rigorous, effective enterprise risk management systems.

The reason is simple: America is the most litigious culture in the world. Good risk management means making conscious decisions on risk acceptance. Conscious decisions mean documented decisions. Documented means discoverable; discoverable means that, when you guess wrong, evidence is available that proves you understood the possible consequences of your decision—a key element in many court cases.

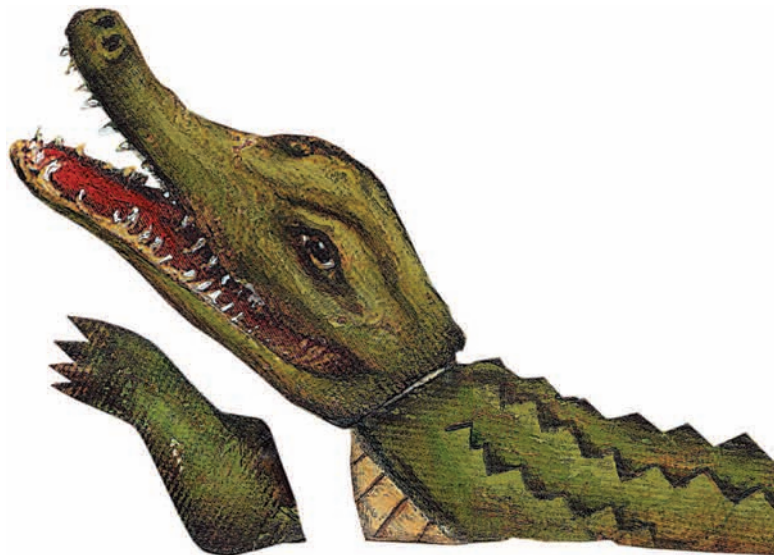
Let me give you a raw example. Say you teach at a business school where decent data leads you to conclude that 20 percent of your students are cheating, but your school decides formally not to put any more resources toward solving the problem. You have an MBA student who becomes aware that the university has accepted this number of cheaters—and this student fails. Now, if the school has practiced formalized risk management, there will be documentation that shows the faculty consciously considered its percentage of cheaters, understood what it meant to honest students, and accepted the risk. This failed student uses the documentation as part of a class action suit against the business

school, using a contingency fee legal firm.

Although it is important for business schools to think consciously about such risks and make decisions about how to handle them, there are consequences. In the U.S., such consequences argue in favor of approaches that support claims of “plausible deniability” on the part of senior management. Unfortunately, the academic community is not the only one that faces deterrents to good risk management practices, particularly in the U.S. All sectors of the economy face the same deterrents, leading to vulnerability to terrorists, false stock market disclosure, and other topical events.

Whether or not the academic community decides to apply holistic enterprise risk and assurance management practices to itself, business schools should address the risk management learning needs of their students. Those students almost certainly will be joining organizations that will be expected to implement some form of holistic enterprise risk systems over the next decade. As I recently told a group of professors at a conference in Toronto, if business schools don’t teach students enterprise risk management, they are harming their students by teaching antiquated concepts and approaches. In light of recent events, the importance of better approaches to risk and assurance has never been greater. **Z**

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Technology

■ Setting the Standards for E-Learning

E-learning technology has come a long way, but its potential has barely been tapped, say e-learning platform providers. For e-learning to reach its full potential, it must be standardized so that educational content can be moved easily between different platforms. Over the next decade, such standardization promises to be the most significant development in online education.

“The biggest changes in e-learning will be the adoption and proliferation of standards in the e-learning industry,” says Will Chatham, product manager of e-learning at SAP Labs Inc., an e-business software company headquartered in Walldorf, Germany. Once universally recognized standards are in place, he notes, students and faculty will enjoy “a seamless integration of e-learning activities” even when using products from a variety of sources.

