

BizEd

MAY/JUNE 2009

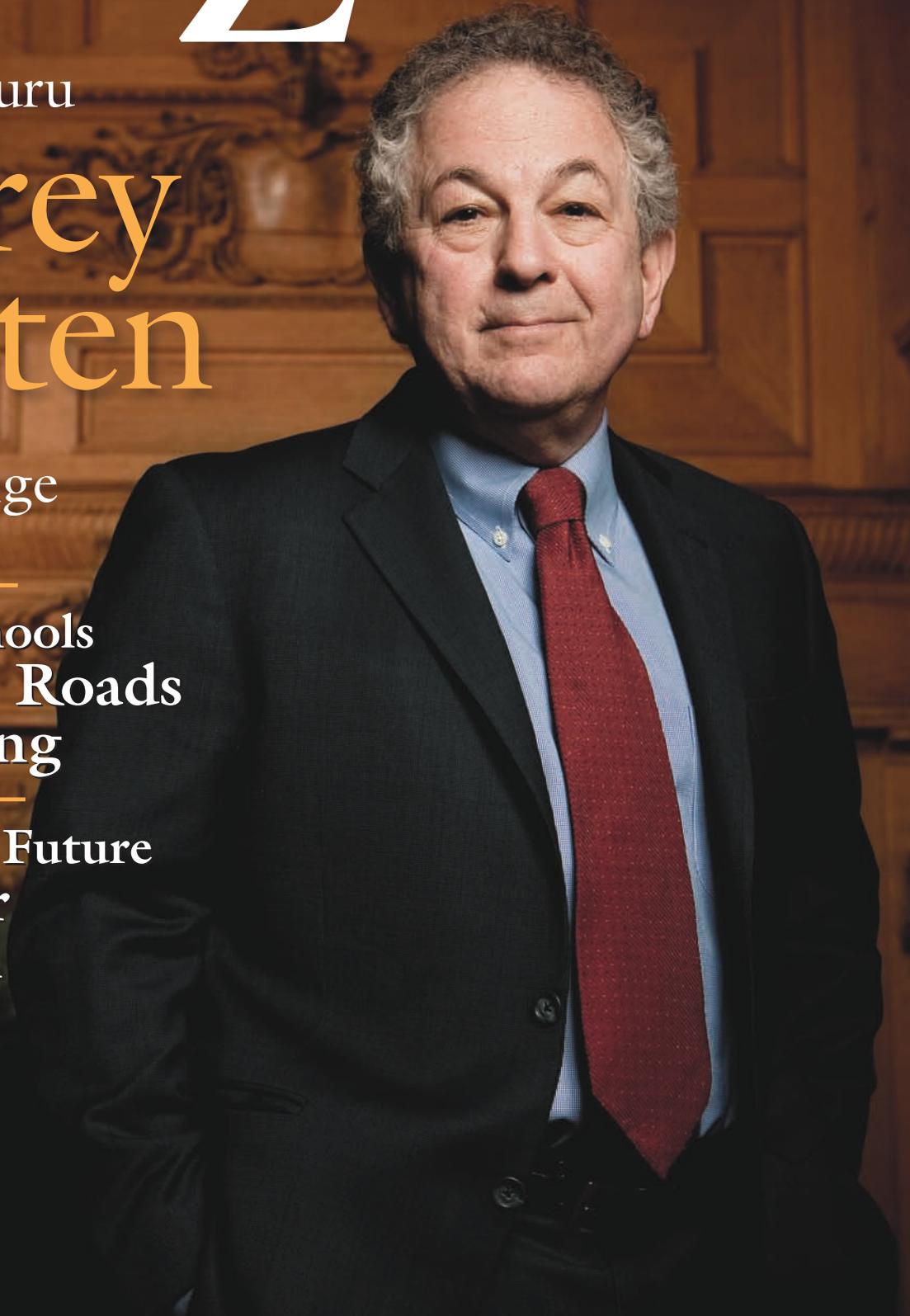
Financial Guru

Jeffrey Garten

It's Time
For a Change

Business Schools
Take New Roads
To Learning

Shaping the Future
Of Higher
Education



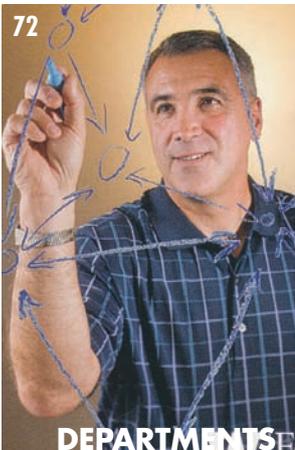
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MAY/JUNE 2009

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From the Editors

Reinventing the Future

Invention might be the brainchild of necessity, but *reinvention* usually has different forebears: ambition, experience, and the determination to make a difference. History showcases dozens of people who have changed course completely after they've hit roadblocks in one area or merely decided to try new careers. Several of them have succeeded brilliantly.

Al Gore went from losing his bid for the U.S. presidency to becoming a Nobel Prize-winning environmental spokesman who revealed an inconvenient truth. Microsoft co-founder Bill Gates has gone from being the world's most famous computer geek to the world's most famous philanthropist, whose goals include curing AIDS and malaria. Muhammad Yunus was a Bangladeshi economics professor before he became the leading voice of microfinance. And former British prime minister Tony Blair is mulling over career options that could range from promoting religious harmony through his Faith Foundation to becoming President of the European Council.

Some of the most interesting and long-lived businesses have only survived because of a series of interesting reinventions. For instance, Texas Instruments has a history of abandoning familiar but unprofitable product lines to enter enthusiastically into whole new industries, from oil fields to embedded processor chips. GE was founded more than a century ago as a company that provided lighting and power, evolved into a manufacturer of home appliances and aviation equipment, and gradually expanded into areas like financial services, entertainment, and renewable energy. TI, GE, and many others have flourished primarily because of their ability to adapt nimbly to changing times.

Virtually all businesses could be forced into some kind of reinvention as they struggle to cope with the far-reaching consequences of today's tumultuous economy. In our article "A Return to Reality," finance expert and Yale professor Jeffrey Garten predicts a "massive transformation of the global financial system." Businesses will have to cope with increased government intervention and re-examine the cost-benefit of innovation, he says. They'll have to rethink the logic of unrealistic executive compensation. And, as they work to keep themselves viable, they'll have to win back consumers' trust. These tasks won't be easy—in some cases, they'll lead to the complete overhaul of individual companies and entire industries.

In such an environment, it's no surprise that business schools, too, must consider reinvention—whether to stay relevant or to merely survive. In this issue of *BizEd*, we take a look at business schools from around the world that have undergone transformations in the way they operate, the way they deliver instruction, and even the way they think about education. Many of them haven't just revamped the curriculum; they've changed their entire mindsets about what a business degree means and how it can be earned. Their stories can be found in "Next-Generation Education."

Change is inevitable; it's incessant; and it's wide-reaching. Business schools that embrace the process of reinvention might not single-handedly win a Nobel Prize or cure a dread disease—but they might graduate a host of students who do. 



RAQUITA HENDERSON

Sharon Shinn



JOHN LUND/GETTY IMAGES

Headlines



AACSB Announces New Board

Members of AACSB International have voted to make Andrew J. Policano of the University of California, Irvine, the vice chair-elect for the organization's 2009–2010 Board of Directors. Susan M. Phillips of The George Washington University has been elected as its secretary-treasurer.

Elected to represent U.S. accredited schools were Linda R. Garceau of East Tennessee State University and Linda A. Livingstone of Pepperdine University. To represent accredited schools from outside the U.S., Jaime Alonzo Gómez of the Instituto Tecnológico y de Estudios Superiores de Monterrey-Campus Monterrey was elected, and Thierry Grange of Grenoble Ecole de Management was re-elected. Robert S. Sullivan of the University of California, San Diego, was re-elected to represent U.S. non-accredited schools. To represent non-accredited schools from outside the U.S., Fernando D'Alessio of the Pontificia Universidad Católica del Perú was re-elected and Finn Junge-Jensen of

Copenhagen Business School was elected. Ellen J. Glazerman of Ernst & Young LLP was chosen to represent non-educational institutions.

Howard Thomas of Warwick Business School takes over as chair of the Board of Directors when new members begin their terms in July. Thomas also has announced three appointments

to the 2009–2010 board. Sara M. Freedman of Oklahoma State University was reappointed to serve a one-year term, while Michel Patry of HEC Montréal and John E. Williams of Morehouse College will serve three-year terms.

Tough Market for Students

A business school survey released in February shows a significant drop in corporate recruiting activity worldwide, which



has created an opening for small and midsize companies looking for talent at top-ranked MBA programs.

“For some companies, there is good news in that they now can attract students from top-tier schools that they may not have been able to afford in prior years,” says Kip Harrell, president of MBA Career Services Council, an association of business school career management offices that compiled the 2008–09 Winter Survey. “It’s a buyer’s market for employers.”

It’s not nearly as good for students. Almost 75 percent of schools that responded to the survey report significantly decreased recruitment activity in areas such as financial services, venture capital/private equity, commercial banking, investment banking, and real estate.

Schools need to be honest with students about the tight job market, the economy, and the trends in recruitment, says Harrell, who also directs the Career Management Center at the Thunderbird School of Global Management in Glendale, Arizona. He adds, “I think the biggest disservice we as career officers can do is to not fairly and accurately present the realities of the situation.”

While full-time positions are becoming scarcer, businesses are reporting increased internship opportunities for MBA students. But the future remains uncertain. About 51 percent of career management offices predict investment banking internships will drop significantly, and 62 percent predict other industry internships will decrease.

Harrell says that business schools around the world have taken steps to help MBA students find employment, but adds that career management officers feel too many students

are passive, not proactive, about their job searches. “Students need to realize that they must be perfect in every aspect of their search,” Harrell says. “Failure to perform any career search step flawlessly will knock them out as contenders.”

■ Bentley Promotes Greening

Bentley University of Waltham, Massachusetts, has joined with the Trustees of Reservations, a nonprofit conservation group, to expose undergraduates to consulting work in the field of green marketing. The Trustees group is the nation’s oldest state-wide land trust.

In a course launched this spring, graduate students must develop a marketing plan specifically targeted to the Gen Y demographic and its relationship to conservation and the environment. The research efforts, conducted in Bentley’s Center for Marketing Technology, are led by Ian Cross, the center’s director and a senior lecturer of marketing.

The course, designed to introduce more students to the environmental field, will provide weekly access to representatives from The Trustees and other green marketing experts. Bentley administrators believe this is a particularly critical time for business schools to become involved in the movements of sustainability and corporate social responsibility.



■ European Schools Form Recruitment Network

Three European business schools have formed a new business education network to address the new recruitment needs of business. Audencia Nantes School of Management in France, HHL-Leipzig Graduate School of Management in Germany, and MIP Politecnico di Milano in Italy are the founding members of an initiative that pools talents and key resources.

The partnership will unite recruitment, corporate relations, and company placement efforts for the three schools to offer companies pan-European access to graduates. The three schools’ career advice and company relations teams will work closely to answer the needs of each student and to share corporate contacts. Students will have access to detailed company forums organized by each corporate partner.

Initial student recruitment will focus on the MBA market, with staff from Audencia, HHL, and MIP present at recruitment fairs and other international student events. In the future, the three schools will explore the possibility of joint executive education and in-company training.

SHORT TAKES

NEW APPOINTMENTS

■ **Raghu Tadepalli** has been named Murata Dean of the F.W. Olin Graduate School of Business at Babson College in Wellesley, Massachusetts. He most recently served as dean of the Graduate School of Business and associate dean of the Williams College of Business at Xavier University in Cincinnati, Ohio.



■ **Alan T. Shao** has been named dean of the School of Business and Economics at The College of Charleston in South Carolina. Prior

to this appointment, he served as associate dean for professional and global programs, as well as professor of marketing and global business, at the Belk College of Business at the University of North Carolina at Charlotte.

■ The University of Massachusetts in Dartmouth has appointed **Susan Engelkemeyer** as the new dean of the Charlton College of Business. Previously, Engelkemeyer served as dean of the School of Business and professor of management at Ithaca College in New York.

■ Ball State University in Muncie, Indiana, has appointed **Rajib Sanyal** as dean of its Miller College of Business. Sanyal, an expert in industrial and labor relations, was previously the dean at Northern Michigan University. He will join Ball State on June 1, succeeding interim dean Rodney Davis.

■ The MBA Roundtable has elected four new members to its board of

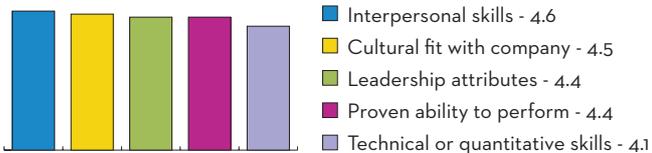
The GMAT® Report

Skills Stakeholders Want

The Graduate Management Admission Council® surveys offer a wealth of information on what stakeholders want from the b-school of the future.

Employers

Employers hire business graduates primarily for their management knowledge, communication skills, and technical skills. The most important qualities employers look for:

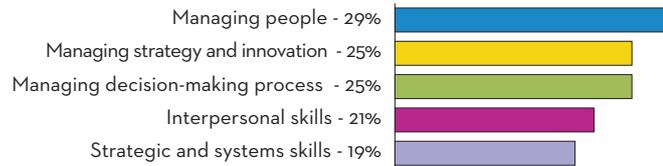


(1 = not at all important, 5 = extremely important)

Read more of the GMAC Corporate Recruiters Survey Report series online at www.gmac.com/corporaterecruiters

Alumni

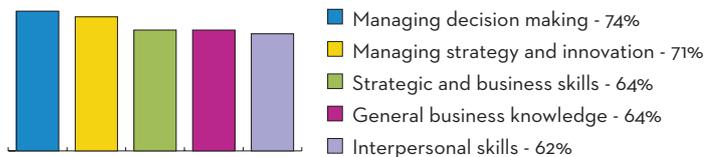
Alumni are satisfied with their b-school education but seek more training. The most sought-after skills and the percentage of alumni who seek additional training for them:



Read more of the GMAC 2008 MBA Alumni Perspectives Survey online at www.gmac.com/alumniperspective

Prospective Students

Students consider b-school to build various skill sets. The most-hoped-for skills and the percentage of students who want them:



Read more of the GMAC 2008 mba.com Registrants Survey online at www.gmac.com/registrantsurvey

GMAC has more than 50 years' worth of graduate management education data and welcomes school participation in research. Visit gmac.com/research today.

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directors: **Fernando D'Alessio**, the founding director general and dean of CENTRUM Católica, the Graduate Business School of the Pontificia Universidad Católica del Perú; **Roy Hinton**, associate dean of executive programs and director of the EMBA program at George Mason University's School of Management; **Eric Hirst**, associate dean for graduate programs and John Arch White Professor at the University of Texas at Austin; and **Kay Keck**, vice president of full-time programs at the Thunderbird School of Global Management.

■ **Charles H. Wurtzebach** has been named the first George L. Ruff Visiting Professor in Real Estate Studies at DePaul University's College of Commerce in Chicago. The chair was funded by a \$1.5 million gift from Ruff, a DePaul trustee and co-founder of Trinity Hotel Investors.

■ The John H. Sykes College of Business at The University of Tampa in Florida has named **Rebecca J. White** as the new Distinguished Walter Chair in Entrepreneurship. As chair holder, White also will lead the Florida Entrepreneur and Family Business Programs at the Sykes College. White most recently served as professor of management and director of the Fifth Third Bank Entrepreneurship Institute at Northern Kentucky University.



■ Quinnipiac University's School of Business in Hamden, Connecticut, has named **Christopher Ball**, associate professor of economics, the

István Széchenyi Chair in International Economics. Ball leads several

SHORT TAKES

of the school's initiatives to support international relations, including the Hungarian American Business Leaders Program.

■ Columbia Business School in New York City has established seven new professorships, each named for a Columbia faculty member or industry figure who has contributed significantly to the school. The Eli W. Ginzberg Professorship of Finance and Economics will be filled by **Wouter Dessein**; the Robert W. Lear Professorship of Finance and Economics will be held by **Charles Jones**; the Franklin Pitcher Johnson Jr. Professorship of Finance and Economics will go to **Tano Santos**; the Philip H. Geier Jr. Professorship of Marketing will be filled by **Ran Kivetz**; and the John A. Howard Professorship of Business will be held by **Kamel Jedidi**. The Stefan H. Robock Professorship of Finance and Economics is currently vacant, as is the Hughie E. Mills Professorship of Business.

■ Babson College of Wellesley, Massachusetts, has appointed **F. Mark D'Annolfo** as director of the Stephen D. Cutler Center for Investments and Finance.

NEW COURSES AND PROGRAMS

■ This September, the **Grenoble Graduate School of Management** in France will offer a new MBA specialization in biopharmaceutical management. The elective will include courses in strategies, business models, marketing, sales, and



communications. Students also will examine the impact of the biotech industry on existing industries—such as agriculture, cosmetics, environment, and energy—as well as its effect on society. The elective targets executives who have a scientific background but need management training. This September, Grenoble also will launch a new MSc in business development to train students to lead businesses in an international and multicultural environment.

■ Rotterdam School of Management at **Erasmus University** in the Netherlands has announced a new 12-month full-time International MBA program. The first intake of students will be January 2010.

■ The **University of Maryland's** Robert H. Smith School of Business in College Park has launched the Master of Science in Business: Finance. The new program, which focuses on how the financial industry is shaped by government regulation, will focus on evolving financial models for banking and debt management, corporate governance, and management. Students will take classes in Washington, D.C., with Smith faculty who have been working with the SEC, FDIC, and other agencies.

■ This fall, the **University of North Carolina at Greensboro** will offer two new entrepreneurship programs. One is a minor for enrolled undergraduate students, and the other is a post-baccalaureate certificate aimed at college graduates. Housed in the Bryan School of Business and Economics, the programs will have interdisciplinary elements that allow students to

focus on one of seven courses of study, including healthcare, technology, and creative industries.

■ The College of Business at the **University of Texas at San Antonio** has announced the Business Noon MBA program. Students can complete the 36-hour program in two and a half years by taking lunchtime courses four days a week at the school's downtown campus.



COLLABORATIONS

■ The **Executive MBA Council**, headquartered in Orange, California, has created a new offering, the Marketing & Admissions Program-Europe. It was first held at the University of Chicago's campus in London. The new program, which is supported by the Graduate Management Admission Council, is designed to help European EMBA programs refine their marketing and admissions strategies. Issues that will be covered include differentiation, promotion mix, and cost-effective marketing strategies. The April program was led by Dianne Bevelander, associate dean of MBA programs at the Rotterdam School of Management, Erasmus University, in the Netherlands; and Leyland Pitt, professor of marketing at the Segal Graduate School of Business, Simon Fraser University, British Columbia.

■ The **Masdar Institute of Science and Technology** in Abu Dhabi has joined the **Massachusetts Institute of Technology Energy Initiative** (MITEI) as a founding public member. The collaboration will support ongoing research and development of alternative and renewable



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—JUDITH A. CHEVALIER

William S. Beinecke Professor of Finance and Economics & Deputy Provost for Faculty Development, Yale School of Management

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energy sources. The Masdar Institute will help identify sponsored research programs and will support the MITEI Energy Research Seed Fund program, which bankrolls innovative early-stage research projects solicited from across the MIT campus. The Masdar Institute was developed in



cooperation with MIT to be the world's first graduate-level institution dedicated to the study of advanced energy and sustainable technologies.

