

BizEd

March/April 2014

Cultural Shift

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How Asia's
Transformation
Will Shape
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Education

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ALSO IN THIS ISSUE:

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Hip, Hippo, Hooray



RAQUITA HENDERSON

As an English grad student, I once taught a freshman composition course for students who needed extra help with writing. Thirteen of my 14 students were from countries in Asia and the Middle East. Only one—Brian—was an American-born native English speaker. For the first few sessions, whenever I asked the class for input, only Brian would raise his hand. When I tried calling on different students, they often would cast down their eyes and stammer out the words. Their responses were usually good, but it was clearly painful for them to speak aloud.

One day as I sat in my office just before class, my eyes fell on a plastic purple hippopotamus I kept on my desk. Desperate to engage my students, I had a flash of an idea. That day in class, to break the ice, I tossed the hippo to Brian and asked my question. After he answered, I said, “Throw it to someone else!” He launched it across the room to Jung-Ho, an older freshman from South Korea. I pointed to Jung-Ho, said, “You’re it!” and asked a follow-up. Caught off guard, he answered with barely a pause. I gestured as if to say, “Who’s next?” He tossed it two rows over to Judy, a shy girl from China. I asked for her thoughts on Jung-Ho’s comment. She responded—and *smiled*.

I was astonished. They laughed; they engaged. It was a turning point. While their hesitance didn’t disappear, it diminished. Who knew a toy hippo could bridge cultural divides?

I was reminded of that class as we prepared this issue, which explores cultural barriers, differences, and growth in the context of Asia’s growing influence on education. It includes perspectives from the Philippines, Singapore, India, Thailand, France, China, and the U.S., on topics ranging from designing a more culturally inclusive MBA to encouraging more collaboration between business schools in developing and developed markets. In “How Will Asia Change Business Education?” author Ricardo Lim of the Asian Institute of Management has this message for the industry: “The sooner business schools understand the differences and unique phenomena that are driving growth within Asia,” he writes, “the sooner that growth can be mutual and sustaining.”

Lim also emphasizes Asia’s vast diversity, which I saw in microcosm during my office hours that semester. Ai from Japan wrote papers that merely summarized my own remarks, until I encouraged her to write in her own voice. Jung-Ho told me about his two-year mandatory service in the South Korean army. Judy asked me to clarify the use of “a/an” and “the,” which was the first time I had given much thought about why we use “the” before “Pacific Ocean” but not “Lake Michigan.” I read papers on the role of women in Japan, the rise of the economy in Hong Kong, and the debate on legalizing euthanasia in Taiwan.

Those few months were eye-opening for me. I can only imagine what the next decade will be like for business educators around the world. 

Julia Bisson



Expanding into Asia

IF YOU THINK ASIA has been a thriving market for business education in recent years, you're right. Data from AACSB International show that, in the past five years, the number of AACSB-accredited schools in the region has more than doubled, from 28 to 59. Meanwhile, Asian schools are deeply involved in student exchange programs and collaborations with institutions around the world; schools in Europe and the U.S. are also adding new Asian study programs to their curricula. Here's a sampling of some of the more recent launches:

■ Tsinghua University's School of Continuing Education in Beijing and Audencia Nantes School of Management in France have signed an agreement to launch an international doctorate of business administration in the field of responsible management. The three-year program will be taught in English, but Chinese interpreters will be on-site. Classes will be taught by faculty from both schools and address corporate responsibility from both Eastern and Western perspectives. To accommodate the schedules of working professionals, the DBA will be taught primarily on weekends and offer a high degree of flexibility.

■ The University of Nottingham in the U.K. and Guangdong University of Finance in China have signed an agreement to create a new institute that will train up to 2,000 Chinese financial specialists each year. The new academy, which will be known as the Guangdong-Nottingham Advanced Finance Institute (GNAFI), will

provide advanced training to senior managers from industry, commerce, financial institutes, and government organizations. The institute will be located in a new, state-of-the-art building funded by the Guangdong regional government. Applied financial research will also be part of the core activities of GNAFI.

■ Four schools have launched a partnership that will allow students to gain two degrees, one from a European institution and one from a Korean institution. Their goal is to nurture globally responsible leaders by immersing them in two very different cultures. The dual-degree Global Leaders in Management and Public Policy (GLIMPSE) program is a partnership between ESSEC Business School in Cergy, France; the Faculty of Social Sciences at KU Leuven in Belgium; the Seoul National University Graduate School of International Studies in Korea; and KDI School of Public Policy and Management in Seoul. The GLIMPSE degree is supported by the European Commission and Korea's Ministry of Education, Science and Technology.