Recent articles in *University Business* (February 2001) and *The Chronicle of Higher Education* (May 24, 2002) explore these potential advancements. The articles note that the future of e-learning lies not in fully formed online courses, but in digital course “chunks” that can be mixed, matched, and accessed by students and professors independent of source or platform. Once standards in data format and programming are set, educational content such as published textbooks and case studies will be universally compatible.

In fact, the standardization movement has already begun. E-learning companies are working with governing bodies such as the Advanced Distributed Learning (ADL) initiative of the U.S. Department of Defense, the IMS Global Learning

Consortium founded by Educause, and others. Both ADL and IMS were created to serve as a forum for government, business, and academia to collaborate in setting present and future standards for e-learning technologies. The set of standards gaining most prominence is the Sharable Content Object Reference Model (SCORM), developed by ADL. SCORM represents a blend of recommendations from a variety of organizations, corporations, and educational institutions. Many companies already are following its lead in the development of their e-learning products.

As one of the largest end users of the technology, government will play a key role in standardization. Institutional demand will also be a driving force in the process. “The standards will be set collaboratively,” says Matthew Pittinsky, chairman and co-founder of Blackboard in Washington, D.C. More than anything, he adds, schools want compatibility between course management systems and specialized tools, such as administrative programs or a virtual biology lab, for example.

The more faculty use e-learning platforms, the more they want

objects and administrative functions. That kind of interactivity, too, is already becoming reality, says Kristi Emerson, public relations manager for e-learning platform provider eCollege. “Adding and editing content is now much easier than it was in the early days,” she says. “Faculty can author content with only a few clicks, without any knowledge of technical Web page design.”

The major platform providers are striving to jump ahead of the e-learning curve, anticipating what higher education institutions will demand one, five, even ten years from now. For example, eCollege AU (“About You”) is that company’s step toward greater customization of the learning process to individual students, including support services for blind, deaf, and mobility-impaired users. It provides options for sequential or categorical organization of materials; and links within materials direct different students to different areas, depending on their educational needs.

For its part, Blackboard is building into its next release a function called Building Blocks that will be compatible with a variety of outside information sources such as Lexis-Nexis or Harvard Business School case studies. Lesson Units will allow faculty to sequence information across documents, quizzes, and discussion boards differently, depending on the needs of the student user.

Similarly, the “Selective Release”

WIRED FOR INTELLIGENCE

San Pedro Garza, Mexico, has become the region’s first “intelligent city.” The BBC reports that government offices, educational institutions, and 29,000 homes will be connected via fiber optic cable to telephone, television, and Internet services. For those who cannot access the network at home, 20 “cyber-kiosks” will be available for training and access.

The following Web sites offer more information about setting e-learning standards:

Advanced Distributed Learning, www.adlnet.org

IMS Global Learning Consortium,

www.imsproject.org

Aviation Industry Computer-Based Training

Committee, www.aicc.org

The Learning Standards Committee of the Institute of Electrical and Electronics Engineers,

www.ieee.org

increased interactivity between course

THE LEARNTRAC SOFTWARE, WHICH WORKS ON PALM PILOT HANDHELD COMPUTERS, ALLOWS STUDENTS TO RESPOND TO THEIR PROFESSORS WIRELESSLY IN THE CLASSROOM, WITHOUT SAYING A WORD.



feature within WebCT Vista from WebCT, Vancouver, British Columbia, allows students to progress through a course based on their mastery of the material: A student who achieves a certain score on a quiz will move to one set of content, while a student who does not achieve that score will move to another for assistance.

The efforts toward standardization bring software providers one step closer to the “holy grail” of e-learning: individualized learning experiences in which the software selects materials and paces course speeds according to the needs of each student. The next incarnation of e-learning software promises to offer a more holistic way of presenting e-learning than was prevalent in the past, explains Karen Gage, WebCT’s vice president and director of marketing.

“We have to go beyond thinking about e-learning as a way of supporting individual online courses controlled and delivered independently by instructors, to thinking about e-learning as an institutional framework for delivering comprehensive educations to students,” says Gage. The technology will make valuable information readily available to professors. Access not only to students’ grades, but also to their level of participation in online discussions and their areas of weakness in the materials will allow professors to better gauge how well students are succeeding and to identify at-risk students more easily.