■ The Simon Graduate School of Business at the **University of Rochester** in New York has recently partnered with the Peace Corps as part of that organization's Fellows/USA program. Returning Peace Corps volunteers receive up to \$10,000 a year toward

tuition to study at the Simon School. While the Fellows/USA program works with more than 40 universities to offer this kind of assistance to volunteers who pursue graduate studies, fewer than ten of the collaborating institutions are business schools.

■ The Graduate School of Management at the **University of California, Davis**, is collaborating with the UC Davis School of Medicine on a program that prepares MBA students to lead hospitals, government agencies, and other healthcare organizations. Students in the public health management concentration will complement the MBA core curriculum with up to four health sciences courses.

HONORS AND AWARDS

■ **René M. Stulz** has been named the 2008 Risk Manager of the Year by the Global Association of Risk Professionals. Stulz is the Everett D. Reese Chair of Banking and Monetary Economics at The Ohio State University's Fisher College of Busi-

ness in Columbus. He also serves as the director of the Dice Center for Research in Financial Economics.

■ **The Institute of International Education** in New York has announced the winners of the eighth annual IIE Andrew Heiskell Awards for Innovation in International Education. Winning campuses for 2009 include Champlain College in Burlington, Vermont, and Universidad de Monterrey in Nuevo León, Mexico, for internationalizing the campus; Clemson University in South Carolina and the University of Kansas in Lawrence for study abroad programs; and Indiana University–Purdue University Indianapolis, for international exchange partnerships. Among the schools receiving honorable mentions are Vanderbilt University and Ohio University. Profiles of this year's winning programs are available on the IIE Network Web site at www.iienetwork.org/?p=BestPractices.





SHORT TAKES

GRANTS AND DONATIONS

■ **Indiana University's** Kelley School of Business in Bloomington has received a \$15 million gift from an alum who wishes to remain anonymous. The money will ignite a \$60 million campaign to transform facilities for undergraduates. The two-phase project will involve a 71,000-square-foot expansion of the Kelley School's existing building followed by a major renovation of the current facility. Construction is expected to begin by May 2010. The school also has received a \$500,000 donation that

consists of money from the Ernst & Young Foundation and matching gifts from Ernst & Young employees. The money will fund the Ernst & Young Foundations for Leadership Program, which will focus on diverse and under-represented students and faculty.

■ The Anheuser-Busch Foundation has pledged \$2.5 million to the **University of Missouri-St. Louis** over the next five years. The pledge will support the construction of a \$30 million building for its College of Business Administration. The university hopes to break ground in two to three years.

■ The **UCLA** Anderson School of Management has announced two recent donations. A second \$2 million gift from Jim Easton will be used to establish the Easton Technology Leadership Program, which will focus on students with engineering or technical backgrounds. His first \$2 million gift went toward building a state-of-the-art classroom. A \$1 million gift from Richard S. Ziman, co-chair of the school's \$100 million fund-raising campaign, will be used in two primary ways.



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Photo Credits: Austral University (left); Asian Institute of Management (right)

In the city of leaders, there's always room for one more.



Half of the money will create the Richard S. Ziman Fellowship to support MBA, PhD, or post-doctoral students focusing on real estate; the rest will support critical needs at the Richard S. Ziman Center for Real Estate, established by Ziman's previous \$5 million donation.

■ The Graduate School of Management at the **University of California, Davis**, has received a \$1 million pledge from Stephen G. Newberry and his wife, Shelley, to endow a faculty chair in leadership. The couple also has pledged \$500,000 to create a fellowship for MBA students who display great leadership potential.

OTHER NEWS

■ **Babson College** in Wellesley, Massachusetts, has received a full five-year EQUIS accreditation from the European Foundation for Management Development (EFMD), making it one of only three U.S. schools accredited by EQUIS.

■ **Grenoble Ecole de Management** in France has launched a new two-pronged initiative designed to provide advanced education to people with disabilities and help businesses integrate these individuals into the workforce. The school is offering study tracks and tutors to meet the needs of students with disabilities.

CORRECTION

■ In the article "And Now, Our Top Story," which appeared in *BizEd's* March/April issue, the location of the University of Iowa's Tippie College of Business was published incorrectly. Tippie College is located in Iowa City, Iowa. 



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A Return to Reality

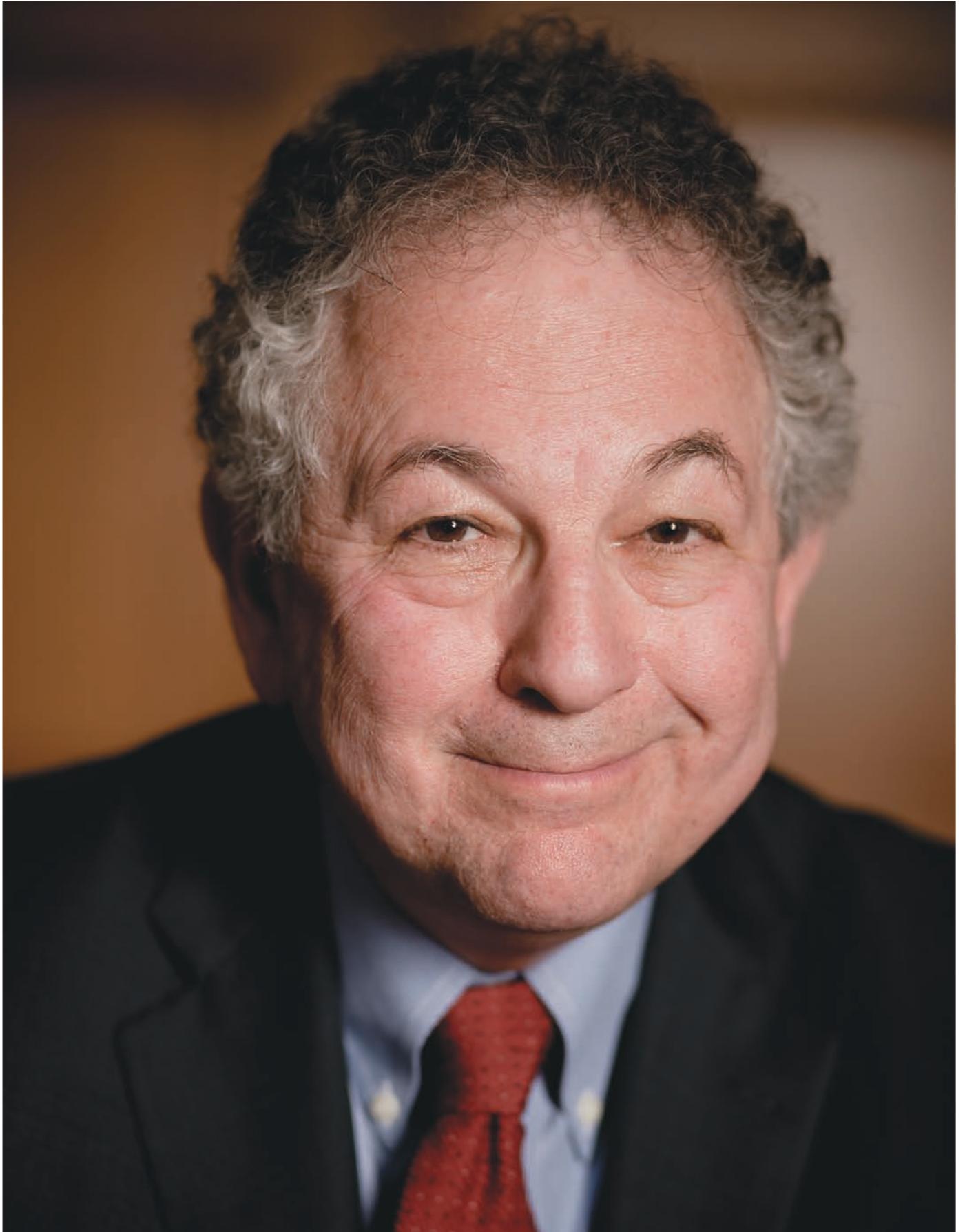
by Tricia Bisoux

Even with his years of experience in investment, finance, and public policy, Jeffrey Garten got it wrong—and he isn't afraid to admit it. But then, so did just about everybody. In fact, the fall of Lehman Brothers and the subsequent collapse of the global markets has led Garten to change his mind about a number of issues—including the role of business in the world.

“In the past, I was guilty of having exaggerated what business can do,” he says. “As strong a case as there is for a broader business education, there is a much bigger case for better education of public service officials, because they are the ones who must set the framework.”

Garten has had a front row seat to the global economy, where he has watched just how much business and public policy interact. He has worked with government, serving on the White House Council on International Economic Policy under President Richard Nixon and as Under Secretary of Commerce for International Trade under President Bill Clinton. In the 1980s, he worked on Wall Street as managing director of first Lehman Brothers and then the Blackstone Group. In 1995, he was named dean of the Yale School of Management in New Haven, Connecticut, a position he held until 2005.

Jeffrey Garten discusses the lessons of Lehman Brothers, the importance of public policy, and the need for a three-year MBA.



“The crowd is often wrong. The height of courage and integrity is to look at your competition and ask whether you really want to be swimming in that same stream.”

Garten is now the school's Juan Trippe Professor of International Trade. In addition to his role on the faculty, he serves as chairman of Garten Rothkopf, an international advisory firm based in Washington, D.C., and as a trustee of The Conference Board. As he views the current global economy from these vantage points, he sees a system of business that is hampered by a number of inescapable realities.

“For all the discussion of the need for long-term thinking, we have markets that are very short-term oriented,” he says. “Our financial markets are under incredible structural pressures. They operate in a world where analysts and journalists pump up every little announcement, where accountants are still behind the curve and have no voice in their organizations.” If that's the world where business students will work, he argues, they'd better know how to handle those pressures in ways that make sense for their organizations.

That means that business schools will have to broaden the boundaries of their curricula, says Garten, to include subjects related to history, government, and public policy. He argues that tomorrow's business leaders will need a broader foundation of knowledge to draw from throughout their careers. Only then can they truly understand that the world around them is much bigger—and much smaller—than they may have imagined.

What did you think as you watched Lehman Brothers, your former employer, disappear?

I found it very sad. The company had an illustrious history of hiring investment bankers who also were great public officials. In the late 1970s, Lehman Brothers really stood out from all of Wall Street in terms of the vision of linking finance to public policy. To me, this was heaven. I was hired to help foreign governments with their finances. I was sent to Japan to help build up Lehman Brothers in Asia. Everything I did had a very major interaction with public officials. All of my aspirations were fulfilled, and I loved every minute of it for the 15 years I was there.

When it collapsed, it was like watching that part of my life crumble—first in slow motion, then in fast motion. What's most painful is that now, whenever I say I worked at Lehman Brothers, it's equated with having been part of an unsavory institution. While I know most people realize that everything that happened was very recent, it's nevertheless quite painful on a personal level. You almost don't want to identify with the company because it has become a poster child for so many things that went wrong—for greed, for short-term thinking, for all of those things. That's not what I identify with.

What are the central lessons that faculty should make sure students learn from this crisis?

Lesson No. 1 is that the CEO and top management have an obligation to take into account the soul, reputation, brand, and equity of their company in everything they do. They must view risking the institution's reputation in the same way they view risking the institution's financial investments. But they must also know the difference—a company's reputation can be almost unrecoverable if something goes wrong.

Lehman Brothers and its predecessors had been around for almost a century. It took years, if not generations, to build up its culture and its first-rate global reputation. All of that went down the drain in a matter of months. Students should know how quickly that can happen.

Lesson No. 2 is that the crowd is often wrong. The height of courage and integrity is to look at your competition and have the guts to ask whether you really want to be swimming in that same stream, at the same pace, and in the same direction. Lehman Brothers, for example, got caught up in fiercely competitive financial markets where everybody seemed to be doing well. Its natural instinct was to do the same thing, only better. That meant taking more risk. It would have been very difficult for Lehman Brothers to go against what everyone else was doing. The financial markets are relentless in penalizing those who decide to forgo some profitability in the interests of long-term viability.

Look at AT&T in the late '90s, when Michael Armstrong was CEO. All of a sudden, AT&T's returns were much lower than WorldCom's. When Armstrong and his team looked at WorldCom, they just couldn't understand how it was making so much profit. AT&T cut no corners, it engaged in no shenanigans—and it got clobbered by the market. Armstrong's reputation was badly diminished, and he was forced out. Months later, it came to light that WorldCom had cooked the books.

If the executives at Lehman Brothers hadn't engaged in “the game,” the company would have been forced to break itself up and sell itself off, just like AT&T. But, in retrospect, that would have been the right thing to do. Hats should go off to Armstrong. In all of the investigations of the tech collapse, nobody could say a word about AT&T's integrity.

How can future business leaders avoid the same fate as either company?

Business schools must stress the importance of corporate governance. Teach students about the need for a strong board that is self-aware and collectively capable of saying to the CEO, “This is the real situation.” It's important for



CEOs to surround themselves with tough-minded people who can tell them when they're doing something extraordinarily risky.

On a more profound level, business schools should educate business leaders in areas that go beyond traditional business subjects. If I could devise a curriculum, it would be heavily geared toward history. I bet very few CEOs had an education in financial history. Most business leaders know a lot about the latest strategic doctrines and fads, but I don't think they are sufficiently aware of historical cycles and how companies over the last several generations have managed to be innovative while maintaining a sense of integrity.

Rakesh Khurana of Harvard argues that business schools should view themselves as professional schools, and that their graduates should view themselves as members of a profession with a common standard of ethics. Do you agree?

I think there's a lot to that. The business world is much bigger than law, but I think there should be some common professional standards. So many people are asking, "What are the right reforms that ought to be done to prevent another financial debacle?" But it's only the government that's talking. There's no business voice right now.

What about accreditation organizations? Could they step into a role similar to the ones professional associations play for medicine or law?

As far as I know, accreditation organizations have no capability to shame the individual. Their standards relate to the schools, not to the profession. That's a big difference.

You argued in your 2003 book, *The Politics of Fortune: A New Agenda for Business Leaders*, that business needs to take a more active role in setting public policy. Would you make that same argument today?

I finished that book in 2001, right after 9/11. Now it's 2009, and the world has changed dramatically. Business has forfeited the right to have the confidence of society. Our belief in the viability of the world economy has changed.

You say business has forfeited the right to have society's confidence, but many still make the case that business can solve society's biggest problems.

The idea that business can solve the world's problems is terribly misguided, because it grows out of a sense that business is all-powerful and has all the resources. It grows from a sense that governments aren't capable anymore. That theory may have held some water in the 1990s, but we're entering a much different era. Government is returning in a big way, on national and global levels.

So, you're saying that business will have to make way for greater governmental oversight?

In the 1990s, businesses made a big move toward self-regulation. They held to the mantra that companies would get together to set and enforce standards. But it's going to be a long time before self-regulation has any credibility. Issues of food safety and toy safety were supposed to be based on some notion of self-regulation, and business fell down terribly. In the financial arena, especially, it's over; there is no trust at all.

Forget about self-regulation. In its place, I predict government regulators will be inside the organization. The level of government intrusion is going to be greater than anything that has happened in our lifetimes. That's how far this pendulum has swung.

That prediction will concern educators who are passionate about business's role in society.

I'm definitely not saying that business leaders shouldn't be very aware of the effects of what they do or that they shouldn't have social consciences. Efforts like the U.N. Global Compact are well intentioned, and I'm not saying that they shouldn't exist. But those who have arrogated to business a significant global social role, or anything close to it, need to return to reality. It is a total fantasy to say business should be in the lead.

Over the next several years, the world will be in a much slower state of growth. As their first objective, business leaders

“ Now that the U.S. brand of Darwinian capitalism has been discredited, there will be a big competition for ideas. The U.S. will be a part of that competition, but it won't run it. ”

will have to keep their companies viable. They won't have, or won't allocate, the resources to address social issues. Society can no longer point to businesses and say, "You have to take care of education, infrastructure, and the environment," because they won't do it. Not only will they not do it, the markets will kill them for even attempting it.

Government regulation and the education of government officials must be placed much higher on our list of priorities. If governments don't create the framework, it is an illusion to think that businesses will.

You noted at a recent conference that the events of late 2008 marked the beginning of a "massive transformation of the global financial system." What sort of transformation?

First, we'll have to rethink the whole question of innovation. There has been the assumption that all innovation is good, but how do we control dangerous innovation? When we teach innovation, we'll have to focus on where innovation fails, where it can do damage.

We're also going to have to rethink the whole issue of compensation and incentives. There's a lot of evidence that the design of executive compensation systems has had a major impact on the way financial institutions have behaved. We need a better idea of how and why people are rewarded or penalized.

Then, we have to take a new look at conflicts of interest. We're probably headed toward a world with a number of big banking institutions and conglomerates that, no matter what they say, are rife with internal conflicts—they're putting their money in one place and their customers' money in another place. We need to look at how to manage these conflicts.

Do you think that we're transitioning into a truly global economy, where the role of the U.S. has diminished and up-and-coming nations like Brazil, China, and India will play a larger role?

You really could make the case for one of two scenarios. The first is that globalization is going to slow down, and that we're going to see a rise in nationalism and protectionism. Governments could take very protective measures in the financial arena because so many of them have been whacked by this global economy and forces outside their control. I give this scenario a 40 percent chance.

The second scenario is that globalization intensifies and financial institutions are consolidated. In this scenario, there will be more mergers among these institutions, because too many of them have too little capital. The automobile com-



panies will be reduced from, say, eight to four. There will be more international mergers and more global financial regulations when it comes to the environment. When we come out of this great storm, the world will be smaller and more integrated. I give this scenario a 60 percent chance.

In either case, the influence of the U.S. will be far less than it has been in the past. It has far less capability to tell other countries how to structure their economies. For generations, we've been telling China to do this, India to do that, Brazil to do this. But now that our model has collapsed, we have no credibility.

Certainly, the U.S. will have a very strong voice, but it will be a vastly diminished voice compared to ten years ago. The European model or the Chinese model might look a lot better to emerging economies than they did just a few years ago. Now that our brand of Darwinian capitalism has been totally discredited, there will be a big competition for ideas. The U.S. will be a part of that competition, but it won't run it.

You mentioned that business leaders will have to partner with government to a greater extent. How much should business students and public policy students know about the other side's arenas of influence?

That's a wonderful question. In theory, the more these two groups of students know about each other's arena, the better off the world will be. They need to work together. But how schools accomplish this in practice is a more difficult proposition, because to do justice to either subject, students really need to study more than two years.

Several years ago, when I was in my first term as dean at Yale, I gave a talk to GMAC on the topic, "Why an MBA should be three years." I started by saying, "There's not going to be one person who will agree with me." That turned out to be true. At the time, everybody was trying to figure out how to complete the degree in one year! Law school is three years, and medical school is four years. But for some reason business school is only two years—in Europe, it's one.

Business and public policy overlap, and there is a need for synthesis. But to teach both areas well, you have to make the program longer. I doubt anybody in this market would agree with me, but I think it's true.

You were dean of the Yale School of Management for ten years. What was your biggest challenge?

When I became dean, there was a lot of movement in areas such as globalization, entrepreneurship, and management of nongovernmental organizations. It was a huge challenge to figure out how to deal with these subjects in the classroom at a time when a lot of professors didn't study these areas. Many people also were calling for schools to increase the experiential factor for students, because a lot of business skills can be taught only on the job. I found it daunting to try to get my arms around all of that, to work

with faculty so that they were enthusiastic about these new departures, and to find and hire young faculty who would make up the core of the future.

At the same time, many foreign universities were approaching us to create joint programs. I decided that we were better off building links to other schools within Yale University than we were going abroad—a decision that, to put it mildly, wasn't universally acclaimed. I enhanced our joint programs with the schools of law, medicine, architecture, drama, art, and environmental studies. I believed that, no matter what careers students wanted to pursue, a broader education would serve them well.