■ In addition, ESSEC Asia-Pacific—the Singapore campus of ESSEC Business School—has launched its Executive MBA Asia-Pacific program. The 15-month program covers business in Asia as well as leadership, personal development, and digital technology. Students will attend six-day residencies in Shanghai and New York City, and they also will benefit from ESSEC's

STUDENT EXCHANGES

In the 2011–2012 academic year, 33 Asian schools hosted 5,009 students from...

Asia.....	2,979
Europe.....	1,347
North America.....	601
Oceania.....	35
Latin America and the Caribbean.....	26
Africa.....	21

And 27 Asian schools sent 2,207 of their students to schools in...

Europe.....	894
North America.....	718
Asia.....	514
Latin American and the Caribbean.....	53
Oceania.....	23
Africa.....	5

POPULAR COLLABORATIONS

Asian b-schools currently partner with schools in...

Europe.....	36.1%
Asia.....	30.6%
North America.....	25.9%
Oceania.....	5%
Latin America.....	1.9%
Africa.....	0.5%

RISING ENROLLMENTS

Between 2008 and 2012, enrollments at AACSB-accredited Asian schools were up for...

Master's students.....	by 22%
Doctoral students.....	by 65%

partnerships with schools such as Keio University in Japan, Fudan University and Peking University in China, Seoul National University in South Korea, and IIM Ahmedabad in India.

■ The Farmer School of Business at Miami University in Oxford, Ohio, has developed a new winter program, Asian Financial Markets, which looks at emerging powerhouses in Singapore, Hong Kong, Shanghai, and Beijing. Students will work with executives from companies operating in Asia, including Barclays, JP Morgan, BlackRock, Cerberus, and Northern Trust.

These examples and the AACSB data highlighted above suggest a trend toward more alliances between schools in Asia and those in Europe and America—in terms of joint programs, student and faculty exchanges, and research opportunities. The next five years should show exciting growth across all categories.



STEM Cells

AS SCIENCE, TECHNOLOGY, engineering, and math (STEM) continue to be viewed as the engines of innovation, more schools are offering programs designed to help scientists and engineers develop business skills. Two will debut this year:

■ In March, Case Western Reserve University's Weatherhead School of Management in Cleveland, Ohio, will hold an executive education program for women in the STEM professions. Leadership Lab for Women in STEM, a six-day program, will help participants identify strategies and develop organizational skills and competencies for successful long-term STEM careers.

■ In June, Purdue University's Krannert School of Management will begin offering a one-year full-time MBA for STEM professionals at its campus in West Lafayette, Indiana. The program is designed to help STEM professionals transition into business leadership roles in technology-centered organizations. Krannert also intends to begin a weekend MBA program for STEM professionals in Chicago in 2015.



Does a College Degree Grant a Better Life?

PURDUE UNIVERSITY in West Lafayette, Indiana, and research giant Gallup are conducting an enormous representative study of U.S. college graduates to determine if college degrees really lead to better careers and more satisfying lives. The Gallup-Purdue Index will measure how college graduates are doing on five dimensions of well-being: purpose, social engagement, physical health, financial health, and community connections. It also will measure their workplace engagement in aspects such as whether they like what they do, are doing what they're best at, and are working with someone who cares about their development.

In addition to including standard demographic markers such as race, gender, and household income, the study will ask if respondents have student loan debt, if they have started or plan to start a business, and if they were first-generation college students.

Purdue will be the first university whose graduates will be surveyed; later Gallup will invite other institutions to join the research effort. The findings of the

inaugural index will be available in spring 2014, and public findings will be reported annually on Gallup.com.

Organizers believe that the new index will hold higher education accountable for delivering on its promise of improving graduates' lives. "An accountability era has begun for higher education," says Mitch Daniels, president of Purdue University. "Students and their parents deserve to know with confidence whether a college they are considering has a trustworthy track record of developing successful, engaged, and fulfilled graduates."

Thirty thousand survey respondents will be recruited throughout the year through random digit dialing; they will provide an email address and complete a web-based survey. Gallup will report findings by state, athletic conference, and Carnegie classifications.

The Gallup-Purdue Index is made possible in part by Lumina Foundation's US\$2 million grant to Purdue University. A video featuring Brandon Busted, executive director of Gallup Education, provides more information; it can be found at www.youtube.com/watch?v=fzEoA68y7HE&feature=youtu.be. To join the research collaborative, contact kristen_lloyd@gallup.com.

Enhancing France's Attractiveness

HOW WELL IS FRANCE competing in the global market? That's what French researchers considered at the 8th Annual Etats de la France conference sponsored by INSEAD, which has locations in France, Singapore, and Abu Dhabi. The conference convened experts from France and abroad to discuss the country's economy, taxation policies, innovation and research levels, and social policy and employment conditions.