School administrators will need to think ahead, advises Gage, to plan policy that will make the succession of e-learning capabilities easier to integrate into their systems. “What hardware will you need to run these systems? How many machines will you

need? How will they integrate with your other systems? Who will have access to what parts of the system? These are policy decisions that must be made now, because of the number of options that are available now and will be available in the future.”

“To believe that the sum product of the Internet and e-learning has already been invented would be naïve,” says Pittinsky of Blackboard. “Most of the interesting capabilities of e-learning have yet to be invented, because clients still need to point out what those needs are.”

Handhelds Come to Campus

Many business students use handheld computers, but now business schools are starting to get into the act. Last year, the Bryan School of Business and Economics at The University of North Carolina at Greensboro partnered with eLearning Dynamics of Washington, D.C., to bring the LearnTrac software application to its campus.

The software, which works on Palm Pilot handheld computers, allows students to respond to their professors wirelessly in the classroom, without saying a word. To test the program, Palm Inc. provided 40 handheld computers for use in the first class. Each electronic response is sent directly to a central personal computer, allowing a professor to track each student’s progress in real-time. During a quiz, for example, professors know how each student responded to a question, as well as what percentage of the class answered the question correctly.


“LearnTrac will replace many of the things we do and help us to do some things differently,” says Don Sowers, a professor at the Bryan

School. “As educators, we are really trying to teach and engage our students in the learning process. This is a tool to help us do that job better. With this system, I know instantly how well students are learning the material.”

Students also appreciate the instant feedback they get when using the Palm devices, says junior Cindy Swaim. “Based on my response, I can instantly see where I am versus others in my class. Even if I don’t raise my hand, our professor knows if I’m having trouble.”

LearnTrac is based on technology that has been used previously by cable and television networks to poll viewers, gathering information to make programming decisions. The technology also has been used by government to assess voter opinions. When Chase Weir, co-founder of eLearning Dynamics and a graduate of the Bryan School, offered the Pilot project to the business school, dean James K. Weeks jumped at the chance.

“This advancement is a home-grown startup that combines our educational assets with technology,” Weeks said. “It builds our strengths and our mission to prepare students to perform successfully as business professionals and enhance their education through high-quality teaching and technology.”

LearnTrac is scheduled to be available to schools in late 2002. 

Quinnipiac Set to Build New Tech Center

Bookshelf

Everyday Heroes

Joseph L. Badaracco Jr.'s new book, *Leading Quietly*, is subtitled *An Unorthodox Guide to Doing the Right Thing*. This proves to be an apt title for an unusual book that follows ordinary people who negotiate the difficult and morally ambiguous territory of the modern workplace. Badaracco's main premise is that the high-profile heroism of whistle-blowers and ethical crusaders is misplaced—or certainly overvalued—in the real world, and that managers who deal carefully and efficiently with everyday problems practice an even more valuable brand of leadership.

Badaracco walks the reader through various situations that occurred to actual people and details the unsentimental and practical ways that they dealt with their problems. The new hospital CEO doesn't fire the high-ranking executive accused of sexual harassment; instead, she induces him to resign and take a generous severance package. The salesman trying to cut a deal with his best client figures out a way to work around company rules. The bank manager stalls with creative roadblocks when his superiors push him to clean house quickly at his new post, hoping to save the jobs of employees who might be worthwhile. None of these strategies is particularly heroic, Badaracco admits—but all of them help keep companies functioning smoothly while allowing middle managers and top executives to secure their jobs.