Do you think that the challenges that deans face today are different?

The challenges I faced then still exist today. However, in 1996, the world economy was on an unambiguous course. The economy was more market-oriented and globalized; there were bigger roles for business. Many people, including me, would have said, "This will go on for generations."

Anybody becoming a dean now has to wrestle with questions that are much more profound than I did. What kind of world economy do we have now? How is it all going to change? What do these changes mean for how we manage a company, how we think about innovation, how we think about corporate governance?

But one of the great things about being a dean is that schools are great crucibles for debates. You may not be able to resolve questions, but you can raise them. You can get the smartest people around the world to put in their two cents' worth. If students take away the notion that even though there is a lot of ferment and things are not cast in concrete, there still are a few enduring truths—that's not nothing.

You've had a long career in business, public policy, and education. What's your next challenge?

I'm very happy being a professor, and I enjoy working with Garten Rothkopf to help organizations with issues involving energy and the environment.

I'm also working on a book due to come out in 2010. It's about the ten people in the last 1,000 years, up to the end of the 20th century, who have done the most to create the modern world. Each chapter covers the life and times of a different person, from Genghis Khan in the 12th century to Deng Xiaoping in the late 1990s. This project has been enormously engaging for me.

Doing these three things—I have no greater aspirations than that. 



Next-Generation Education

by Tricia Bisoux

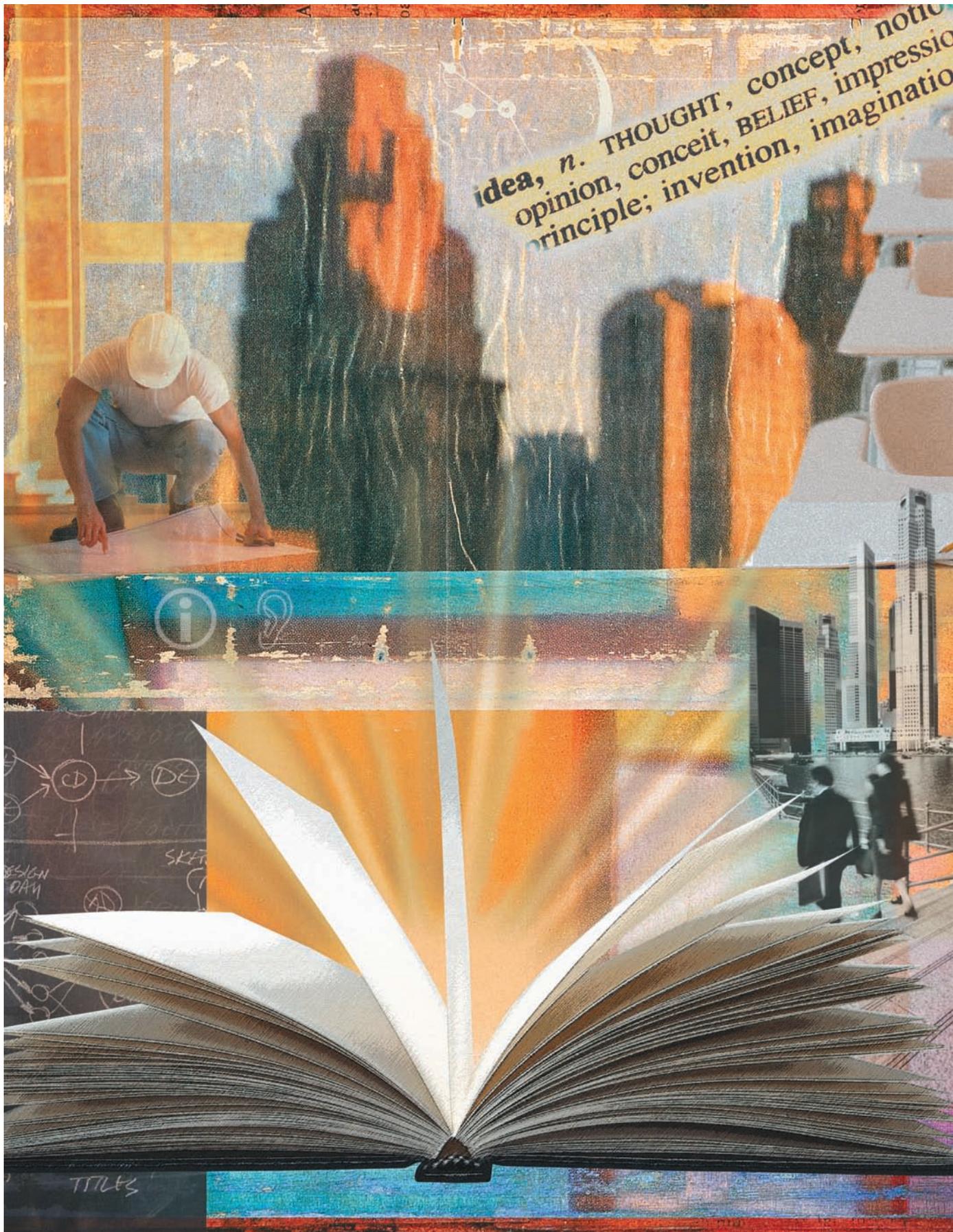
The current shift in the world's collective fortune has underscored the need for new approaches in the business classroom. However, long before a financial tsunami hit the global economy, many schools were already in the process of reinventing their approaches to business education.

"We looked at the world around us and saw that it was demanding different skills," says Alison Davis-Blake, dean of the University of Minnesota's Carlson School of Management in Minneapolis. "Our students were telling us, 'We can do more.'"

Just what does "more" mean to 21st-century business education? For the business schools profiled here, it means designing degree programs that are more flexible, integrated, and experiential. It means exposing undergraduates to business practices earlier than ever. It means taking once-optional educational experiences—such as international study, consulting, and internships—and making them mandatory for every student.

And it means emphasizing a wider range of skills than 20th-century business programs ever addressed, including good judgment, personal awareness, and personal initiative. In the process, professors aren't just reinventing what they teach. They're changing how they *think*—about teaching, about learning, and about what's essential for the business curriculum.

Business schools are reinventing their programs, going beyond 20th-century mindsets to teach 21st-century skill sets.



Cultivating Personal Awareness

Rotterdam adds leadership development and network analysis to its 12-month MBA.

Students are coming to the MBA program at Erasmus University's Rotterdam School of Management in The Netherlands with more work, travel, and technological experience than ever before. What they now want from their business degree programs is a greater awareness of their potential as leaders and their impact on society, says Dianne Bevelander, associate dean of MBA programs. To give students that understanding, RSM has made ongoing 360-degree feedback and personal network analysis integral parts of its 12-month MBA.

The school now divides students in the 12-month MBA into teams, which provide each member with 360-degree feedback at the beginning, middle, and end of the program. Each time they receive feedback, students write an essay on what they have learned and how they will use this information in the future.

At the same time, faculty help students map out and analyze their personal networks, so that they can discover how they're connected to others. Students learn whether they act as network *hubs*, who have ongoing connections with many people; *gatekeepers*, who communicate information from one group to another; or *pulse takers*, who know what's happening throughout the network.

"To become trusted members of their personal networks, students must learn to be all three," says Bevelander. "They must learn to be aware of their weaknesses and strengths and take advantage of different perspectives."

Through this process, a student might learn that she is connected primarily to other women and needs to expand her network to include more male contacts. Another might discover that the people he knows aren't well-connected themselves, which limits his own sphere of influence. A supervisor might see that he has regular contact with only some of his direct reports and that he needs to reach out to everyone if he is to stay informed.

The more diverse, dense, intercultural, and interconnected students' networks are, the more they'll be able to accomplish, says Bevelander. Moreover, she adds, RSM's revised program will help students understand themselves and the complex contexts in which they work. "Our students must learn how to take their political, geographical, and cultural contexts into account if they are to inspire, motivate, and lead."

Instilling Good Judgment

Fox puts consulting projects at the center of its MBA curriculum.

Many schools offer students the opportunity to complete consulting projects. Temple University's Fox School of Business in Philadelphia, Pennsylvania, has made its Enterprise Management Consulting (EMC) practice the cornerstone of its entire MBA curriculum.

The Fox School started a pilot of EMC in 2000 for just one MBA program. In 2008, the school made EMC a requirement for all MBA students, including those in its full-time, part-time, international, and online programs.

During the four-month, six-credit course, student teams complete consulting projects for companies. The projects range from nonprofit grant proposals to strategic plans for high-tech startups. Students meet twice a week for discussions and project work; they also travel to visit company representatives on-site for interviews and information gathering. Once they complete their research, students present their final recommendations to their clients.

EMC is "like a medical residency," says T.L. Hill, managing director of the EMC program and assistant professor of general and strategic management. "Working in a supervised environment, students apply all the theory they've been learning to real cases where all the parts are moving."

Faculty and business practitioners work together to oversee and advise student teams. The most challenging aspect of the EMC program is finding instructors



“Our students must learn how to take their political, geographical, and cultural contexts into account if they are to inspire, motivate, and lead.”

—Dianne Bevelander, Erasmus University

Professional Development for the BBA

The University of Missouri exposes BBAs to professional experience from the freshman year.

by Mary Beth Marrs

At the Trulaske College of Business at the University of Missouri in Columbia, our alumni and corporate recruiters have been stressing to us that our graduates need a wider range of skills and competencies to advance in their careers. In response, we created the Professional Development Program (PDP), a mandatory program for all of our undergraduates.

The PDP focuses on teaching undergraduate students six essential competencies: communication, leadership, self-management, business plan design, business plan execution, and the ability to motivate others. As part of the PDP, students must complete a specific number of activities at each stage of their degree programs.

For instance, each semester, freshmen and sophomores must attend at least three events that expose them to a range of professional competencies and complex business problems. These events include workshops that cover topics such as com-



munication styles and business etiquette, as well as lectures by guest speakers such as Senator Paul Sarbanes and YUM! Brands CEO David Novak.

Each semester, juniors and seniors participate in five to six activities—such as mock interviews, networking events, and corporate events—which help them hone their business skills.

Juniors also must take a three-credit Professional Development Course in their first semester. Throughout the course,

students complete self-assessments and write development plans to strengthen leadership, networking, communication, and business management skills. They also complete service-based learning projects, in which they solve business-related problems for nonprofit agencies.

During the summer after their junior years or the first semester of their senior years, students tackle full-scale internships with either business or nonprofit organizations,

where they learn interpersonal and communication skills that simply cannot be taught in the classroom alone. For instance, during his internship as a checkout volunteer with the Central Missouri Food Bank, student Greg Abts grew adept at reading the body language, facial expressions, and style of conversation of food bank visitors, so that he knew what kind of approach, help, and information they would most welcome.

We developed the PDP because we believe that teaching skills such as these shouldn't be limited to the MBA program. By creating professional, interpersonal, and leadership development opportunities *outside* the classroom, we equip our undergraduates with richer skills sets, greater confidence, and a higher comfort level with the intricacies of business.

Mary Beth Marrs is assistant dean of undergraduate programs and strategic initiatives at the University of Missouri's Trulaske College of Business in Columbia.

who are comfortable linking theory to practice, says Hill. He seeks out faculty with consulting experience and practitioners with academic experience to take part in EMC.

In one EMC project, students helped a medical supply company refine its sales pitch and recommended that it present itself to hospitals as a trusted advisor rather than as a service provider. Another team wrote a five-year strategic plan for growth for the Temple Medical School, while another developed a financial model for a network of urban charter schools.

Textbooks can take students only so far, says Hill. By making EMC mandatory for all Fox MBAs, he adds, the

school ensures that its graduates can translate textbook theories into real-world action and develop the good judgment they'll need to be leaders.

Making Experience Essential

UVic Business turns to its Experiential Learning Officer to bring the real world into the classroom.

Experiential learning has become a cornerstone of education at many business schools, but some faculty still may be uncertain how to integrate it into their courses. To dispel that uncertainty, the University of Victoria's Faculty

Changing Times, Changing Approaches

These schools are rewriting the rules of business education to make their programs more...

...Flexible

In December, London Business School began offering a series of two-day workshops—called “Executive Workouts”—to provide just-in-time education to managers under pressure. The school offers eight workouts, with topics ranging from “Coaching for Performance” to “Making Strategy Happen.”

The short programs help companies respond quickly to market conditions, says JoEllyn Prouty McLaren, director of open enrollment programs. Not only that, they offer affordable training options to organizations whose training budgets may be straitened by a tough economy.

...Diverse

Harvard Business School has accepted 106 college seniors into its inaugural 2+2 program, a deferred-admission route to its MBA. The students—who graduate this year with bachelor's degrees in science, engineering, healthcare, government, and public service—will work for two years, during which they'll have access to career coaches and summer academic courses. They'll officially begin their MBA programs in 2011.

Not all students need five years of work experience to be strong MBA candidates, says Deirdre Leopold, managing director of admissions and financial aid. HBS 2+2 reaches out to a diverse set of high-potential undergraduates, she says, to provide them with a nontraditional path to an MBA.

...Customized

Starting this year, Reims Management School in France will allow students in all of its master degree programs to choose their own ten electives to add to the core curriculum. It's what the school calls its “tailor-made curriculum.”

A customized curriculum helps students differentiate themselves from other graduates, says François Bonvalet, director of Reims. “With this approach, students can take a path that is original to them,” he says. “They can explain to potential employers what makes them different from everyone else.”



If students become active and engaged lifelong learners, they'll become better leaders and decision makers.

—T.L. Hill, Temple University

of Business in British Columbia, Canada, hired its first Experiential Learning Officer in 2006. The newest ELO, Jennifer Gill, brought her background in curricular design to UVic when she took the job in 2008.

During their junior and senior years, undergraduate students at UVic Business must complete three paid work experiences, or “co-ops,” which last three to four months each. In between their co-ops, students return to the classroom for academic terms.

Gill’s job is to help faculty integrate students’ co-op experiences into their courses. Before classes begin, Gill gives each professor a list of students and their co-op job

descriptions, and invites faculty to visit students at their work sites midway through their co-ops.

“That way, if a professor knows he’ll be talking about strategy, he can ask a student in his course who has worked for a strategic planner in her last co-op to talk about the topic,” she says. Gill also has created a Blackboard-based repository of teaching techniques, so that professors can learn from other faculty members’ best ideas.

Professors have embraced UVic’s emphasis on experiential learning. Many faculty post weekly questions to students on the school’s Blackboard system, asking them to relate course concepts to their co-op work assignments.

...Community-Focused

In 2005, the Gordon Institute of Business Science (GIBS) in Johannesburg, South Africa, started the Dialogue Circle—seven networks that reach beyond the GIBS campus to develop Africa’s larger community of current and future leaders.

Three networks target Africa’s youngest leaders: *Spirit of Youth*, for 11th and 12th graders; *YP Forum*, for 21- to 26-year-old young professionals; and *Nexus*, for 28- to 35-year-old business leaders. Older participants can join one of four groups, including *ImagiNation*, a series of workshops for managers 35 and older, as well as *Women Empowered*, the *Chairpersons Forum*, and the *Colloquium for Social Entrepreneurs*.

Through these networks, “participants build diverse networks they can tap into,” explains Anthony Prangle, program director for *Nexus*. “Their perceptions of the broader world are challenged, and they develop a vision of what it will take to make South Africa succeed.”

...Global

Duke University’s Fuqua School of Business announced in September that it would expand its campus in Durham, North Carolina, to include a network of campuses in cities around the world, including New Delhi, India; St. Petersburg, Russia; Dubai, United Arab Emirates; Shanghai, China; and London, England. The expansion also includes current or future participation with other schools at Duke, including the Nicholas School of the Environment, the Duke Global Health Institute, and the Sanford Institute for Public Policy.

The expansion is most related to The Duke MBA–Cross-Continent program, which begins in August. Students in the program will be the first to study at Duke’s new campuses, learning about global issues on location in the world’s major markets. Through this initiative, the school is “rethinking the boundaries of business school,” says Richard Brodhead, president of Duke University.

...Ethics-Based

Starting this fall, students in all MBA programs at The George Washington University in Washington, D.C., will be taking the school’s new ethics-based curriculum, which emphasizes ethical leadership, corporate responsibility, and globalization. The curriculum was rewritten from the ground up, so that every course views business with ethical decision-making in mind. Students in a supply chain management course, for example, will discuss issues of child labor and environmental impact.

“The global business paradigm has shifted,” says Susan Phillips, dean and professor of finance. “It is our fundamental responsibility at the GW School of Business to inspire students to act responsibly, lead passionately, and think globally.”

One professor even asked his students to develop a blog that discussed the structures of their co-op organizations.

Gill works with students as much as faculty. She asks them to write reports about their co-ops and speaks with them regularly about ways they can highlight those experiences in their classes.

It excites students to be able to contribute so much to their own educational experience, Gill says. That excitement makes it even easier for faculty to create seamless connections between their students' working and educational lives.

"We recognize that experiential learning has incredible value," says Gill. "If we want to facilitate best practices in experiential learning, we must put into place the resources to make it happen."

Emphasizing Early Exposure

The Carlson School revises its curriculum to immerse undergraduates in business topics.

Before its new undergraduate curriculum was put into place last year, the Carlson School's program followed a traditional format that was "low in structure and low in intensity," says its dean Alison Davis-Blake. Undergraduates were not admitted to Carlson until their junior years. Before that, they focused on completing their liberal arts requirements.

Starting in 2008, however, the school began to admit students as freshmen, so that they can be exposed as early as possible to an expanded set of courses and requirements. The changes were made

to give undergraduates more integrated and immersive educational experiences, says Davis-Blake.

"If a student is majoring in marketing and consumer behavior, we want him to be able to plan ahead and take his marketing course with a course in social psychology," she says. "We want to create more synergy in the curriculum."

Freshmen now must take a course in contemporary business management. As sophomores, students take four "immersion core" courses—finance, marketing, operations, and strategy—as part of a single cohort.

Carlson also has made a significant change in the area of international study. Once considered an

elective, international study is now mandatory for Carlson undergraduates, who must take a trip abroad between their sophomore and senior years.

Because students come to the college at different levels of "international readiness," says Davis-Blake, the school offers a range of travel options. Novice travelers can choose to take two-week trips abroad to study accounting in Argentina, human resources in Australia, global entrepreneurship in China, environmental impact in Costa Rica, or corporate strategy in Central and Eastern Europe. Students more comfortable with international travel can spend summers or semesters abroad studying at partner universities. In all cases, the Carlson School provides scholarships, need-based aid, and supplemental loans to help students fund the trips.

As seniors, students participate in an experiential capstone experience to bring together all they've learned. Each capstone is delivered as part of a student's major. For example, entrepreneurial studies majors take a yearlong capstone course that helps students develop and launch a new business. Nonprofit/public sector majors take a service-based capstone course in which they serve as strategic consultants to local nonprofits.

The Carlson School's new curriculum now exposes its undergraduates to business realities—earlier and more often, says Davis-Blake. Moreover, the added experiences allow students and faculty alike to bring a wealth of information back to the school from local industry and global businesses.

"Our students and faculty are now out in the world sensing the business climate in real time, so our courses can evolve on a real-time basis," says Davis-Blake. "That makes our school more flexible, innovative, and responsive than we've ever been before."

Inspiring Lifelong Learning

As business schools continue to reinvent their courses, many are going beyond teaching "what" students should know to teaching them "how" to know it. The goal is to help them "learn how to learn," says Hill of the Fox School.

"Ultimately, the basics of what we teach today will change tomorrow," Hill argues. "We need to teach our students to be curious. If students become active and engaged lifelong learners, they'll become better leaders and decision makers."