"France: why the battle for attractiveness is far from lost" was presented by Bruno Lanvin, executive director of the INSEAD European Competitiveness Initiative (IECI), and Javier Gimeno, INSEAD's professor of strategy and academic director of the IECI. They recommended that France should enhance

the effectiveness of public spending to reduce fiscal pressure, relax regulatory constraints that restrict business competitiveness, and bolster support for technology transfers. They also called for the country to create an environment conducive to entrepreneurial risk taking, attract key talent by implementing a selective immigration policy, and welcome high-potential populations.

France has fallen from 15th place on the World Economic Forum's Global Competitive Index in 2006 to 23rd place in 2013. The report's authors believe this trend can be reversed if France takes advantage of assets such as excellent telecom and transport infrastructure and a well-educated workforce. For the full report, visit centres.insead.edu/eu-competitiveness-initiative/events/state-france.cfm.



SHORT TAKES



NEW APPOINTMENTS

■ **Janet Yellen** has been confirmed as the first woman in the U.S. to head the Federal Reserve Board of Governors. She succeeds Ben Bernanke, who stepped down in January. Yellen is the Eugene E. and Catherine M. Trefethen Professor Emeritus of Business Administration at the Haas School of Business at the University of California, Berkeley. She has also served as the Fed's vice chair since 2010; during the Bill Clinton administration, she chaired the President's Council of Economic Advisers.



■ **Tiff Macklem** has been named the next dean of the University of Toronto's Rotman School

of Management in Ontario, Canada. Macklem is currently senior deputy governor of the Bank of Canada. Macklem begins his five-year term at Rotman in July 2014, when he will take over from interim dean Peter Pauly.

■ **Susan Gilbert** will be the new dean of the Stetson School of Business and Economics at



Mercer University in Atlanta and Macon, Georgia. Gilbert was previously dean at Thomas Edison State College in New Jersey.



■ The College of Business at Georgia Southern University in Statesboro, Georgia, has announced that **Allen C. Amaison** will be its new dean. He previously served as head of the Management Department at the University of Georgia's Terry College.

■ **Georgette Chapman Phillips** has been named the

next dean of Lehigh's College of Business and Economics in Bethlehem, Pennsylvania. She is currently the vice dean for technology and enhanced learning at the Wharton School of the University of Pennsylvania in Philadelphia. In July, Phillips will begin her new role at Lehigh, where she will assume the newly endowed deanship created by Kevin and Lisa Clayton and be a professor in the school's department of finance.

■ On January 1, **Fiona Devine** became head of Manchester Business School in the U.K. She had



been acting head since September; before that she was head of the school of social sciences as well as co-director of the Centre for Research on Socio-Cultural Change.



■ **Peter Brews** is the new dean of the University of South Carolina's Darla Moore School of Business in Columbia. Most recently, Brews was a professor of strategy and entrepreneurship at the Kenan-Flagler Business School at the University of North Carolina in Chapel Hill.

■ **George S. Low** has been selected to serve as dean of Radford University's College of Business and Economics

in Virginia. He currently serves as associate dean for undergraduate studies and international programs at Texas Christian University's Neeley School of Business in Fort Worth, Texas. Low will begin his tenure on July 1.

■ In June, **Hamid Akbari** will assume the deanship at Winona State University's College of Business in Minnesota. Akbari most recently served as executive director of development and community affairs and Audrey Reynolds Distinguished Teaching Professor of Management in the College of Business and Management at Northeastern Illinois University.

■ **Tsegai Emmanuel** has been named the dean of the College of Business at Grambling State University in Louisiana. Emmanuel, a former professor in the department of management, previously served as dean of the business school between 1980 and 1990.

■ **Leslie F. Seidman**, the former chairman of the Financial Accounting Standards Board, will serve as executive director of the new Center for Excellence in Financial Reporting at Pace University's Lubin School of Business in New York City.

■ **Peter Withers** recently was elected chair of the Executive MBA (EMBA) Council Board of Trustees, based in Orange,



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California. He is director of academic programs for the Graduate School of Management at the University of Auckland Business School in New Zealand.

STEPPING DOWN

■ **Steve Williams** has resigned as dean at the College of Business at the University of Arkansas in Fort Smith to accept a position as the dean of the College of Business and Entrepreneurship at Texas A&M University in Commerce. His resignation was effective December 31. Among his accomplishments at UAFS, where he had been dean since 2008, was guiding the business school to AACSB accreditation. **Margaret Tanner**, a professor of accounting, will act as interim dean.