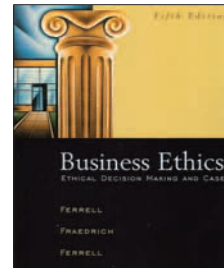
If the tactics are unglamorous, that's because Badaracco is a realist. He acknowledges that people's

motives are often mixed, even when they're doing a good deed like exposing a company's unethical practices. He notes that just knowing the difference between right and wrong is not enough to motivate most of us to act: "Before beginning the difficult effort to change the world, even in a small way, men and women must assess how much they care. ... The critical question is whether someone takes a problem personally enough to act, persist, endure, and soldier on." He explains how important it is for individual players to be able to assess their own political capital within an organization—and when they are wise to spend or hoard it.

The book is an interesting read, not just because its tenets and examples are so unexpected, but because Badaracco peppers the text with quotes from everyone from Machiavelli to Arthur Miller. And while some of his conclusions might be surprising, most of the dramas he recreates will be familiar to anyone who's ever held a managerial position—and wondered if he handled a sticky situation as well as he could have. If he acted behind the scenes with quiet determination, it's very possible that, by Badaracco's standards, he did. (Harvard Business Press, \$25.95)

Ethical Dilemmas

Just as the Enron scandal has caused businesses large and small to re-examine their own ethical standards, Houghton Mifflin has helped business school professors to bring the topic into the classroom by issuing the fifth edition of *Business Ethics: Ethical Decision Making and Cases* by O.C. Ferrell, John Fraedrich, and Linda Ferrell. This detailed, dispassionate



look at what constitutes an ethical business climate is neither preachy nor judgmental.

It merely lays out situations that can cause trouble for organizations and encourages students, managers, and CEOs to think through the implications of their decisions.

The authors trace the history of the study of business ethics from the '60s through the early 21st century and note how changing consumer attitudes have affected social responsibility for corporations. They also discuss various types of moral codes and how they might be applied in personal and business situations. Each chapter begins and ends with a situation in which a manager or employee is faced with a difficult choice. No easy answers are given, but readers are left to ponder what the best decision might be and how various factors might influence that decision.

This thoughtful book does not boil down ethical situations to simple questions of right and wrong. "The study of business ethics does not mean simply moralizing about what should or should not be done in a particular situation," the authors write. "Rather, it systematically links the concepts of ethical responsibility and decision making within the organization. ... The current trend is away from legally based ethical initiatives in organizations to cultural or integrity-based initiatives that make ethics a part of core organizational values."

Readers who are business owners might want to consult the appendices, which contain the codes of ethics posted by real companies and organizations. The most comprehen-



**TODAY MARKETING IS STEPPING INTO "THE AGE OF TOTAL ACCESS,"
IN WHICH CUSTOMERS CAN FIND OUT ABOUT ANY PRODUCT, AT ANY TIME, FROM ANY PLACE.
NOT ONLY THAT, THEY CAN EXPRESS THEIR OPINIONS ABOUT IT AND ASK FOR CUSTOMIZED MODIFICATIONS.**

sive is from Lockheed Martin, which includes a section telling employees that they're on "thin ethical ice" when they hear sentences such as "No one will ever know" and "Shred that document." The volume is intended as a textbook, but it can serve as a primer for anyone in business who ever wondered whether he was always doing the right thing. (Houghton Mifflin, \$51.96)

Modern Marketing

In the early days of mass production, marketing entered "the age of reach," when companies concentrated on informing customers about the availability of their products. In the days of mass communication, marketing entered "the age of push," when companies fought to establish identity and engender in their consumers a desire for their specific brands. Today marketing is stepping into "The Age of Total Access," in which customers can find out about any product, at any time, from any place. Not only that, they can express their opinions about it and ask for customized modifications. Marketers haven't quite caught up with the possibilities of technology in this new, completely networked world, but they're going to have to figure out the parameters pretty soon.

So says Regis McKenna in *Total Access*, which looks at how technology is changing not only the retail experience but the entire process of communicating with customers. While wary of predicting exactly how commerce will change in the next 25 years, Regis believes "that marketing will become increasingly more integrated into the network. As a result, it will turn into a *direct* dialogue between the consumer and the producer, and the producer

will need to respond directly to the competitive demands of the marketplace." Companies must understand how consumers use technology and adapt that technology to satisfy customer demand.