It may be impossible for business schools to predict what the future will bring. But business schools can prepare students to handle each new challenge as it comes, say these educators. They can do so by teaching students self-sufficiency, creativity, curiosity, and courage—skills that will ensure that students continue to learn and lead throughout their careers. 



It's Time to Shape the Future of Education

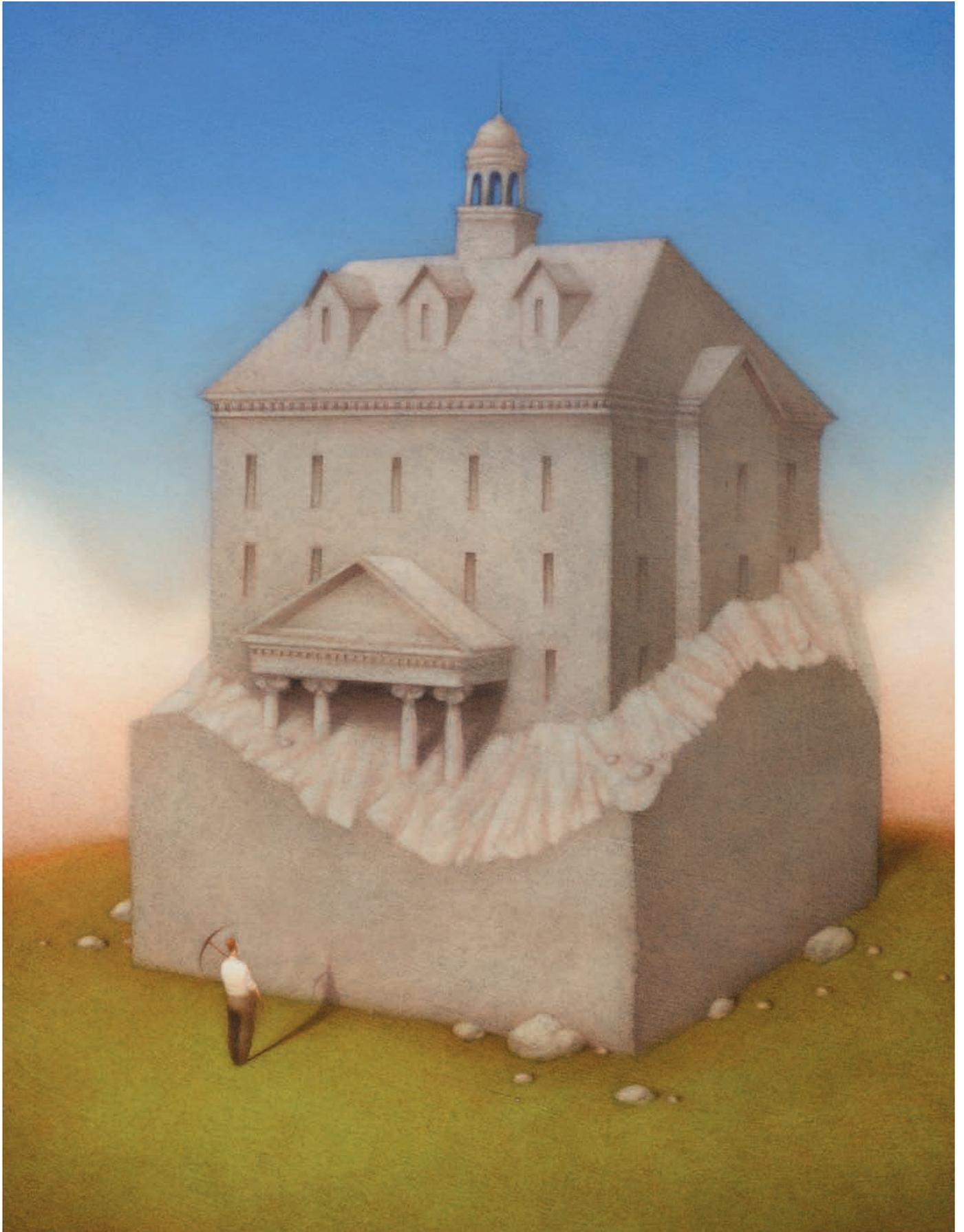
by Larry Edward Penley

Higher education in general, and business education in particular, face a barrage of demands for change. These include calls for greater accountability, greater access, more relevant research, enhanced global competitiveness, and more responsiveness to pressing societal concerns. Many educators and administrators perceive these demands as threats, and they have reacted with defensiveness to the possibility of outside intervention and oversight. But I believe they should see these demands as opportunities instead.

After spending 25 years at business schools and nearly six years as president of a public research university, I have a keen interest in both business education and higher education. Indeed, my time as president at Colorado State University has directly influenced the hopes and expectations I hold for business schools. And I believe that, during a time when all of higher education must undergo extraordinary change, business schools can become examples of outstanding leadership.

To do that, business educators not only must turn challenges into opportunities, they also must avoid making four typical mistakes that revolve around money, access, accountability, and the role of the university in society. Even when they make these mistakes with the best of intentions, educators weaken their own institutions—and all of higher education.

A longtime dean and administrator believes that business schools can lead all of academia through the demanding changes ahead—if they avoid four typical mistakes.



Mistake No. 1: Looking for Money in the Wrong Places

I am not someone who believes sustainable funding is one of the threats facing higher education. In fact, I believe the first mistake educators make is whining about money. Frankly, when schools focus on substantially increasing tuition—and, if they're public schools, on obtaining more funding from the state's budget as well—they're more likely to exacerbate the money problem than solve it.

The evidence doesn't support the complaining. While schools have generally pessimistic expectations for higher education funding in the immediate future, the truth is that for the past 20 years, state-level funding in the U.S. has seen only three annual declines. The Center for the Study of Education Policy at Illinois State University puts together "Grapevine: An Annual Compilation of Data on State Tax Appropriations for the General Operation of Higher Education," which can be found at www.grapevine.ilstu.edu/. The center recently catalogued that, last year in the U.S., the increase in state support for higher education was less than 1 percent. That's small—but it's still an increase.

Even if individual states supply somewhat less support, schools won't raise revenue by bemoaning their lack of funding. Instead, they should partner with society by developing competitive programs that increase economic prosperity, raise quality of life, and address some of the greatest global challenges that exist today. When schools develop programs that society needs, they will reap additional revenue as students seek out their programs and citizens lend their support.

There are plenty of global challenges to address, including healthcare, nutrition, sustainable energy, and climate change. Many expect science and engineering schools to play a critical role in solving these problems. But I believe that—because of their long history and strong relationship with the business community—business schools can participate in those solutions as well, while creating tremendous opportunities for themselves.

Take climate change as an example. The Intergovernmental Panel on Climate Change recently documented the impact of global weather conditions. Since 1850, 11 of the 12 warmest years on Earth occurred between 1995 and 2006. The extent of snow cover and sea ice has declined substantially. The atmospheric concentration of carbon dioxide has increased from a pre-industrial value of about 280 parts per million (ppm) to 379 ppm. And the current level of atmospheric carbon dioxide far exceeds the natural range of 180 to 300 ppm that has been the norm for the last 650,000 years.

The Intergovernmental Panel makes it clear that the source of climate change is human dependence on fossil fuels and changes in land use. Business educators and business leaders will realize that the products of human commerce are very likely what have caused the increases in average global temperatures since the mid-20th century. Business educators can lead the way in addressing this great challenge.

And, in fact, business education has begun to respond. Warwick Business School in the U.K. recently announced a Global Energy MBA. Two years ago, Colorado State developed a business master's degree in Global Social and Sustainable Enterprise. Colorado State also established a School of Global Environmental Sustainability to create multidisciplinary educational programs. Other schools also have added green-themed tracks to their programs.

Concerns about sustainability, global climate change, and the cost of energy are likely to make these types of programs very popular with students. Schools that offer such learning opportunities not only will reap more income, but they also will improve their communities by producing an expanded, educated, green labor force. When business schools stop whining about their loss of revenue and instead take advantage of real opportunities to address global challenges, they will deliver benefits both for society and for themselves.

Mistake No. 2: Forgetting Education Is a Public Good

The second mistake educators make is threatening to privatize public higher education. They want the increased revenue, and they envy the higher tuitions private schools collect and the higher endowments these schools receive—at least prior to the recent financial crisis.

But threatening to privatize public education has serious consequences. Already, to a large extent, higher education is perceived as a private rather than a public good. Unfortunately, when business schools heavily promote MBA programs that result in high starting salaries for their graduates, they further make the case that higher education is a private good with more value to the individual graduate than to society at large.

If higher education is perceived as a private good, voters and politicians are less motivated to provide public subsidies for it. Worse, the public loses a sense of ownership of higher education and no longer considers it central to quality of life and economic prosperity. Therefore, higher education must be recast as a public good that deserves the public's support for its integral role in creating wealth.

Relatively recent developments in economic growth the-

Society is not well-served by elitism in higher education. Society needs strategies that improve access to education for a larger proportion of its citizens.

ory make the case for higher education as a public good. In particular, Stanford economist Paul Romer has written about the topic in two 1990 articles that appeared in the *Journal of Political Economy*. He focuses on three areas: the essential nature of market forces, the treatment of ideas as economic goods, and the role of technological change in economic growth. The latter two are central to Romer's arguments.

Romer's work shows how universities generate growth by creating new ideas and technologies, which then lead to other new products and services from researchers inspired to come up with variations on the original ideas. Romer's model shows that higher education indeed helps promote economic prosperity and the public good because teaching and learning contribute to growth in human capital. Yet, he points out, the new technology that comes from research has an even greater long-term impact. This is powerful information for business educators trying to craft a value proposition for their research agenda.

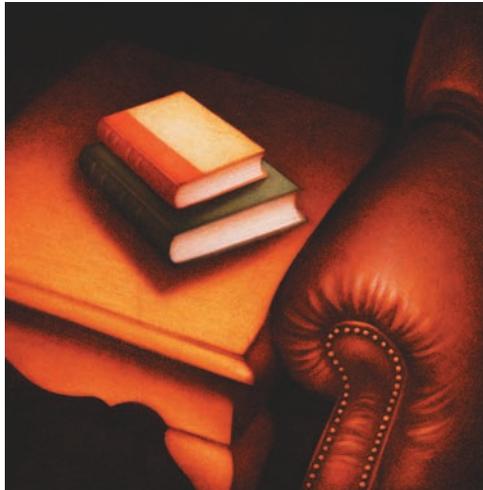
Unfortunately, past university research also supported the financial tools that have been at the heart of the recent economic crisis, which might serve as an argument against the contribution business schools make to the public good. Yet society most likely will benefit from ongoing research in this field, as well as from the calls for the reform of accounting methods and financial markets.

Business educators should not merely consider it advantageous to position higher education as a public good; they should lead the endeavor by presenting a value proposition for research that is consistent with economic growth theory. As a result, all higher education could reap the rewards of increased funding and support.

Mistake No. 3: Turning Universities into Elite Institutions

The third mistake universities make is basing their claims of quality on student inputs. It's common for schools to assert that they "recruit the best and brightest" or to boast about their student grade point averages and test scores. But I submit that society is not well-served by elitism in higher education. Instead, society needs strategies that improve access to education for a larger proportion of its citizens.

Of course, improving access goes well beyond keeping



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tuition at a reasonable price and offering need-based financial aid. Improving access also means doing a better job of preparing the teachers we graduate and reaching down the pipeline to improve the education of K-12 students. It means increasing the proportion of people, young and old, who obtain education and re-education so that they can join the workforce and strengthen the economies of their countries.

Evidence has long shown the connection between education and a country's global competitiveness. The knowledge economy places a premium

on higher education, as Romer makes clear in his economic growth theory. While there is a need for an increasing number of college-educated citizens, it appears that—in the U.S., at least—fewer young people are choosing to attend colleges and universities. Among countries ranked by the Organisation for Economic Co-operation and Development (OECD), the U.S. ranks first for percentage of college degree holders who are between the ages of 55 and 64. But when it comes to adults between 25 and 34 who have college degrees, the U.S. is ranked eighth among OECD countries.

While business schools cannot entirely resolve the mistakes that universities make by focusing only on the most qualified students, they can take action. They can still pursue the best and brightest. But they also can provide access for a broader group of students by developing policies that support need-based financial aid. And they can develop outreach initiatives, such as the Rodel Program created by Arizona State University's W. P. Carey School, that focus on improving education at the high school level.

In addition, they can serve this broader student population through innovations in curriculum delivery. To overcome the limitations of brick-and-mortar campuses, they should rapidly adopt alternatives like storefront classroom locations and online education. Business schools can lead the way for all of higher education by demonstrating that these expanded delivery options can still maintain high quality.

Business educators also can be leaders in demonstrating how to achieve student success—i.e., higher levels of persistence and increased graduation rates. Because society needs more college-educated citizens, poor persistence and graduation rates are costly. Business schools, despite their incomplete control over the undergraduate's experience,

have shown they can intervene successfully in these areas. For instance, the Kelley School at Indiana University has developed a plan to improve the persistence and graduation of its students. Both the University of Maryland and the University of Washington have used sophisticated monitoring and analytical tools to improve the quality of the undergraduate experience—and the success rates of students.

Nontraditional providers of business education, such as the University of Phoenix and DeVry University, already aggressively address the need for increased access, mainly through online programming, multiple locations, and flexible delivery. Thirty percent of the students at the University of Phoenix are minorities, and the school has started to make public reports about its success rate. Traditional business schools must find a way to provide access to quality educational opportunities with the same convenience—and levels of success—or risk losing students to these alternative models.

Mistake No. 4: Resisting Calls for Accountability

The fourth mistake leaders of higher education make is to eschew calls for accountability. Universities have resisted measuring student learning beyond the classroom level because of the difficulty of setting up measuring tools. They have resisted making reports about learning outcomes and the quality of the learning environment because assembling these reports is challenging—and the public exposure is alarming.

Under the Spellings Commission, U.S. accrediting bodies faced considerable pressure; after all, they are the perceived guarantors of minimal levels of education quality. As a follow-up to the Spellings Commission, U.S. education organizations such as the American Association of State Colleges and Universities and the National Association of State Universities and Land-Grant Colleges urged members to adopt transparent accountability measures. The topic also has been under debate in Europe, as evidenced by the Bologna Declaration and the U.K.'s Quality Assurance Agency



initiative. Despite all the talk, there has not been much action, at least on the university level.

Both larger schools and schools that are delivering education outside of the classroom face definite challenges in developing transparent accountability measures. The issue offers an opportunity for business schools to extend the leadership that AACSB International has already shown. Business schools at Seton Hall and Texas A&M already are demonstrating that AACSB's direction is viable.

Management educators tend to be comfortable with strategies that promote accountability; after all, businesses in developed countries are subject to very public accountability via markets and regulation. Business educators also are familiar with the roles that markets, analysts, and customers play in creating accountability for a business. This understanding should lead them to

expect similar comprehensive and public accountability in business schools—and lead the way toward accountability for higher education.

What Must Change, What Must Stay the Same

Even if educators manage to avoid making these four mistakes, they will face challenges as the 21st century unfolds. In fact, some people believe that higher education will need to undergo radical change. They point out that the core university structure has only seen minor adjustments over a millennium, an observation that is also made by John Henry Cardinal Newman in his 19th-century discourses on *The Idea of a University*. Even though this structure has produced a high level of performance, these reformers think its fundamentals need to be revamped for a modern world.

I disagree. The university's role always was—and always should be—knowledge creation. It accomplishes its mission by generating new ideas and educating individuals who become productive, highly skilled citizens.

But something, indeed, is different. We now live in an environment that is increasingly dependent on knowledge-

“What must change is not the fundamental role of the university, but the way it fulfills its role.”

based industries and, therefore, on university graduates with knowledge-based skills. What's different is society's dependence on higher education. This dependence has led more citizens to feel entitled to earn undergraduate degrees. And it has caused more regional governments to acknowledge that quality of life and economic prosperity improve when local colleges and universities are present.

What must change, then, is not the fundamental role of the university, but the way it fulfills its role. Schools must offer broader access and new kinds of degree programs; they must embrace 21st-century methods that promote increased productivity. And they must support faculty who pursue research that contributes to economic prosperity.

Business education has already demonstrated its flexibility. In the 1960s and '70s, business schools increased their academic credibility by grooming faculty schooled in research methods and theory. In the '80s and '90s, they distinguished their MBA programs from research-oriented graduate pro-

grams by clarifying the MBA's distinctive status as a professional degree. Business educators can change again—but what they really need to do is *engage* change to create opportunity.

Fundamentally, change arises when prescient leadership sets a new direction. Sometimes people confuse what I call prescient leadership with what the first President Bush called the dreaded “vision thing.” In the book *Who Says Elephants Can't Dance?*, Lou Gerstner describes a 1993 press conference where he made a statement that reverberated throughout journalism: “There's been a lot of speculation as to when I'm going to deliver a vision of IBM and what I'd like to say to all of you is that the last thing IBM needs right now is a vision.”

I laughed along with the journalists as they lampooned Gerstner. In retrospect, he seems admirable, not amusing. IBM did survive—and succeed—as Gerstner helped a reorganized IBM find its niche in middleware and mainframes. Gerstner didn't need to pronounce a vision; he needed to create a vision with a distinctive, competitive strategy.

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The same is true for business educators. Stakeholders should not ask, “What’s your vision, Dean?” Their real question should be, “What competitive advantage are you striving for in an environment that is incompletely seen, but which can be partially anticipated with prescient leadership?” Simplistic goals—like moving a school into the top 20 of some ranking system—might signal a change in vision, but they don’t help the university set a coherent strategy redesign that anticipates environmental change.

My Personal Vision

As I think about the “vision thing,” I recall a conversation I had years ago with John Teets. At the time, he was the CEO of Dial Corporation, and I was a new dean of a business school. Faculty members were calling on me for a vision, and I was trying to determine how much change faculty, students, and staff could handle at once. I tried to keep in mind that there is only so much of the future that one dares introduce into the present.

John Teets affirmed that visions cannot be stated in completely cogent, absolute terms early on. Instead, they are revealed over a period of time through the actions deans and CEOs take as they create competitive advantage for their organizations. Leaders do not and cannot present a complete vision that announces the future in a concrete state. What leaders can do—with intelligence, complex perspectives, and pragmatism—is anticipate the future, articulate hope associated with it, and make that future visible step by step.

I believe that higher education administrators can hone reflective skills and work in collaboration with faculty and staff to anticipate the future and make it visible through linkages between strategy and structure. They can turn potential mistakes into constructive strategies in four ways: by addressing global challenges with competitive programs, supporting research that serves the public good, improving access to education, and actively promoting accountability and transparency in measuring student success.

I further believe that business schools are uniquely qualified to lead universities through the process of implementing these strategies. Because business schools have such close ties to society and the business community, they can play a special role in guiding higher education through the 21st century. 

Larry Edward Penley spent 13 years as dean of the W. P. Carey School of Business at Arizona State University in Tempe and nearly six years as president of Colorado State University in Fort Collins. He currently lives in Chandler, Arizona, and works as a consultant with The Hayes Group International.