■ On December 31, **Don Gudmundson** left his position as dean of the Monfort College of Business at the University of Northern Colorado in Greeley to rejoin faculty in the management department. **Karen Turner**, chair of accounting, will serve as interim dean.

■ **Christine Poon** will not seek a five-year reappointment as dean of the Fisher College of Business at The Ohio State University in Columbus. During her tenure, Poon worked with other colleges at the university to forge alliances with local and national businesses and build specialized centers around key areas of faculty research. Poon and her husband—Michael Tweedle, a professor of radiology, chemistry, and pharmacy at OSU—will

donate US\$1 million to the university to honor promising associate professors.

■ **Steve Reinemund** plans to step down this June after six years as dean of the Wake Forest University's Schools of Business in Winston-Salem, North Carolina. During his tenure, Reinemund integrated Wake Forest's undergraduate and graduate business programs and brought them together in a new US\$55 million building and spearheaded increased investment in career development resources. Reinemund will remain on campus as an executive-in-residence.

■ **David K. Graf** is retiring from his post as dean of the College of Business and Economics at United Arab

Emirates University, where he has served for the past eight years. During his tenure, he helped develop a doctorate of business administration, a master of professional accounting, and an MBA program with an industrial partner.

■ In May, **Linda Garceau** will retire from the deanship of the College of Business and Technology at East Tennessee State University in Johnson City. Garceau was the founding dean of the college, which was formed by the merger of the schools of business and applied science and technology. During her 14 years as dean, she helped bring the business curriculum online, establish an accelerated MBA program, and globalize the curriculum and the

SHORT TAKES

student body. Garceau also was active within AACSB International.

NEW PROGRAMS

■ **Henley Business School Africa** has announced an MBA tailored for the music and creative industries. Modeled after the MBA established in 2011 by Henley UK, the program will debut in 2014 at the school's campus in Paulshof, South Africa.



■ **North Carolina State University** in Raleigh has announced a one-year master of supply chain engineering and management program. The program will be run as a partnership between the Poole College of Management's Jenkins Graduate School and the College of Engineering's Edward P. Fitts Department of Industrial and Systems Engineering.

■ The Stetson School of Business and Economics at **Mercer University** has launched a new MBA for healthcare professionals at its campus in Macon, Georgia.

■ **SKEMA Business School** has announced a doctorate of business administration in

project and program management. The part-time program is aimed at senior managers and will be taught at SKEMA's campuses in Lille, Sophia Antipolis, and Paris, France; Suzhou, China; and Raleigh, North Carolina.

■ The **Yale School of Management** in New Haven, Connecticut, is expanding its MBA for Executives program by offering students the opportunity to focus on asset management or sustainability as well as healthcare.

■ **Butler University** in Indianapolis is launching Butler Advance, a program that immerses college students—primarily liberal arts and science majors—in the basic business disciplines. Butler will work with the City of Indianapolis and a consortium of businesses to place Butler Advance students in jobs and internships.

■ **IÉSEG School of Management-France** is opening eight new international programs on its campuses in Paris and Lille. These include new bachelor's degrees in international business, accounting and finance, and marketing and sales; new master's of science degrees in digital marketing, business analysis, finance, and accounting; and an international MBA.

■ The Impact Entrepreneurs program at **Portland State University** in Oregon has announced a new professional certificate for participants who design entrepreneurial business models that address social and environmental problems. The Business of Social Innovation professional certificate, launched in January, is a four-course, one-year program that is delivered largely online.

■ The **Asian Institute of Management (AIM)** and Philippine Transmarine Carriers Inc., both of the Philippines, are working together to launch the EMBA Maritime Management Program. The program targets working professionals who own, manage, finance, crew, build, or register ships, as well as those in the fields of port operations, transportation, and logistics.

■ A minor in natural resources management is now available for business students in the Culverhouse College of Commerce at the **University of Alabama** in Tuscaloosa.

■ **Babson College** in Wellesley, Massachusetts, has created an entrepreneurship policy and development program for public and private sector leaders.

■ The American Farm Bureau Federation and the **Georgetown University** McDonough School of Business Global Social Enterprise Initiative in Washington, D.C., have announced a partnership to help strengthen rural America through an entrepreneurship competition, a national summit, an online innovation hub, and training workshops and webinars.

GIFTS AND DONATIONS

■ **Carnegie Mellon University** in Pittsburgh, Pennsylvania, has received a US\$67 million gift from the charitable foundation of David Tepper to create an academic hub that will strengthen collaboration among CMU's schools and colleges. Among other projects, the money will be used to construct a 295,000-square-foot building that will be a new home for CMU's Tepper School of Business.