Consumers aren't just connected through the Internet and their PCs. As McKenna says, mobile phones, ATMs, PDAs—even automobiles—have become devices for connectivity.



Citing the global positioning satellites, CD technology, cell phone hookups, and flat screen televisions available in cars today, McKenna says, "the automobile is becoming a new form of medium." If customers can call up information even while they're driving to a vacation destination, and compare it to information available from limitless other sources, how can companies catch and hold their wandering, short attention?


It's a fascinating, dizzying look into the future of business—not an entirely reassuring view, perhaps, but one full of intriguing possibilities. (Harvard Business Press, \$27.50)

The Law Is on Your Side

Wrongful termination. Sexual harassment. Faulty products. All these and other situations can result in a lawsuit against a company. Managers coping with the everyday problems of running a business sometimes want to take care of the legal problems as quickly and efficiently as possible. Instead, argues George J. Siedel in *Using the Law for Competitive Advantage*, they should analyze what these legal situations say about customer dissatisfaction or

worker unrest and devise solutions that improve productivity, customer relations, and business strategy.

Siedel outlines a four-step Manager's Legal Plan that can help executives "not only better defend against costly and wasteful litigation but can actually turn your legal resources into competitive advantages." The four basic parts are: understand the law; react to legal problems through fight or flight; develop business strategies to prevent legal problems; and learn to reframe legal concerns as business concerns. He applies these four components to everything from workers' compensation claims to environmental litigation, dissecting actual and theoretical cases and how a company might benefit from a well-thought-out legal response.

The book is written in a lively, engaging style, with touches of humor that never detract from the seriousness of the topic. It is part of a management series produced by the University of Michigan Business School, developed after the school analyzed the results of a survey in which managers reported their most pressing business problems. This particular topic is certainly a major one: According to Siedel, "It is estimated that Fortune 500 executives spend 20 percent of their time on litigation-related matters." This book can help them turn that 20 percent of time into a productive way of redefining their businesses. (Jossey-Bass, \$25) 



Your Turn

by Jane Hughes

I Guilt and Pride

May 26, 2002—Graduation day at the Brandeis University Graduate School of International Economics and Finance (GSIEF). I sit on the platform with the other faculty members and watch as our newly-minted graduates stride across the stage. When my eyes light on these women graduates, I feel a peculiar mixture of pride and guilt—pride that they have progressed from anxious first-year students who didn't know a debit from a credit, to these confident graduates capable of demystifying a spreadsheet and deconstructing a business plan. And guilt because I know that I haven't really prepared them for what lies ahead.

The fact is that, along with everyone else, I sold them the myth: They will have a glorious professional career ahead, and it doesn't matter one iota that they are women rather than men. I told them nothing about the reality of detaching a screaming toddler from your legs so you can dash out the door, late again for the morning meeting; of the (male) co-workers whose idea of entertainment on a cross-country flight is rating the female flight attendants' secondary sexual characteristics; of the boss who threatens to fire you when you ask to work days, not nights; of the colleague who tells you how happy he is that *his* wife doesn't have to work; of the husband whose notion of sharing the burden is taking out the trash once a week (if he's in town); of the nanny who quits/tells you she's pregnant/feeds ice cream to your lactose-intolerant son—on the day of your board meeting.

The bottom line is this: Did we do a good job of preparing these women for their business careers?



Hughes and family

In some ways, absolutely. Their technical skills are superb, better than those of any generation ever to enter the business world. They have a deeper understanding of cost/benefit analysis, risk/return tradeoffs, cash flows, and business models than b-school graduates had just two decades ago. Their computer literacy is world-class. They can create financial derivatives that markets only dreamed of 20 years ago, and they can manipulate mind-numbingly complex computer models to value and trade them. Also, graduates of GSIEF—where more than 50 percent of our student body is not American and we focus intensely on global issues—are truly internationalized. They think nothing of jetting to Prague for spring break and would be equally at home working in London, Buenos Aires, or Singapore.