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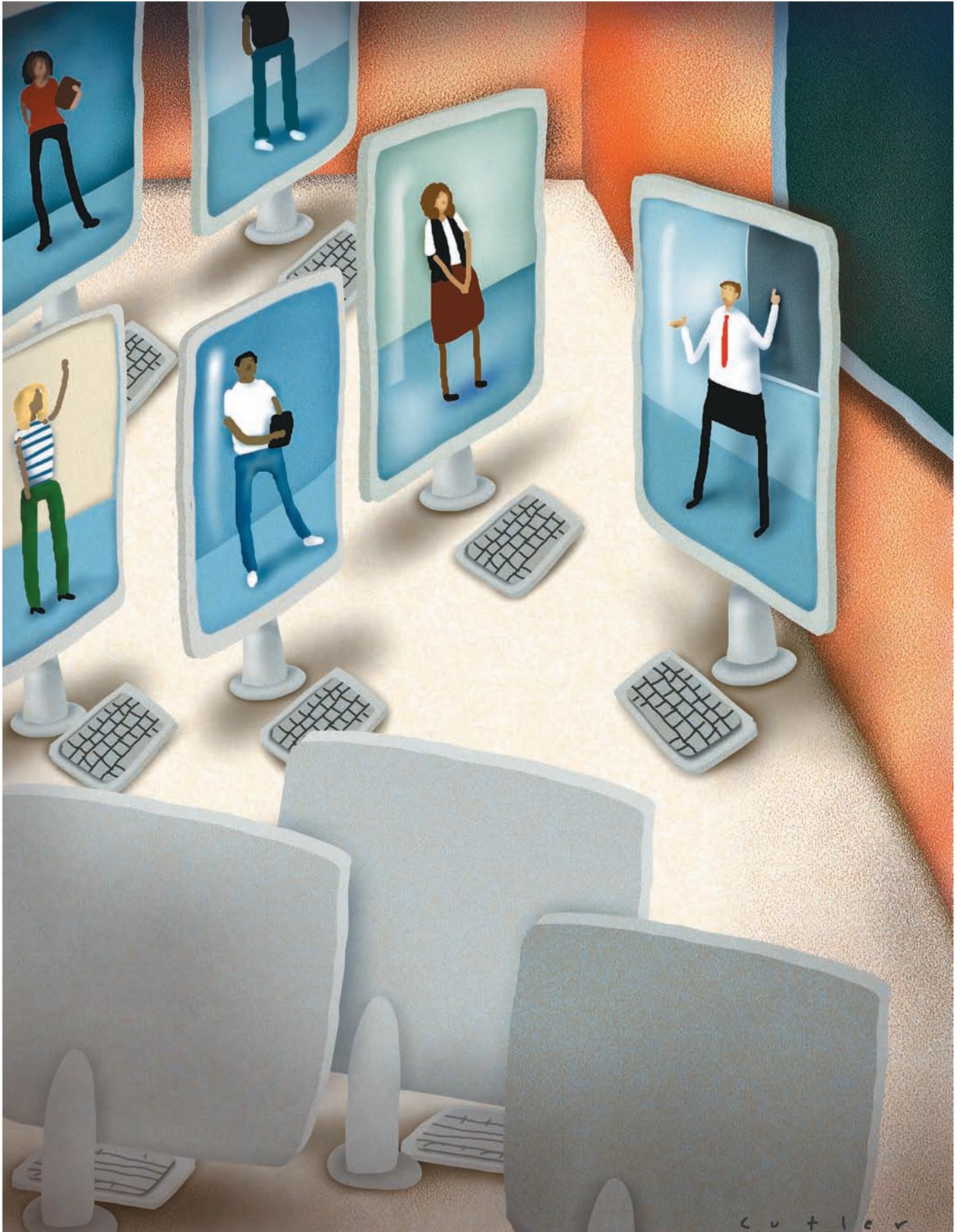
by Tricia Bisoux

Today's immersive virtual learning environments are a far cry from the online learning environments of the past. They have progressed beyond chat rooms and instant messaging—beyond even podcasts and MP3 downloads—to include video streams, wikis, and telepresence. Today's technology has taken at least some of the “distance” out of “distance education,” says Tracey Wilen-Daugenti, director of the Higher Education Practice in the International Business Services Group at Cisco Systems.

Since earning her master's and doctorate in business administration, Wilen-Daugenti has studied the use of technology in higher education and is now a visiting scholar in e-learning at Stanford University in California. In her recent book *.edu: Technology and Learning Environments in Higher Education*, Wilen-Daugenti discusses how schools can use technology to create new kinds of learning environments that incorporate greater levels of geographically distributed communication and collaboration.

“The lines are blurring between distance learning and face-to-face,” she says. “These technologies are solving the problem that distance learning has always had—they're closing the gap between people, creating a sense of presence and community.”

Two instructional technologists offer their perspectives on how new technologies will transform the classroom.



These trends have sparked the creation of a new profession: educational technology. IT experts who enter this field are trained to help professors assimilate new media into their courses. “It’s an emergent field,” says Tucker Harding, an educational technologist with the Center for New Media Teaching and Learning (CNMTL) at Columbia University in New York. “Educational technology is more than instructional design. It’s crossing over into curriculum development, where we’re concerned with identifying what actually contributes to the improvement of teaching and learning.”

If business schools want to learn how to use technology to design new, more collaborative educational experiences for their students, say Harding and Wilen-Daugenti, they don’t have to look far. They can just watch how corporations are using Web 2.0 applications and video collaboration tools to connect their own workforces. As these technologies continue to infiltrate the corporate environment, most companies won’t just hope that business schools assimilate these tools in their teaching—they’ll expect them to. That growing expectation promises to place new pressures on business educators to push ahead, try new approaches, and prepare students for the technological realities they’ll face in the years ahead.

Tech Tools to Try

Business educators can now choose from an ever-expanding range of applications that have any number of possibilities for the classroom. Some next-generation communication and collaboration tools are available from companies like Cisco, Oracle, Microsoft, and Apple. Other tools—often with similar capabilities—are available on the Internet for free.

Web conferencing and telepresence. Live Web conferencing has been taken to the next level with new high-definition video conferencing systems. Products such as Polycom’s RealPresence and Cisco’s TelePresence are becoming increasingly popular among businesses. Telepresence allows individuals to meet at

a realistic-looking “conference table,” even if they’re half a world apart. “These systems create very realistic face-to-face interaction,” says Wilen-Daugenti. “It seems like you’re sitting across the table from each other. You can hear a soda can open and see each other’s facial expressions.” Telepresence systems can help business schools connect to students, faculty, guest speakers, and experts, without the cost of travel.

Online gaming. Students also can participate in a variety of multiplayer virtual games targeted to business. For example, Animedia’s *Big Biz Tycoon* is available for the PC. LavaMind.com offers a suite of business and strategy simulation games, including Zapitalism!, Profitania, and Gazillionaire.

Collaboration software. Companies like Google and Cisco have developed suites of collaboration tools that support blogs, wikis, mash-ups, calendars, and e-mail, as well as shared documents and spreadsheets. Google offers online collaboration work applications such as Google Docs and



Using Adobe Connect, Columbia University’s Center for New Media Teaching and Learning held its Global Classroom (at right), a live Web discussion that brought together more than 1,000 students and faculty from ten schools worldwide.

“By creating a Twitter feed, a professor can keep a dialogue going with his students through their mobile devices.”

—Tracey Wilen-Daugenti, Stanford University

Spreadsheets, Google Video, and Google Talk, all of which allow users to share information over a secure connection. Cisco’s WebEx WebOffice also allows users to create shared online workspaces.

YouTube, Skype, Flickr, Facebook, and Twitter. The same popular Web sites that allow users to share images, video, and messages can be used to link students and other stakeholders of the business school, whether they’re in their homes or on the move.

“Mobile learning is taking off, and business schools are using PDAs to deliver just-in-time learning. That emulates what’s happening in the corporate world,” says Wilen-Daugenti. Students can use tools like Skype to connect online via video phone calls. They can use Twitter to share links or short, quick text messages—or “tweets”—back and forth. “By creating a Twitter feed, a professor can keep a dialogue going with his students through their mobile devices,” she says.

A Time to Experiment

Educational technologists at the Center for New Media Teaching and Learning are just beginning to understand the implications, consequences, and potential of new media technologies. The only way to develop best practices is to design learning experiences, set them in motion, and see what works and what doesn’t, says Harding.

One of CNMTL’s most ambitious experiments, the Global Classroom, was launched in January 2008. Described as an online “super site” at ccnmtl.columbia.edu/projects/globalclassroom, the Global Classroom focuses on sustainable development and features a variety of relevant resources, which students use to prepare for weekly live, interactive Web-based discussions. During each discussion, students can type in and send their questions. As the presenter speaks, he can read the questions and choose which ones to answer.

To make the Global Classroom work, CNMTL uses Adobe Connect, a program that allows people to communicate via online messages and even see each other as the video lecture is broadcast. During its first run, the class connected more than 1,000 students from ten universities.

The Center spent a year preparing for the program’s launch; it began its second offering of online courses in September 2008. “It’s challenging to get everyone coordinated and choose times that accommodate all the different time zones—we don’t want people to have to get up at four in the morning to attend the lecture,” says Harding. Some participating schools also have had bandwidth problems because they didn’t have the infrastructure in place. To reach these areas, the CNMTL broadcasts the audio of the lecture over a land line via conference call. That way, if the bandwidth fails, students will still be able to hear and participate.

There is still a long way to go before online experiences can match the capabilities of face-to-face instruction, says Harding. But a virtual classroom offers something that the traditional physical classroom cannot—truly global reach. Using online technologies, educators can bring hundreds, even thousands, of people from different backgrounds together to engage in a common, live discourse. They can work together to solve problems, Harding says.

“Using these tools is about more than just convenience,” he says. “We want students to feel



“With the Global Consortium, someone working in Latin America is in the same course as someone working in Africa’s Millennium Village.”

—Tucker Harding, Columbia University

as if they are all part of a single classroom. With something like the Global Classroom, someone working in Latin America is in the same course as someone working in Africa’s Millennium Village. They don’t just talk to each other about obstacles they faced in the past; they can talk about the obstacles they faced that very day.”

A Worldwide Conversation

Harding and Wilen-Daugenti agree that no matter which

tools faculty choose to bring into the classroom, they will need solid tech support to use them effectively, whether it’s from a student helper or a full-blown tech-support office. But they add that it’s even more important that faculty shift the way they *think* about technology.

“Once class starts, so many professors tell students, ‘Close the laptops, turn off the wireless.’ But that’s because they haven’t changed their pedagogy,” Wilen-Daugenti argues. “Instead, they could integrate these devices into the class-

A Model for the 21st-Century Classroom

Using the latest technology and smart course design, Duke educators work to make online executive education platforms more interactive and effective than ever before.

by Raymond Smith

A computer services company in Hyderabad, India, wanted to develop a training program for its 3,000 employees. Like so many firms, the company wanted an e-learning program that reduced or eliminated its travel costs, kept its managers on the job, and did not compromise educational quality.

With that challenge in mind, the company asked Duke University’s Fuqua School of Business in Durham, North Carolina, to develop its managerial excellence program. Delivered 100 percent virtually, the program is based on Duke’s Multi-Modal Executive Learning (MMEL) experience. The MMEL incorporates interactive learning, promotes dialogue between the professor and the participants, and increases the relevance of the content by keeping students in their

jobs where they can immediately apply what they’ve learned.

‘Place and Space’

Duke based MMEL on a platform called “Place and Space,” a model the school has been using since 1996. “Place” refers to the physical classroom, and “space” refers to the virtual learning environment, where geographically distributed teams learn together via the Internet. The platform draws heavily from research that shows that adults learn best when they are a part of a community of learners. Adults, research shows, want to influence the learning process, learn at their own pace, and have ample opportunities to link theory directly to real-life challenges.

The success of virtual learning, however, depends on making sure everyone—from the educator, to participants, to a company’s

senior leadership—contributes to the experience. Therefore, Duke requires all students in its MMEL programs to sign Learning Action Plans at the beginning, middle, and end of each program. “Calls to action” embedded within these contracts require students to work with their teams to solve existing real-world problems. These calls to action challenge their assumptions about how they interact with others and how they approach the problems they face in the work environment.

Interactive by Design

MMEL relies heavily on live Web conferences, delivered by companies such as Centra and Interwise. Company training programs often begin with a Web conference that brings students virtually “face-to-face” with their instructor, provides them with an overview of the courses, shows

them how to access course materials, and describes how they can engage with the materials. It also informs students of what is expected of them in their roles as learners.

After the initial Web conference, students at the computer services company take four courses: Managing People, Implementing Strategy, Managing Resources, and Managing Change. Each course consists of six 25- to 40-minute video podcasts, which are playable on iPhones, video iPods, desktops, or laptops, and are reusable for future cohorts of students. These podcasts challenge students to apply the new models discussed in the video to a current or past work experience.

Once students have applied these models, they attend more live Web conferences where they share what happened with the educator and their peers.

room by having students Google concepts or share ideas. If students are instant messaging with the professor, they'll be less inclined to be instant messaging with someone else."

New tools for virtual and collaborative learning also can help professors craft richer experiences for students, inside and outside the classroom. They can build learning communities that include more people, over greater distances, with a wider range of experiences. When educators bring that kind of collective knowledge to a problem, Harding says, they can

increase a student's understanding of that problem tenfold.

"If we can find ways to include more students in these conversations, we can address their problems in a more systematic way," he adds. "Everyone's understanding of the challenges we face, all over the world, can be improved." Such worldwide conversations give virtual learning great potential not just to teach, he emphasizes, but to improve the human condition. That fact alone makes it a mode of delivery worth exploring to the fullest. **Z**



Together, they reflect on the significance of what they've learned and make plans to adapt their practice in the future. The conferences are similar to breakout sessions in a traditional, face-to-face program. When the technology is available, these live meetings can be held via a telepresence system.

Wikis and discussion boards offer students the opportunity to connect to each other regularly for collaboration. Online games and computer simulations allow students to play

out business scenarios to test new models. Articles, videos, and cases are available to students in a virtual program library.

In addition, the Fuqua School is currently experimenting with three-dimensional virtual worlds such as Second Life and Proton-Media's Protosphere, where students can interact with their classmates via their own virtual characters, or avatars.

Act Virtually, Think Differently

With so many virtual tools at

their disposal, educators can think much differently about program design. They can customize courses to meet different needs, achieve various learning outcomes, and match methods of educational delivery to different learning styles. For example, extroverts may learn best in chat rooms and virtual environments, while introverts can thrive using asynchronous tools such as wikis and podcasts. Faculty, too, can customize virtual delivery to their preferred teaching styles.

So far, this model has been delivered to 200 managers at the Indian company. Some managers report that they actually prefer virtual learning to traditional face-to-face programs. They find the podcasts and Web conferences useful, and they appreciate that they can learn on the job at their own pace, be more creative with the materials, and use the method of delivery that best suits their strengths.

In today's business climate, where it's important for companies to keep costs low and productivity high, offering high-touch virtual executive education makes sense for businesses and business schools alike. Luckily, online education no longer needs to be "distance" education. Truly interactive virtual programs bring educators and students together, from anywhere in the world, in virtual spaces for live educational experiences. It's a model that makes sense for busy managers and executives—and for the business schools that train them.

Raymond Smith is currently the associate dean of executive education at the University of South Carolina's Moore School of Business in Columbia. He formerly served as associate dean of executive education at Duke University's Fuqua School of Business in Durham, North Carolina.

Pillars of Virtue

by Jonathan Schonsheck

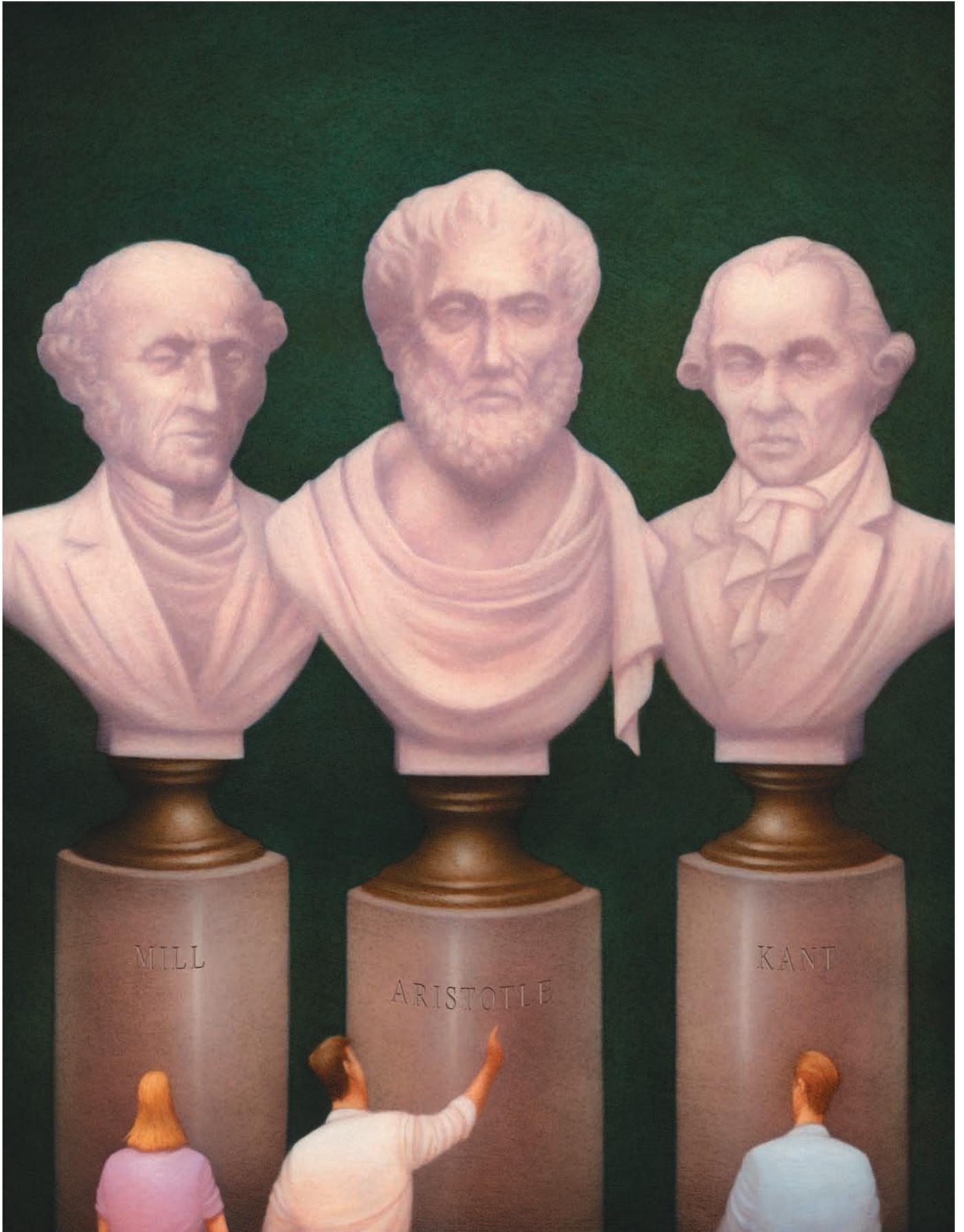
The ongoing rapid-fire eruptions of atrocities in financial systems, from subprime mortgages to leveraged derivatives, make the misdeeds of Ken Lay and the Enron era seem faraway and quaint. Throughout the entire period from Enron's collapse in 2001 through the market's turmoil in 2009, the talking heads on the networks and cable channels have been issuing solemn calls for business schools to place a greater emphasis on ethics in the curriculum.

One might think that, as a professor of philosophy who teaches business ethics in an MBA program, I would welcome these calls. After all, they result in greater promi-

nence for the discipline and those who teach it. But my response is more conflicted and more complex. Are ethics professors the right people to ensure that future business executives operate out of a sense of virtue instead of a habit of vice?

Our cultural attitudes about professors, I believe, are deeply ambivalent. In the popular media, professors are typically portrayed as intelligent and likeable, in a bumbling sort of way. Picture first Fred MacMurray and then Robin Williams as "The Absent-Minded Professor." Picture first Jerry Lewis and then Eddie Murphy as "The Nutty Professor." Sometimes the cultural attitude gets edgier. Recall Governor George Wallace's reference to "pointy-headed intellectuals who can't park their bicycles straight." Remember former vice president Spiro Agnew channeling Pat Buchanan as he derided intellectuals as "nattering nabobs of negativism." This was uttered, of course, before he was compelled to resign for failing to pay income tax—on bribes that he had extorted.

How much can an ethics professor realistically do to turn out graduates who will bring strong moral values into the corporate world?



And yet, when pundits call on professors to place a greater emphasis on ethics, it's clear that they believe the professoriate is so powerful that it can prevent corruption in business. Not only that, when business executives behave badly, these critics claim that business schools—and particularly their ethics professors—have *failed*. That's quite a harsh sentence to pronounce on supposedly amiable, bumbling academics.

As a professor of business ethics, I'd like to make it clear what I *cannot* do, as well as what I *can* do. I'd also like to explain what prevents me from doing even more.

What I Cannot Do

Let us first agree that individuals' actions arise from their values. Perhaps my role as ethics professor is to instill values.

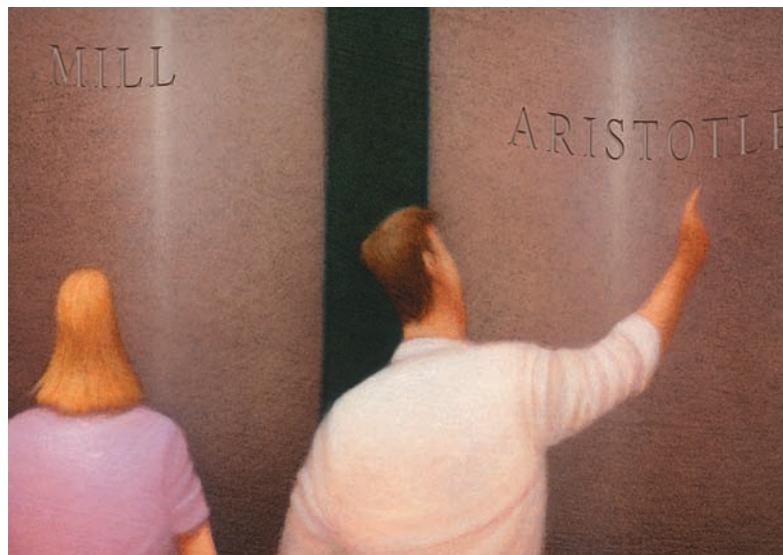
And perhaps not. My MBA students have already earned undergraduate degrees and typically have years of experience in the workforce; even my undergraduates tend to be in their twenties. These adults arrive on the first day of class with a well-entrenched set of values that were instilled long ago by parents and siblings, teachers and religious figures, Scout leaders and athletic coaches, peers and heroes. The timeframe for instilling values has passed.

Perhaps my role as ethics professor is to *reform* student values. But such a goal presumes that students have acquired the wrong values from their parents and their other role models, and that I am just the one to judge those values as flawed and to correct them.

This approach is doubly problematical. First, the presumption often will be false. Although not formally educated in moral decision making, most of my students have acquired a quite admirable set of values. Second, if I were to begin a course with the announcement that students' values are in need of reform, or even to evince that attitude, I would guarantee the failure of the course. My efforts would be met with resentment and stony resistance.

Then, if my job is neither to instill nor reform student values, what *am* I to do?

I can tell you what I cannot do. I cannot make bad people good. If an entering student is vicious, I cannot—after a single semester of weekly classes—deliver a person who has become virtuous. If the sight of malefactors being led from their offices in handcuffs does not deter a young executive from choosing a life of greed and dishonesty, then I have little hope of achieving that goal by presenting the sound arguments of Immanuel Kant or threatening to give a failing grade. And really—if I had indeed figured out how to transform bad people into good people, I would be in a much more lucrative profession.



What I Can Do

What I *can* do is create an intellectual environment that encourages students to reflect on their own values, understand what actions could arise from those values, and realize how those actions will form their characters. Therefore, one element of my course could be called “values clarification.”

But my course would be feeble indeed if it did no more than reveal to individuals their current values. As my students readily will acknowledge, they have come to their current values quite uncritically. In general, they have merely absorbed their beliefs in an early childhood environment. While this environment might have been morally upright, it might alternatively have been idiosyncratic in some ways, or prejudiced, or even anti-social. A critical examination seems to be in order.

I believe the most effective way to proceed is to have students compare their unexamined values with the values advocated in powerful philosophical texts. Those that I have found both accessible and applicable are from Aristotle, Immanuel Kant, and J.S. Mill.

I begin with Aristotle, who claims that a person's happiness depends on choosing virtuous actions. Such actions fall within the “Golden Mean,” which is found between two vices that exist at the extreme ends of any character trait: excess and deficiency. For instance, Aristotle argues that people ought to be *generous*—neither wasteful nor ungenerous. They should aim to be *temperate* and avoid having their lives ruled by irrational appetites such as lust and envy. Happiness requires that they be *even-tempered*. To be sure, they might feel angry when appropriate, but avoid irascibility or wrath. They should take *proper pride* in their achievements without becoming boastful. Aristotle believes the golden mean can be found for other human character traits as well.

Next I have my students read Immanuel Kant. He argues that if we justify our actions through a moral principle, we have to accept that other people might justify their actions on the basis of those principles as well. Kant also believes it is morally impermissible to treat a person merely as a means to an end—as a tool, an instrument, or an object. Reading Kant

“No company has a mission statement that claims, ‘Ruthlessness, unbridled ambition, and deception are rewarded here.’”

encourages students to reflect on their own reactions to such treatment, perhaps in situations where they cried, “You *used* me!” Alternatively, students can envision what it means to treat people in morally permissible ways—that is, as ends in themselves, dignified beings worthy of respect.

Finally, I have students read J.S. Mill, who urges individuals to calculate the impact of their actions on the happiness of all affected individuals—or stakeholders, in modern parlance. They then should select the action that *maximizes*, or creates the greatest amount of happiness. This theory of Utilitarianism also encourages students to reflect on how their attempts to advance their narrow self-interests undermines the happiness of others.

I point out to students that these three moral traditions look quite different from one another and operate in different ways. But the resolutions people make while thinking as Aristotelians are unlikely to conflict with resolutions they make while thinking as Kantians or Utilitarians. Typically, these resolutions do not *diverge*, but rather *converge*. The action that is most virtuous, the action that treats all people as ends in themselves, and the action that maximizes happiness, very often turn out to be one and the same.

Instead of recommending different paths and different destinations, these traditions tend to guide students to three components of the morally upright life: one that develops virtuous character, evidences deep respect for others, and concerns itself with the welfare of all.

What I Achieve

What happens after I have led my classes through a semester’s study of these philosophical texts?

Some students acquire a deeper understanding and more precise articulation of their pre-existing values. Some students modify or reject a number of their pre-existing values—typically their thoughtlessly acquired prejudices—and replace them with rationally chosen values.

In rare instances, some students repudiate fundamental values and adopt different ones. But even in these cases, I have not made bad people good, nor have I imposed new values on them. In these cases, the *students* are the change agents; the *students* have effected the transformation.

I have merely created an environment that enables students to make a reasoned assessment of their values, and I have effectively taught a number of texts that compellingly promote alternative values. I have exposed students to insightful philosophical resources that will encourage them to develop a lifelong habit of reflecting on their values.

Upon further thought, that’s no small matter.

My Competition

When considering how much I can influence my students’ values, I always have to be aware of my fiercest competitor: the broadly construed corporate culture, within which my students will choose their actions.

Virtually every company has a mission statement. Virtually every mission statement is some variation of “Integrity is not one of our values—it is our only value.” No company has a mission statement that claims, “We promote dishonesty and the employees who increase profits by practicing it,” or “Ruthlessness, unbridled ambition, and deception are rewarded here.” But don’t senior executives sometimes act as if those *were* their mission statements?

In any corporate culture, the words in the mission statement matter less than the deeds of senior management. The only way to judge a corporate culture is to note which employees and which actions get rewarded—with salary raises, stock options, coveted office space, and adulation in company publications.

A genuine business scandal arises when executives are showered with desirables even though they spend their entire careers behaving in ways that are contrary to the mission statement. As an example, Enron’s mission statement included four values—respect, integrity, communication, and excellence—and it stated that all business dealings were to be “open and fair.” But the corruption at the core of Enron could not have continued for so long if its top executives were living up to these values. Instead, numerous individuals were rewarded with promotions and bonuses for participating in secretive, deceptive, and viciously unfair practices.

In his book *Winning*, retired GE CEO Jack Welch quotes with approval a colleague’s maxim: “Show me a company’s various compensation plans, and I’ll show you how its people behave.” The truth of this is evident throughout the ongoing turmoil in the financial markets. As proof, let us examine the recent meltdown of subprime mortgages.

A Prime Example

In the beginning, the savings and loan business plan was perfectly straightforward. S&Ls accepted money from depositors, paying them interest. They then made loans to home buyers, in the form of mortgages, charging homeowners a higher rate of interest than they paid to their depositors. Thus they earned a modest but dependable profit. The S&Ls did not need to engage in any marketing activities; customers came to them. And the S&Ls could afford to be very selective. They provided prime mortgages only to well-qualified buyers who could prove they had steady incomes, had accumulated

“I can provide students with insightful texts and sweet reason. But when corporations offer people vast wealth for behaving badly, it’s tough for me to compete.”

substantial down payments, and were prepared for the challenges of home ownership.

To understand what happened in the subprime market, it’s important to first look at how the primary market works. Whenever a housing transaction is consummated, commissions go to both the real estate agent for the seller and the agent for the purchaser. A commission also is paid to the bank’s loan officer. The seller’s attorney, the buyer’s attorney, and the bank’s attorney all collect fees. The lending institution collects an array of fees. Municipalities collect taxes and filing fees. So large sums of money are on the move.

If the deal falls through, however, none of this happens. Two real estate firms, three sets of lawyers, the lending institution, the municipalities, and the seller all walk away empty-handed—or more precisely, they never gather at all.

The creation of the secondary mortgage market was transformative. No longer did S&Ls and other mortgage initiators wait for prospective homeowners to appear at their counters; now they were powerfully motivated to seek out potential buyers. The entire secondary mortgage market—which was created in the absence of governmental regulations—depended upon consummated primary mortgage transactions.

Some of these mortgages were kept intact, but most were bundled and sliced and sold as “tranches.” Bond rating firms—which were paid by investment funds and also were vying with one another for market share—were thereby powerfully motivated to rate those tranches as investment-grade instruments.

From beginning to end, from subprime originations to hedge fund investments, people were paid only if they consummated transactions. And so they did. No one was paid to thwart bad bargains; after all, the risks were not their own, but were passed along. When mortgages fell into default, and the actual market value of tranches was revealed, it fed the ongoing turmoil in the global financial system.

These events proved Jack Welch right. At all levels, the compensation systems rewarded people for deal making, so that was what they spent their time doing.

My Inevitable Conclusion

I am proved right, too. In today’s subprime mortgage market, the three great ethics traditions clearly converge.

A system that compensates businesspeople for unethical



activities is decidedly anti-Aristotelian. It nurtures not virtue, but vice—especially “acquisitive ungenerosity,” a shameful love of gain. Rewarding bad behavior is also anti-Utilitarian, because it induces people to focus on maximizing their own welfare at the expense of the welfare of all stakeholders.

Finally, unethical business behavior is anti-Kantian because it violates the moral rights of others. It treats them simply as means to an end. Corrupt executives defy Kantian principles when they manipulate, deceive, and treat other people as if they were not worthy of respect.

As a professor teaching business ethics, I can provide students with insightful texts and sweet reason. But when corporate compensation packages offer people vast wealth for behaving badly—well, it’s tough for me to compete.

Indeed, I can almost hear senior executives uttering the following soliloquy: “Let’s hire people who aggressively pursue profits. We’ll turn a blind eye to their tactics and promote them when they succeed. We’ll be indifferent to the effects of our compensation program on their respective characters, and we’ll be studiously ignorant about the actions that arise from these ‘values.’ We’ll even pay our executives bonuses

out of government payouts meant to keep us afloat when our bad actions threaten to destroy us. And when a scandal blows up—why, we’ll go on TV and blame the ethics professors!”

What’s a professor to do?

I tender the following offer. I will continue to work at effective teaching; I will diligently advocate a prominent role for ethics in the business curriculum. In exchange, I challenge legislators and senior managers to consider how unregulated compensation schemes foster the various vices of character that lead to disreputable actions by people in business.

I believe that ethics professors are coming to terms with their roles in regard to business behavior. I have this to say to senior managers and legislators: It’s time for you to do likewise. Stow the faux piety. Take ownership of your portions of the problems—and resolve them. 

Jonathan Schonsheck is professor of philosophy at Le Moyne College in Syracuse, New York. As part of his dual appointment to the Division of Management and the Division of Arts and Sciences, he teaches business ethics in Le Moyne’s MBA program. In 2005, he was a recipient of the MBA Award for Excellence in Teaching.



TIMOTHY A. CLARY/AFP/GETTY IMAGES

The Fallout from Bernie Madoff

Hedge funds have been under tight scrutiny since Bernard Madoff was accused of using his fund to front a \$50 billion Ponzi scheme. Two recent papers from EDHEC Business School in France take a closer look at hedge funds and the Madoff scandal. One surveys the industry's perceptions of hedge fund reporting. Another details the red flags that should have sounded alarms about Madoff's fund—but didn't.

In the summer of 2008, the EDHEC Hedge Fund Reporting Survey questioned 214 people who managed or invested in hedge funds. The researchers found that 80 percent of respondents felt liquidity risk was not sufficiently captured in hedge fund reporting. Most also said that a key signal of a hedge fund's excellence is the quality of its reporting.

The survey also found that investors desire even more disclosure than fund managers think they do. Managers said that they believe investors most value information on risk-adjusted returns. Investors, however, rated this information least

important—instead, they stressed the relevance of information about extreme risk and past returns.

Felix Goltz and David Schroeder of the EDHEC Risk and Asset Management Research Centre conducted the survey. They write that fund managers “use many risk and performance measures without disclosing them to investors, believing that their investors are uninterested in these additional indicators.” This kind of nondisclosure, they add, “is an obstacle to hedge fund investment.”

The authors of a second paper, “Madoff: A Riot of Red Flags,” suggest that a lack of proper disclosure wasn't the only reason Madoff was able to run his Ponzi scheme for decades. François-Serge Lhabitant, associate professor at EDHEC, and Greg Gregoriou, finance professor at State University of New York at Plattsburgh, note that investors let Madoff's reputation overshadow their need for due diligence. As a result, they missed obvious signs of wrongdoing.

Lhabitant and Gregoriou write that the fund lacked third-party oversight, had too many family members in top positions, and

employed too few staff to handle the number of transactions Madoff's operation would require. They note that Madoff's reported trading strategy was also baffling. He explained that he converted holdings to cash each quarter to avoid disclosure with the SEC—and yet, there was no evidence of such large transactions.

Another red flag: The auditor of Madoff's fund was listed as Friebling and Horowitz, an obscure three-person firm operating from a 550-square-foot office in New York City. If the idea of such a tiny firm auditing a multibillion-dollar hedge fund wasn't enough to arouse suspicions, another fact certainly should have. Every year since 1993, Friebling and Horowitz reported to the American Institute of Certified Public Accountants that it had conducted no audits.

Lhabitant and Gregoriou write that the collapse of Madoff's fund “should serve as a reminder that the reputation and track record of a manager, no matter how lengthy or impressive, cannot be the sole justification for investment.”

Both papers are available online at www.edhec.edu under the site's research publications section.

The Pitfalls of Frequent Trading

If some investors haven't learned that frequent stock trades hurt returns, a recent study might hit the point home. It shows that individual Taiwanese investors collectively lost \$32 billion in the stock market between 1995 and 1999, largely due to frequent trading.

The study was conducted by Brad Barber of the Graduate School of Management at the University

STUDY BRIEFS

■ EYES ON THE PRIZE

Two marketing professors advise companies to rethink their approaches to promotional sweepstakes and prizes. Mengze Shi of the University of Toronto's Rotman School of Management and Ajay Kalra of Rice University's Jones Graduate School of Management argue that companies should note carefully whether they are targeting current or potential customers and structure contests accordingly. To attract new customers, companies should design a contest with a variety of smaller prizes; to maintain an existing customer base, companies will be more successful if they offer a few grand prizes. The paper, "Consumer Value-Maximizing Sweepstakes & Contests," is forthcoming in the *Journal of Marketing Research*. Full text of the study is available at www.rotman.utoronto.ca/newthinking/sweepstakes.pdf.



■ UNDERSTANDING CHINA

James Sebenius and research associate Cheng (Jason) Qian of Harvard Business School are examining negotiations and business etiquette in China in two working papers. In "Cultural Notes on Chinese Negotiating Behavior," available online at www.hbs.edu/research/pdf/09-076.pdf, the writers outline the history, philosophy, cultural influences, and current practice of Chinese business behaviors. In "Etiquette and Process Puzzles of Negotiating Business in China: A Questionnaire," available at www.hbs.edu/research/pdf/09-077.pdf, they present 36 multiple-choice questions designed to evaluate test-takers' understand-

ing of Chinese culture and negotiation practices. Sebenius and Qian will use the questionnaire to collect data from people with various levels of experience negotiating in China.

■ THE RULES OF OFFSHORING

Phanish Puranam and Kannan Srikanth of London Business School studied 130 business processes and found that the transfer of knowledge from onshore to offshore operations was not the key driver to successful offshoring. What does drive success, the authors found, is ongoing coordination between onshore and offshore sites. Businesses "tend to place disproportionate emphasis on incentives and not enough on coordination," says Puranam. Instead, businesses should rely on low-tech methods such as teaming up people from both sites who have worked together in the past and who understand both working environments well. The paper, "Coordination in Distributed Organizations," can be downloaded at ssrn.com/abstract_id=939786.

of California, Davis; Yi-Tsung Lee of National Chengchi University in Taipei, Taiwan; and Yu-Jane Liu of Peking University in Beijing. They focused on Taiwan, which has the world's twelfth largest financial market, because it gave them access to complete transaction data, underlying order data, and the identity of each trader.

They found that stock turnover in Taiwan during this period was two to three times the turnover in the U.S. The researchers suggest that Taiwanese investors may have been so bullish because they were overestimating their trading prowess or trading

stocks as a form of entertainment.

The data show not only that individual investors suffered huge losses during this period, but also that institutional investors enjoyed gains. While individual investors saw a 3.8 percent annual decrease in their portfolios during the study period, the performance of financial institutions increased by 1.5 percent. Frequent trading, the authors say, resulted in a transfer of wealth from Taiwanese individual investors to foreign firms.

"Just How Much Do Individual Investors Lose by Trading?" appeared in the February issue of the *Review of Financial Studies*.

■ Star Power Doesn't Hurt

Companies with strong reputations or celebrity status benefit more when they report positive earnings surprises and are punished less for negative earnings surprises, say Michael Pfarer, assistant professor at the University of Denver's Daniels College of Business in Colorado; Timothy Pollock, professor of management at Pennsylvania State University's Smeal College of Business in University Park; and Violina Rindova, associate professor of management at the University of Texas at Austin's McCombs School of Business.

The authors examined the performance of 291 public companies from 1991 to 2005. They matched 80 high-reputation firms listed among *Fortune* magazine's "most admired companies" and *The Wall Street Journal's* top 25 companies with other similar but low-reputation firms. They chose celebrity firms based on the number of emotionally positive articles written about them in *BusinessWeek*.