They present themselves well, too, moving with confidence and grace from their job interviews to the boardroom. Anxiety about speaking out in public is a special challenge in teaching women, since

many of us are conditioned to prefer being liked to winning a point. It is an even greater challenge for many of our foreign women students, from cultures where it is well-nigh unthinkable for a woman to speak out in public, let alone for her to challenge a man's point of view. So it is not at all unusual for a woman to hand in brilliant treatises on paper, yet sit in silence throughout every class session. (This is so prevalent among Asian women, in particular, that it is sometimes called the "Asian-woman syndrome.")

As one of a few full-time women faculty members at GSIEF, I take this challenge very seriously. I motivate women to speak out in class by, first of all, making one-third of their final grade contingent on classroom participation—that's the stick part of my strategy. When that doesn't work, I try the carrot; I call the woman into my office and have a long conversation with her. I ask, "What are your long-term goals?" Then, I tell her what it's like to be the only woman in a conference room full of men. I tell her how important it is for women to have the tools we need to *force* ourselves into a discussion, even when we sense that the men would rather not hear from us.

Often this approach works, and the difference between these women's demeanor in their first semester at GSIEF and their last is awe-inspiring. But sometimes it doesn't work; the woman is simply so intimidated and so conditioned that she cannot push herself to speak publicly even when she knows her grade and, ultimately, her career will suffer.

However, if we get an "A" for the technical and presentation skills of our women graduates, we get a "C" for the role models we give them.

“HOW MANY DADS DO YOU SEE DUCKING OUT OF BUSINESS MEETINGS TO CALL THE NANNY AND REMIND HER THAT CHARLOTTE WILL ONLY WEAR THE PURPLE-STRIPED LEOTARD TO GYMNASTICS? ”

Obviously, to a large extent we can only reflect the society in which we operate. In economics, business, and finance, full-time women faculty members are still a rarity. (Women faculty experience unique problems too. Students often expect a female professor to be more nurturing and forgiving than the male professors, and the students are angry when this stereotype falls apart. They often will try to get away with foolishness that they would not try with a man.) In 2000, only 12 of the 65 officers and directors at the prestigious National Bureau of Economic Research were women; the 13 “directors by university appointment” included just one woman.

Role models from the corporate world are even rarer still. Moreover, we sometimes have to be careful about the subtleties when we invite female CEOs to address our students. Male CEOs whose fathers or grandfathers founded their companies raise few eyebrows (just think Bill Ford). Female CEOs whose family name is also over the door are, no doubt, equally qualified and impressive. But they may send a more pernicious message to our student body, in which many women come from cultures like India, Pakistan, and the Philippines, where a woman’s primary path to power is still through a powerful father or husband.

Of course, we can only take our cues from the broader corporate world. As we all know, the number of women who have truly broken through the glass ceiling is still small, for a variety of reasons. One of the main reasons, though, is the one we don’t like to talk about: Women are not just short men—we have the babies, and they don’t.

And this is where I think we fail to

truly prepare our women graduates for what lies ahead. Honesty and realism would require me to say that it may always be harder for women than for men. Harder, of course, because prejudice and discrimination still linger, especially outside the U.S. It is still legal in most countries, for example, for a prospective employer to ask a job applicant about her marital status and whether she plans to have babies; this has long been taboo in the U.S. In Japan, where large companies often maintain a two-track employment system, a recent survey found that women accounted for only 2.2 percent of those on the management track, but a whopping 91 percent of those on the general or secretarial track.

Most of all, though, it’s harder because as most working mothers will tell you, having it all generally means trying to do it all. Studies show overwhelmingly that in dual working-parent households, the mother still does the lion’s share of housework and child care.