They noted Berkshire Hathaway, Toyota, and Xerox as examples of high-reputation companies; Amazon, Apple, eBay, and Starbucks were among those with celebrity status.

The researchers studied annual financial information and examined

the biggest positive and negative earning surprises for these companies. They found that celebrity firms outperformed high-reputation firms by 1.02 percent in the three-day window around earnings announcements. In addition, high-reputation firms were 32 percent less likely to produce positive earnings surprises than celebrity or low-reputation firms.

The reason, the authors say, is that investors are often excited by and emotionally connected to celebrity companies. Investors have enough good will toward these companies to stick with them through hard times.

The information in the study may prove

important to stock analysts, whose jobs depend on forecasting market behavior, says Pfarrer. "Earnings surprises interfere with the expectations of the market," he says. When surprises do occur, he adds, "how the firm is perceived can affect how the market responds."

The study, "Does Noblesse Oblige? The Effects of Firm Reputation and Celebrity on Earnings Surprises and Investors' Reactions," was recognized in the Academy of Management's 2008 Best Paper proceedings.

■ Payday Loans Don't Bankrupt Consumers

Payday lending, often thought to be the road to financial ruin, may have gotten a bad rap. After studying the relationship between payday lending and bankruptcy filings from 1990 to 2006, two economists have found no correlation.

Michael Maloney of Clemson University's John E. Walker Department of Economics in South Carolina and Petru Stoianovici of The Brattle Group, an economic and financial consulting firm in Cambridge, Massachusetts, studied payday-lending legislation and the number of payday loan stores in a state. Then, they examined personal bankruptcy filings in subsequent years.

The two found that neither legislation nor a greater number of loan stores increased rates of consumer bankruptcies. In fact, they found that the presence of payday loan stores in a state actually led to a slight decrease in Chapter 7 bankruptcies—by one filing per one million persons.

These findings are consistent with other studies that have shown that access to high-interest-rate consumer

credit actually correlates with improved household financial situations, say the authors.

"This study has important policy implications for legislators considering restrictions on consumer credit, including the interest-rate limitations put forth by President Obama in his economic stimulus proposal," says Maloney. "Despite their high cost, payday loans appear to increase the welfare of consumers by enabling them to survive unexpected expenses or interruptions in income."

"Restrictions on Credit: A Public Policy Analysis of Payday Lending" can be read online at ssrn.com/abstract=1291278.

■ Imitation—Better Than Innovation?

Businesses often credit a country's economic growth and technological progress to innovation—and the investment in research and development that comes with it. But imitation may be just as important to some countries' economic prosperity, say Maria Minniti, a professor at Southern Methodist University's Cox School of Business in Dallas, Texas, and Moren Lévesque, the Canada Research Chair in Innovation and Technical Entrepreneurship at the University of Waterloo in Ontario, Canada.

Minniti and Lévesque looked at two types of entrepreneurship: research-based, which emphasizes



Michael Maloney



Petru Stoianovici



Violina Rindova



Michael Pfarrer



Timothy Pollock



Moren Lévesque



Maria Minniti

spending on R&D to develop new commercial products and services; and imitative, which focuses on products or services that already exist. The researchers found that a country achieves higher economic growth when it backs the style of entrepreneurship that best fits its culture and competitive environment.

China, for example, has experienced exceptional growth over the last few years, even though it spends very little on R&D and emphasizes imitation more than invention. On the other hand, the economies in Japan and Sweden have grown very little even though these countries invest heavily in R&D.

A reason for this discrepancy, say the researchers, is that Japan and Sweden may be less willing to back truly innovative ideas—especially those that may seem “crazy.” In the U.S., for example, “those crazy ideas get financed,” says Minniti. Moreover, those investments often pay off because innovation “has no bearing on economic growth unless it is commercialized.”

Minniti and Lévesque studied Africa, where the World Bank has poured billions of dollars with little to show for it. The researchers speculate that the World Bank may have backed the wrong type of entrepreneurship. Technological innovation means little in countries that most need entrepreneurs to focus on agricultural innovation to boost crop yields and produce clean water.

Governmental leaders must learn to understand the roles of innovative and imitative entrepreneurship, say these researchers. Rather than spend indiscriminately on R&D, a government should direct entrepreneurial activity in ways that match its country’s competitive characteristics.

The paper “Entrepreneurial Types and Economic Growth” is forthcoming in the *Journal of Business Venturing*.

■ Trans-Atlantic Academic Alliances Are on the Rise

A survey of 180 higher education institutions in the United States and European Union finds that more universities are establishing trans-Atlantic joint and dual degree programs. However, the extent of these partnerships varies widely from institution to institution and country to country.

The survey, conducted by the New York City-based Institute of International Education and Freie Universität Berlin, finds that European campuses currently offer twice as many collaborative degrees as their U.S. counterparts, and U.S. students are less likely than European students to participate in collaborative degree programs. The most popular academic disciplines to establish collaborative degree programs are business and engineering.

European schools cite curriculum design and credit transfer recognition as obstacles they face in starting joint and dual degree programs. U.S. schools face challenges such as securing institutional support and recruiting students. The biggest challenges for both? Securing adequate funding and ensuring the sustainability of collaborative programs.

The complete survey is online at

www.iie.org/researchpublications or www.tdp-project.de.

■ Experience Isn’t Always a Good Thing

Employers may look far and wide to hire people with just the right previous experience—experience that supposedly will help new hires hit the ground running. But that’s not necessarily the case, say Steffanie Wilk of The Ohio State University’s Fisher College of Business in Columbus, Gina Dokko of New York University’s Stern School of Business, and Nancy Rothbard from The Wharton School at the University of Pennsylvania in Philadelphia.

The three looked at data from 771 employees and job applicants at two call centers for a large U.S. insurance firm. They examined employees’ job performance evaluations and studied ratings of the employees’ work-related skills and knowledge. Then, they compared these evaluations with employees’ prior work histories and experience.

They found that prior work experience did lead to better skill sets and more knowledge. As a result, these employees often received better performance reviews. But the authors argue that many of these workers also bring with them rigid procedures and processes that may not suit their new company’s policies. “Such baggage,” the authors write, “may actually have a negative effect on performance,



Nancy Rothbard



Steffanie Wilk

resulting in a negative direct relationship between prior related experience and performance once the benefits of knowledge and skill are accounted for.”

For example, a claims adjuster used to haggling claims at his old firm may find it difficult to change his approach at a new firm that values customer service. One manager quoted in the study notes that, because of their “baggage,” employees hired from other insurance companies were the “least successful” employees in the firm.

The authors believe future research should focus on whether prior experience has a similar negative effect on managers and other high-level positions. Such analysis will become increasingly important as workers become more mobile. “If organizations understand how applicants’ work histories affect their performance,” the authors write, “they might consider the effects of prior experience in designing selection, training, or socialization processes.”

“Unpacking Prior Experience: How Career History Affects Job Performance” was published in a recent issue of *Organization Science*.

Getting Real About Predictions

Whether it’s how long it will take them to complete a home remodeling project or how many times a week they plan to exercise, people are notorious about making unrealistic predictions. Now there might be a way to make them get real, say Kurt Carlson of Duke University’s Fuqua School of Business in Durham, North Carolina, and Robin Tanner of the University of Wisconsin-Madison School of Business.

RESEARCH RECOGNITIONS

■ An adjunct professor at the Haas School of Business at the University of California, Berkeley, has been named one of the top 50 authors in the field of technology and information management. **Henry Chesbrough** received the honor from the International Association of Management of Technology based on its analysis of his published research between 2003 and 2007. Chesbrough studies topics such as open innovation, processes of industrial research and development, management of intellectual property, and services innovation.

■ **Shouhong Wang**, professor of management information systems at the Charlton College of Business at the University of Massachusetts Dartmouth, is the first to receive a \$5,000 Chalk & Wire Scholars Grant for encouraging research on electronic portfolios, data collection, and reporting tools in K–12 and higher education. Wang’s winning research proposal, “Designing Struc-



tures of E-Portfolios for Teaching and Learning Higher-Order Thinking,” will explore the design and development of effective electronic tools for today’s classrooms.

■ The Computer History Museum has named Harvard Business School’s **Richard Tedlow** as its first resident scholar. The appointment is part of the museum’s long-term plan to establish a permanent research center to support the study of computer history and the impact of the information age on the human experience. As the museum’s resident scholar, Tedlow will produce written materials, give public lectures, and collaborate with the exhibitions team on content for its forthcoming permanent exhibit, “Computer History: The First 2,000 Years.”

Carlson and Tanner asked study participants how often they planned to exercise over the next two weeks. On average, participants predicted they would exercise 4.48 times. Two weeks later, they reported they had exercised only 3.38 times.

However, the researchers obtained different results when they asked subjects to make two predictions about how long it would take them to complete a task: one that reflected ideal conditions and one that reflected less ideal conditions. In this case, participants offered inflated ideal-

world predictions but more modest real-world predictions.

“We’ve known for a long time that people underestimate how long it will take them to complete a project—look at the Big Dig in Boston. What we have not known is how to fix the problem,” says Carlson. “Now we do.”

“Unrealistically Optimistic Consumers: A Selective Hypothesis Testing Account for Optimism in Predictions of Future Behavior” was published in the February 2009 issue of the *Journal of Consumer Research*. 

Technology



The Ethics of Technology

A new writing course encourages students to explore the ethical implications of advances in IT.

Most information systems students are probably more comfortable managing databases than writing metaphors. And John Artz, an associate professor of information systems at The George Washington University School of Business, might seem an unlikely person to teach fiction writing. But fiction, he says, is the perfect vehicle when it comes to teaching IT students to explore the possible long-term outcomes of technological innovation.

Artz developed “Writing Stories to Explore the Ethics of Technology” as part of “Writing in the Disciplines,” a series of courses that

crosses the curriculum at GW’s campus in Washington, D.C. “The university developed the program because it feared that students had lost the ability to write effectively,” explains Artz. “There was a push for courses that taught students to write within their own disciplines, rather than just through the English department.”

Artz began teaching the course two years ago. Throughout the semester, students tackle ethical issues and outcomes surrounding topics as diverse as software piracy, genetic manipulation, and medical advances.

“When it comes to technologi-

cal advancement, we tend not to think about implications. We don’t want to worry about what’s going to happen in the future,” says Artz. “But students need to think about what the likely outcomes are and whether there’s a potential downside to technology.”

“Writing Stories” is open to any business student, but students from other schools also take it because they find the idea of technological ethics intriguing, Artz says. Interest has been high—this year, he expanded the size of the course to 30 students, up from 25.

During the first half of the course, Artz teaches students how to construct a story and walks them through the stages of crafting characters and plotlines. For practice, he asks students to think of a counterargument to the premise of the science fiction novel *Jurassic Park* by Michael Crichton.

Students must grapple with the novel’s argument that unregulated scientific research—in this case, the cloning of dinosaurs—conducted solely for commercial gain will lead to catastrophe.

In the second half of the course, students write stories on the ethical issues of their choice. What happens, for example, if scientists find a way to achieve immortality? One student’s main character lives so long that he has done everything there is to do and is trapped in an endless cycle of boredom. Another student wrote a story about a couple who clone their dead child. In their grief, they spoil the clone so much that he becomes a completely different person. The couple had not realized that personality relies on a child’s experiences as much as on his DNA.

Through such fictional scenarios,

NEWSBYTES

■ HENLEY DEVELOPS E-LEARNING

The European Commission has provided funding to Henley Business School at the University of Reading in the U.K. for a project examining e-learning. The goal of the project, launched in March 2007, is to develop the use of e-learning technologies in Europe's education and training systems.

■ NEW SECURITY CREDENTIAL

Murray Jennex, associate professor of information and decision systems at San Diego State University's College of Business Administration in California, is among the first 175 people to receive the Certified Secure Software Lifecycle Professional (CSSLP) certification. The CSSLP was launched last September by ISC2, a nonprofit that edu-



cates IT security professionals. The credential certifies that individuals are able to address vulnerabilities that affect software applications and are informed about best practices in software security.

■ VIDEO RECRUITMENT

Students at Audencia Nantes in France now can train for job interviews via a newly installed on-

campus video-recruitment terminal. The terminal is financed by French bank Société Générale's *Mission Handicap*, which aids handicapped students in their job searches. Using the terminal, which offers its content in seven languages, students can participate in job interview simulations and prepare with a virtual coach before meeting with recruiters.

■ EDUCATOR OF THE YEAR

The Education Special Interest Group of the Association of Information Technology Professionals has named Bruce White its Information Systems Educator of the Year. White is the chairman of the undergraduate information systems management program and program director of the computer information systems masters program at Quinnipiac University's School of Business in Hamden, Connecticut.

students explore issues that they otherwise may not have considered and learn to look at them from multiple perspectives. Fiction, Artz emphasizes, allows them to take current technological trends, play them out in a number of ways, and imagine different future possibilities.

Many educators stress the importance of understanding the past, but Artz offers a different point of view. "Marshall McLuhan, the 1960s' sociologist, said that looking to the past to understand the future is like driving by looking in the rearview mirror. Writing stories is a way to give students insight on the future and on the consequences of technology," Artz says. "It provides them with a stronger basis for making more ethical decisions."

■ Adding E-Conferencing To the Curriculum

Now that online collaboration is becoming more pervasive in business, more business schools are adding e-conferencing tools to their offerings. Pepperdine University's Graziadio School of Business and Management in Los Angeles, California, recently added e-conference rooms to its programs. It offers each student a personalized e-conference space for his or her personal and academic use.

Supported by e-learning technology provider Elluminate, the e-conference rooms are real-time online meeting environments where stu-

DATABIT

The budget crunch may be a boost to alternative computing tools. A study by online IT community MeriTalk, open-source software maker Red Hat Inc., and IT reseller DLT Solutions estimates that the use of open-source software could save the U.S. government \$3.7 billion over three years. Virtualization technology and cloud computing could save \$13.3 billion and \$6.6 billion, respectively.

dents can collaborate with teams or fellow classmates, whether they're at home, at work, or on the road. The online spaces also allow professors to bring students or guest speakers into the classroom from anywhere in the world.

Graziadio students use unique Web addresses to access their e-conference rooms. Once there, they invite others to join them to brainstorm on a shared whiteboard, collaborate on documents, share files, chat, or create

TOOLS OF THE TRADE

A Network Management Tool Helps Students Take Control of Their Careers

Whether it's on the job, at a conference, or online, networking is an essential part of a successful business career. But many professionals may not devote the time necessary to build a network of high-quality contacts.

Building and tapping into a valuable network is the idea behind UpMo, an online network management tool created by Upwardly Mobile Inc. of Sunnyvale, California. Intended for professionals, career services offices, and university alumni programs, UpMo is designed to help people improve their networking skills and make the most of their networks—whether or not they're currently looking for jobs.

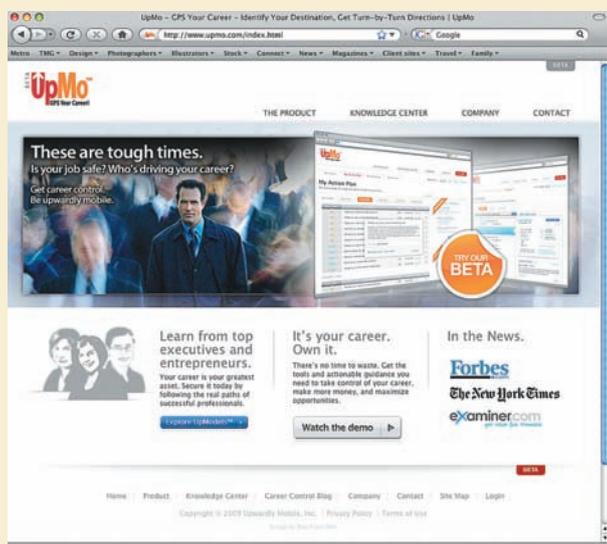
UpMo includes four different tools. The Network Readiness Evaluator asks users a series of questions to help them examine their networks and identify strengths, weaknesses, opportunities, and threats. The

UpModel Chooser invites users to browse examples of high-earning professionals, select those they'd like to emulate, and read the details of their success, including the books they've read, the courses they've taken, and the mistakes they've made.

The Career Mapper provides an interactive, clickable map to show users how they can achieve their goals and how different life decisions—such as taking time off to raise children or earning a degree—might impact their careers. Finally, the Career Action Plan includes instructions to help users pursue their chosen career paths.

The Career Action Plan can be integrated into Microsoft Outlook or Web mail applications such as Yahoo and Google. It gives users daily, weekly, and monthly career and network development tasks, including phone calls, meet-ups, e-mails, and events.

UpMo aims to provide a starting point for students who are uncertain where to begin when it comes to using their networks most effectively. Subscriptions to UpMo are available on a monthly, quarterly, or annual basis. For more information or to view a demo, visit www.upmo.com.



presentations in a wiki-style format. They even can invite friends and family from outside the Graziadio community. To use the technology, students must have access to an Internet connection and a speaker/microphone headset, although the school is considering providing headsets to incoming students starting this fall.

To view a video describing the e-conference room environment, visit wikis.pepperdine.edu/display/GSBME/e-Conference+Rooms.

A Host of Sites Hits the Web

Business education is big on the Internet. A number of Web sites for business students and faculty, targeting a diverse array of topics and demographics, have recently gone live.

For those interested in general leadership, the Thunderbird School of Global Management in Glendale, Arizona, has launched a free, interactive Web site. It's designed as a resource for executives trying to come to grips with the recession and adopt more effective methods of leadership. The Thunderbird Knowledge Network, found at www.thunderbird.edu/knowledgenetwork, gives executives access to stories, columns, videos, podcasts, and blogs generated by the school's faculty. Site visitors also have the opportunity to post their own video responses to the question, "What can global leaders do to create sustainable prosperity worldwide?"

Topmba.com is a new resource for EMBA candidates seeking out the right business program. It features podcasts; articles and interviews with business school professors, deans, and program directors;

and school profiles. It also includes information from partner institutions, which help interested candidates prepare themselves for face-to-face meetings with admissions officers at the QS World Exec MBA Tour, a series of in-person education fairs in a variety of countries.

Those looking for background materials on global corporate social responsibility can find them at www.businessinsociety.eu, created jointly by the European Academy of Business in Society and the European Foundation for Management Development, both based in Brussels, Belgium. The Business in Society Gateway Web features inter-



national research, education, and training initiatives on CSR from business schools and universities; multimedia materials and links; and an international events calendar.

Finally, business professors looking for new ideas for their classrooms can visit the MIT Sloan Teaching Innovation Resources (MSTIR) Web site, a new launch from the Massachusetts Institute of

Technology's Sloan School of Management in Cambridge.

The site, found at mitsloan.mit.edu/MSTIR, contains teaching videos, case studies, and other materials developed by MIT faculty and students on topics ranging from global entrepreneurship to sustainability.

The Web has become the perfect arena for widespread knowledge sharing, says JoAnne Yates, MIT Sloan's deputy dean. "Our goal is to spread knowledge and make a difference in the world of business education—to have an impact on business education and where it is going in the future." 

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July 12–15, 2009 ■ Babson College ■ Babson Park, Massachusetts, USA



www.aacsb.edu/seminar

♦Registration is limited to business school deans and others who head higher education business units.



Teaching Stuff

The opening line of Paul Simon's 1973

song "Kodachrome" makes me laugh no matter how often I hear it: "When I think back on all the crap I learned in high school, it's a wonder I can think at all." High school can be a frustrating time for students as they struggle to absorb massive quantities of "stuff"—a word I'll use instead of Simon's more descriptive term. Few students seem to graduate from high school believing that the primary purpose for the experience was to learn how to think.