This is old news. What’s new, though, are studies also showing that the more successful a woman is at work—the more money she makes—the less likely she is to have a husband and children. (This brings us back to role models again. The popular press has lionized a few female CEOs in recent years, conveniently overlooking the fact that almost none of them are mothers and wives.) Even newer is medical knowledge telling us that it is extraordinarily difficult for a woman over 40 to conceive and deliver a healthy child; a woman’s fertility begins to decline at *age twenty-seven*. Women who assumed they could focus on career first and get around to baby-making later are in for a rude shock.

So biology plays a funny trick; a woman’s prime years to become a mother coincide perfectly with her prime years to build a career. At the risk of being called anti-feminist, I believe that the answer is some sort of mommy-track, enabling women to maintain a career path while still devoting the attention to their young children that the kids deserve. To be even more anti-feminist, I would go even further and suggest that while some fathers might opt for a daddy-track—and that’s great, too—most dads won’t. Motherhood is fundamentally different from fatherhood, and it’s time we admitted this truth. I know few fathers who agonize over a business trip that takes them away from their kids for a week; I know few mothers who don’t. And how many dads do you see ducking out of business meetings to call the nanny and remind her that Charlotte will only wear the purple-striped leotard to gymnastics?

But until we expand this brave new world beyond a handful of companies in which employers are accommodating, workplaces are child-friendly, and the decision to opt for a mommy-track is respected rather than scorned, the reality is that management-bound women face a tough slog. I don’t mar my students’ triumphant graduation day by telling them these truths; I figure they’ll learn soon enough. I just wish giving them the skills to prepare for it were as straightforward as teaching them to read a balance sheet. **Z**

Jane Hughes is a professor at the Brandeis University Graduate School of International Economics and Finance, a consultant, and an author. She has four children.

Spotlight

At the Center of the World

Escuela Superior Politécnica del Litoral
Escuela de Postgrado en Administración
de Empresas
Guayaquil, Ecuador

What is it like to sit at the geographical “center of the world”? From its location in the historic port city of Guayaquil, Ecuador, ESPAE, the graduate Business School of the Escuela Superior Politécnica del Litoral, enjoys the metaphorical implications of its geographical location, as it strives to meet the needs of a growing nation in an increasingly global economy.

With solid roots in Ecuador’s history, ESPAE is keenly aware of the impact globalization has on the country’s developing economy. As part of its mission, ESPAE builds relationships with other Latin American business schools, as well as schools in the United States and Canada, to strengthen the foundation for business education in the country. Students can participate in ESPAE’s Global MBA, a joint program with Tulane University, as well as a post-MBA program offered at ESPAE’s campus for students of the University of Quebec at Montreal. In addition, ESPAE offers a diploma in technology and innovation in agreement with the University of Texas at Austin. This network offers opportunities for student and faculty exchanges and study programs abroad, providing students a holistic vision of the world of business.

Recently celebrating its 19th anniversary, ESPAE was the first business school to serve its region. The school offers professional and executive MBA programs, as well as



Clockwise from top: ESPAE main campus; a riverwalk near ESPAE in Guayaquil; EMBA students at Tulane University’s A.B. Freeman School of Business, New Orleans, Louisiana; monument marking the founding of ESPAE’s parent school, ESPO.

a one-year program in health care management aimed at improving the quality and effectiveness of the region’s health services. As part of its mission to offer innovative educational programs to students, the

strength, industry, and competitiveness of its native Ecuador, says dean Juan Alvarado, is one of the school’s primary missions and responsibilities.

ESPAE is a member of AACSB International. **Z**

school also has started to refocus its graduate programs to the management of technology and entrepreneurship.

ESPAE’s entrepreneurial focus is reflected in its courses, as well as in its annual Business Plan Contest and Fair, where MBA students share their business ideas with the business and investment community. The Internet Forum, now in its third year, acts as a window to the latest development and practices in e-business; Microsoft and Oracle have been sponsors of the Forum since 1999.

During the past three years, ESPAE has launched programs for the electrical and telecommunications sectors, in hopes of informing and aiding the privatization process. Developing the managerial