Simon's line is, indeed, funny. But if "high school" is changed to "business school," is it still so humorous? Those of us teaching in business schools bristle at the mere suggestion. Yet do business professors in 2009 encourage critical thinking any more successfully than high school teachers did in 1973?

Whenever I make teaching presentations around the country, I ask one simple question: "What is the biggest problem in college education today?" My answer—"The obsessive desire to teach stuff"—elicits a rather hearty laugh, or perhaps it's a guilty one. My audience knows that, at some essential core, college programs aren't all that different from those found in high schools. Our students might not realize that our top priority is to aid them in the development of critical thinking skills. They might think we just want them to learn a bunch more stuff.

We are inundated with wise quotations about education. My favorite comes from Malcolm Forbes: "Education's purpose is to replace an empty mind with an open one."

Unfortunately, professors find it

simpler to teach stuff than to help students learn to think logically and reason for themselves.

But I believe it's possible for business schools to evolve from "stuff-based" curricula to "thinking-based" curricula. I have three suggestions for achieving that goal:

One: Outlaw lectures. Lecturing is easy. All the participants know their roles, so they can operate on autopilot. The professor does all the preparation and thinking, while students serve as stenographers. A student's failure to prepare or reluctance to participate is irrelevant. The main challenge is keeping the audience awake.

It's true that facts, lists, rules, formulas, dates, and similar stuff can be conveyed through lectures. However, anything students can learn by sitting through a lecture they can learn just as easily, and more cheaply, by reading a book. More than 200 years ago, Samuel Johnson asserted, "Lectures were once useful; but now when all can read, and books are so numerous, lectures are unnecessary."

If administrators want to change education in a radical fashion, they should establish a rule that professors can do no more than 50 percent of the talking in any one class. That single change would push the whole realm of business school pedagogy rapidly into the 21st century.

Some may question how students can learn if professors don't lecture. Ken Bain interviewed outstanding teachers for his wonderful book, *What the Best College Teachers Do*, and one of them described the learning process as "sort of Socratic." He said, "You begin with a puzzle—you get somebody puzzled, and tied in knots, and mixed up." Those puzzles and knots generate questions

for students, and the professor helps them untie the knots.

To me, that approach represents college education at its most exciting. Forget lectures. I think professors should set up a scenario and pose the question "Why?" at every possible juncture. Or, perhaps "What will happen next?" or "What difference does this make?" or "How does this change the situation?" Teachers should push students to provide their own speculations, and then force them to defend the underlying logic. In the real world, they will have to support their assertions, so they should practice the skill in class—every day. At that moment, students are no longer learning stuff; they're developing critical thinking skills.

Two: Change the nature of exams.

I think students should be allowed to use books and notes during every test. If this sounds unorthodox, I'll ask one question: What can possibly be the advantage of establishing a grade through an examination question whose answer can be found in classroom materials? Test questions should be better than that. Books and notes might serve as useful tools, just as they will in the real world, but they should not supply the whole answer to any test question.

When a professor informs students that they will be allowed to use their books and notes during an examination, he's fired a warning shot. Such tests cannot possibly stress memorization; the teacher is seeking a complex level of comprehension that incorporates analysis, understanding, and making logical connections. The stakes have been raised for both student and professor. The entire tone of the class has changed.

The announcement of an open-book policy will reverberate in a



student's mind in this way: "There is no reason to memorize anything; I'll have my materials during the test. The professor wants something more than the regurgitation of facts, rules, and figures. I will need to understand this stuff so that I can make use of it."

The announcement also will have a profound effect on the professor. "I can no longer rely on testing memory skills to differentiate grade levels. I have to create questions that do not allow students to parrot back answers from the materials sitting in front of them. If they are to have a fair chance of answering higher-level questions on the final exam, then all during the semester I must guide and push them to achieve understanding that goes beyond the mere learning of stuff."

In poker terms, the professor is going "all in." Most closed-book tests are easy to write and grade. Textbook test banks are available to churn out mechanical questions that even can be "corrected" electronically so that no feedback—other than a numerical grade—is necessary. But if students will have their materials in front of them, it becomes ludicrous for a professor to use a test bank to generate questions. Instead, professors must invest significant time and thought in developing questions at a more sophisticated level.

Nothing forces professors to focus on identifying and achieving desired class outcomes better than writing open-book and open-notes test questions. And when they do, they elevate the college experience

to one that requires students to think, not merely memorize.

Three: Cull the useless material.

I help to maintain a successful accounting textbook that I first authored 25 years ago. Adding new sections is easy,

but deleting any subject—no matter how archaic—is extremely difficult. Squeezing in new topics freshens the material. Eliminating even the smallest subject requires serious evaluation and editing; it also creates holes that must be bridged in some logical fashion. The temptation to leave stuff in place regardless of relevance is always lurking. That's one reason why textbooks now resemble encyclopedias.

College courses suffer from a similar problem. Instead of periodically rethinking the structure and content from start to end, professors add material but hesitate to delete. Over time, courses can become a hodgepodge of subject matter without a logical framework. Ask professors why they cover a particular topic, and they offer the usual suspects: "It's always been included," or "It's in the textbook, so it must be important," or "I've already developed good PowerPoint slides."

Only two reasons justify including subjects and concepts in a college course. First, they have relevance to the real world. To help assess relevance, professors should create a focus group of recent graduates. They should ask these alums to identify which topics have been important to them in their jobs and which ones represent extraneous knowledge. Subjects to remove may become obvious.

Second, these topics hold some theoretical significance. Logical understanding is built on a conceptual platform. Even if some subjects are unrelated to the world in a practical sense, they might be essential in creating foundational knowledge. If so, they cannot be abandoned.

Subjects that do not meet either of these criteria should be considered for elimination. It's impossible to justify spending class time on certain topics solely because of historical precedence. I am currently using a best-selling introductory financial accounting book that presents five full pages of material on bank reconciliations, a procedure that has no theoretical tie to accounting and that most high school students can easily learn in five minutes. That is just one example of the "stuff" that can fill up a curriculum, taking space that would be better used helping college students develop critical thinking skills.

The three steps I have proposed—eliminating lectures, writing open tests, and pruning course content—could profoundly alter the management curriculum. And they could achieve what I consider the most admirable goal: moving the business school program from stuff-based to thinking-based education. **Z**

Joe Hoyle is associate professor of accounting at the Robins School of Business at the University of Richmond in Virginia. He was named Virginia Professor of the Year for 2007 by the Carnegie Foundation for the Advancement of Teaching and listed as one of the 22 Favorite Undergraduate Business Teachers in the United States by *BusinessWeek* in September 2006. His book of teaching tips can be downloaded for free at <http://facultystaff.richmond.edu/~jhoyle/>.

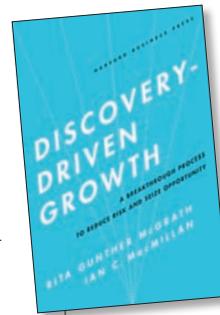
Bookshelf

As a new president completes his first 100 days in office during exceedingly challenging times, leaders everywhere contemplate what it takes to *Hit the Ground Running*. Jason Jennings has conducted in-depth interviews with nine high-performing CEOs to discover what common patterns and beliefs govern the behavior of top executives. The answers tend to be basic and straightforward, and there are hardly any surprises: *Tell the truth. Gain trust. Be accountable. Find the right people.* Yet the

stories behind the platitudes are intriguing glimpses into the lives of nine CEOs who outperform average CEOs on virtually every measure. For instance, Tim and Richard Smucker, great-grandsons of the man who founded the J.M. Smucker Company, are Christian Scientists who do business by the Golden Rule and don't hire—or keep—employees who don't fit in. That's critical, writes Jennings: "A company either has the right culture that their leadership

has worked relentlessly to move throughout the organization or the wrong one because the leadership couldn't be bothered with *soft* things like culture." Jennings uses the successes of the other eight CEOs to make additional points, allowing their personal stories to illustrate universal themes of business. (Portfolio, \$25.95)

A company that fails to grow will fail to survive, but managing strategic growth is a difficult proposition. The key is to grow in incremental stages after carefully defining specific goals—and giving managers some latitude for failure. This approach, called *Discovery-Driven Growth*, is presented by Columbia University's Rita Gunther McGrath and Wharton's Ian C. McMillan. They write, "What needs to replace conventional planning when you are trying some bold new growth program is a process that allows you to set a direction, probe inexpensively, redirect where necessary, and, hopefully, grasp emergent growth, but shut down early and inexpensively if things don't work out." The authors



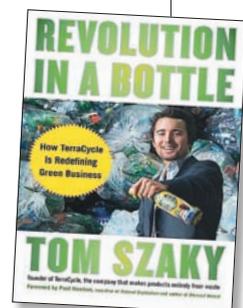
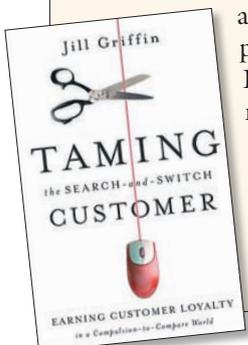
outline the essential steps of creating a framework for growth, bringing the management team on

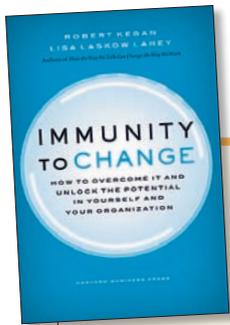
board, managing projects, and deciding when to abandon them. "It's crucial that your team doesn't attach a stigma to stopping a project," they warn. "Doing something that yielded valuable insight, learning, or new capabilities can be as valuable as growing a new business can." It's a well-reasoned approach to a critical process. (Harvard Business Press, \$27.95)

Anyone who's fascinated by the day-by-day, despairing-and-euphoric cycle of building a new enterprise from scratch should enjoy Tom Szaky's *Revolution in a Bottle*. Bonus points if the reader is invested in the notion of eco-capitalism. In his honest, funny, and uncensored book, Szaky shows how he turns trash into cash—more specifically, turns worm excrement into fertilizer—thereby simultaneously making a profit and helping to save the world. The tales of funding woes and near-disasters contrast nicely with the ultimate successes, such as selling the first pallet of fertilizer to a big box store and coming up with new Earth-friendly products. Szaky cares passionately about doing the right thing, but he's a pragmatist, too. "It seems fairly clear to me that everyone wants to buy organic, eco-friendly products, but equally clear they don't want to pay more for them," he writes. "That's where eco-capitalism comes in." It's a fun, frightening, and fabulous ride. (Portfolio, \$15)

Today's customers are curious, restless "infovores" who generally know a great deal

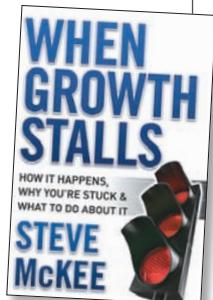
about any product before they buy it—and a great deal about your competitors before they decide to buy that product from *you*. The advent of the Internet—with search engines like Google and social networking sites like Facebook—means potential customers not only know what products are available, they know who carries those products and what other people think about the buying experience at each retail outlet. Even your long-term customers will find it easy to switch to new providers if they don't like your service or selection. But Jill Griffin, a specialist in creating customer loyalty, knows all the keys to *Taming the Search-and-Switch Customer*. "The 'Do I switch?' question is always lurking," Griffin writes. She gives today's leaders ways to make that answer "No." (Jossey Bass, \$24.95)





Many people want to change something about themselves—they want to lose weight or become more effective leaders—but no matter how often they try, they never successfully diet or delegate. Robert Kegan and Lisa Laskow Lahey would say that’s because humans have developed a powerful *Immunity to Change*. The easy-going executive who wants to become a forceful communicator secretly believes he will lose the CEO’s favor if he speaks more bluntly; hence, to protect himself, he has grown immune to the very idea of dissent. But Kegan and Lahey, both of Harvard, don’t believe people have to be stuck in their current mindsets. They’ve developed a system that not only helps individuals identify changes they would like to make, but also helps them identify the hidden rewards preventing them from altering their behavior. “We are calling upon workers to understand themselves and their world at a qualitatively higher level of mental complexity,” they write. This mental complexity will absolutely be necessary, they believe, as humans try to navigate an increasingly complicated world. (Harvard Business Press, \$29.95)

The business landscape is littered with companies that once were giants in their fields and now struggle to maintain profitability. In *When Growth Stalls*, advertising strategist Steve McKee deconstructs the seven factors that can have a devastating effect on companies. Three are the widely understood external forces of economic upheavals, aggressive competition, and changing industry dynamics, and McKee fills a few chapters describing how even top performers fall victim to these “tectonic market shifts.” But he spends more time on the “four subtle and highly destructive internal factors that conspire to keep companies down: lack of consensus among the management team, loss of nerve, loss of focus, and marketing inconsistency.” To make his points, McKee draws on research conducted by his firm, and he peppers his prose with briskly told tales about the times that McDonald’s, HP,

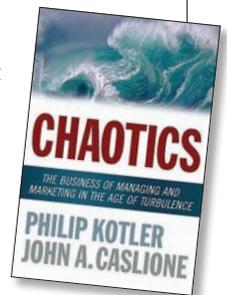
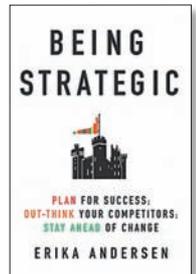


Sears, Home Depot, and a host of others stumbled. Well-written, fast-paced, and insightful, the book is an excellent how-to manual for any executive facing tough times. (Wiley, \$27.95)

Everyone always talks about strategy, but no one ever does anything about it. Or, more precisely, people believe they need a strategy—to improve their businesses or their personal lives—but they’re not sure how to choose or implement one. In *Being Strategic*, Erika Andersen clearly sets forth the steps that have to be taken before any strategy can be formulated. “Being strategic means consistently making those core directional choices that will best move you toward your hoped-for future,” she writes. Most of the tips come down to clarifying: figure out what your core challenge actually is, view it in the larger context, set your goals, realistically assess the obstacles, select your strategies, screen out the unimportant data, and keep making improve-

ments on your plan. Andersen constantly nudges readers to take a hard look at their situations—to act as “Fair Witnesses” who impartially observe and record reality—even though that’s frequently a difficult task. She also provides worksheets and exercises to get readers to think more clearly about how to strategically revamp their businesses and their lives. (St. Martin’s Press, \$24.95)

During the 2001 recession, Apple was working on iTunes and the iPod, and these products were ready to launch when the economy rebounded. That was a smart move, note Philip Kotler and John A. Caslione in *Chaotics*. They write, “It’s natural for companies to be more conservative when there are budgetary concerns, but companies that don’t take risks, don’t invest in product development, and misjudge the need for collaboration will find it difficult to compete when the market is on the upswing.” Kotler and Caslione believe that the world economy has moved from the familiar two-phase model—up or down—into a time of incessant turbulence that will require constant recalibration. Many factors will contribute to this ongoing turbulence, including globalization, technology, the growth of emerging economies, and customer empowerment. The authors also explore how executives can devise their own “Chaotics Management Systems” to get them through these troubled—but exciting—times. (AMACOM, \$30.95) 



Spotlight

In a League Of Their Own

Every fund raising and development office is looking for new ways to connect with stakeholders and reach potential donors. But the University of Washington's Foster School of Business in Seattle came up with an idea that is, quite literally, a team effort.

In December, the Foster School began distributing a set of 2008–2009 team trading cards to promote its faculty's best accomplishments. Designed like traditional baseball cards, each of the 18 faculty cards features the name and picture of a faculty member on the front. New faculty are designated as "Rookies," while veterans are "All-Stars." On his card, Dean James Jiambalvo is "The Skipper."

On the back, the card lists each professor's title, research specialization, career highlights, and a "Did You Know?" section that provides a fun fact about his or her favorite activity. For example, the card for rookie Hamed Mamani, an assistant professor in operations management, notes his recent research on the application of supply chain coordination to flu vaccine distribution and his bronze medal at Iran's National

The cards are less formal than other approaches, but they have become a great way for us to connect to people.

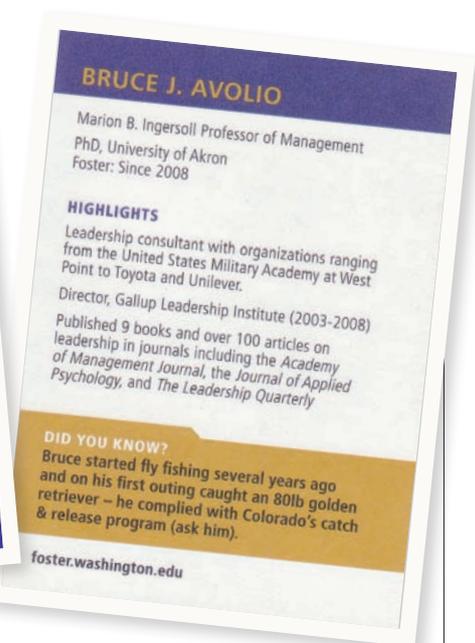
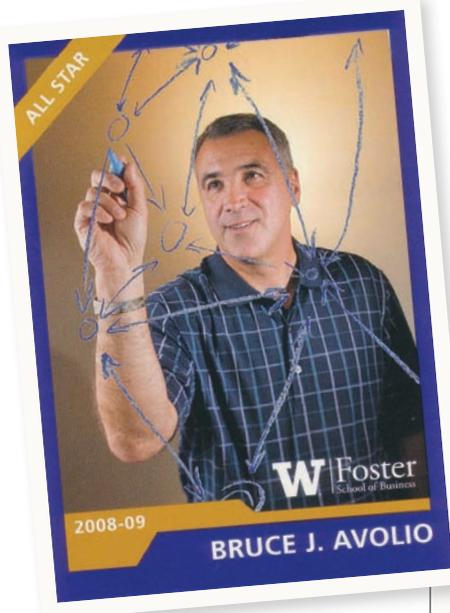
—Steven Hatting

Mathematics Olympiad in 1998. The back of the card for all-star Bruce Avolio, the Marion B. Ingersoll Professor of Management, highlights his work as a leadership consultant and his passion for fly fishing.

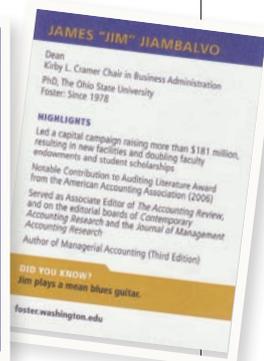
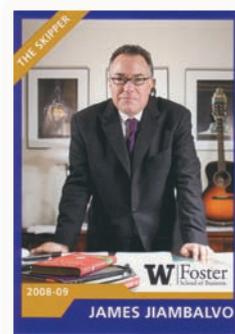
Dean Jiambalvo's card notes that he wrote the book *Managerial Accounting*, led a \$181 million capital campaign, and plays a "mean blues guitar."

The cards were created in-house by Foster School staff, as a fun and entrepreneurial approach to fund raising and development, explains Steven Hatting, Foster's assistant dean of development and external relations. Now, when Hatting visits potential donors, he uses one of the trading cards to spark a discussion about that professor's contributions to the school.

So far, students, faculty, alumni, donors, and even other business



A set of baseball-themed faculty trading cards from the Foster School of Business highlights its professors' best stats while promoting its program.



schools have loved the creative way the cards showcase the school. Because of the positive feedback the cards have received—and the number of Foster faculty who weren't included in the first run—the school plans to design a second set of cards for 2009–2010.

The trading cards are fun for professors, says Hatting. But more important, they help prospective students, potential donors, and possible faculty hires see the school in a new light. "This is a fresh look," he says. "The cards are less formal than other approaches, but they're a part of who we are. They've become a great way for us to connect to people." Z