■ The **University of Dallas in Texas** has announced a US\$12 million gift from Dallas entrepreneurs and alumni Satish and Yasmin Gupta. The donation will fund construction of the new Satish & Yasmin Gupta College of Business.



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■ The Joseph H. Lauder Institute of Management and International Studies at the **University of Pennsylvania** and the Wharton School have announced a five-year, US\$20-million fundraising campaign. The campaign is supported by Ronald S. Lauder and the Lauder Foundation, who will be joined by Leonard and William Lauder to provide up to \$10 million in matching funds.

■ The **University of Southern California** Marshall School of Business in Los Angeles will receive US\$6 million to support undergraduate and MBA scholarships, as part of a larger \$20 million anonymous gift to the university. The \$6 million will go to the James Ellis scholarship fund.

OTHER NEWS

■ Last fall, **Creighton University's** College of Business in Omaha, Nebraska, held a grand opening to celebrate the renovated and renamed Heider College of Business. The new name reflects the generosity of longtime supporters Charles and Mary Heider, whose gift was part of the capital campaign that ultimately raised more than US\$93 million.

■ The College of Business and Professional Studies at **Ashford University**, a for-profit school in Clinton, Iowa, will become the Forbes School of Business following an agreement between Ashford and Forbes Media, which is the publisher of *Forbes* magazine.



■ **HEC Paris** in France has launched a new communications campaign—"Tomorrow is our business"—built around the idea that the businesses of the future will be different from those of today. Ads appearing in France will highlight the school's focus on social responsibility, ethics, and sustainable development. Those ads will also take an "impertinent" look at common prejudices with taglines like "Women in Leadership. Another way to change the world." The second half of the campaign, aimed at international audiences, will feature portraits of seven notable HEC graduates, including Jean-Paul Agon of L'Oréal and Hubert Joly of Best Buy.

How Will Asia

Change Business Education?

Although the number of accredited business schools in Asia is currently low, the continent looms large in business education. What will Asia mean for the industry? AIM's Ricardo Lim delves into the complex cultural, social, and economic contexts in one of the world's richest areas of growth.

BY RICARDO A. LIM

Of the 694 business schools accredited by AACSB International, only 10 percent are located in Asia. If Asian business schools make up only 10 percent of AACSB's accredited schools, how can we presume to influence business school thinking?

As dean of the Asian Institute of Management in the Philippines and the outgoing director of the Association of Asia-Pacific Business Schools, I find this question especially important. My answer is that the business of business schools in Asia is incredibly complex, but growth here is steady and opportunities abound. That is why I believe Asia will ultimately impact the way business schools think.

What Is 'Asia'?

When many people think of Asia, they often think first of what I call "typical" Asia: China and India. But there is also "first-world" Asia, which includes Japan, Taiwan, Korea, and Singapore. There is the "southern hemisphere" Asia of Australia and New Zealand, which are becoming more Asia-intertwined culturally and economically. There is "tiger" and emerging Asia, which includes the countries in the Association of Southeast Asian Nations, also known as ASEAN (South Korea, Malaysia, Indonesia, Singapore, the Philippines, Vietnam, Myanmar, Brunei, Cambodia, and Laos), and South Asia (such as Pakistan and Bangladesh). Eventually, what we call Asia might extend all the way north to Kazakhstan and east to Turkey, but the line stops at Pakistan for now.

Together, these countries are the production line of the world, generating one-third of global GDP, according to the ASEAN Secretariat. Companies in the West contract with companies in China, India, Thailand, the Philippines, Malaysia, and Indonesia to manufacture everything from auto parts to electronics. This interdependence between East and West will only strengthen over time.

Despite the fact that it produces many of the world's goods, Asia adds very little leadership value or participation to the process, save for a few original manufacturers in Korea and Japan. In many cases, our native skills and innovations are underdeveloped. For example, analysts have found that, of each 16-gigabyte Apple iPhone made in Asia, US\$8 of the \$450 gross margin on the unit goes to assembly labor. The rest goes to support international shipping companies, marketing firms, distribution companies, and, of course, Apple. As another example, the online news agency InterAksyon reports that 460,000 people from the Philippines are now at sea, accounting for a third

of the world's cargo and cruise seafarers. But the vast majority are regular sailors, waiters, singers, or cooks. Very few Filipinos are masters or captains.

This disparity could change when the ASEAN countries integrate in 2015, a development that will create, in theory, an entity much like the European Union. After that happens, it will not be inconceivable for an Indonesian production plant to have a combined Indonesian, Filipino, Malaysian, and Thai workforce and ownership. This environment will make for interesting studies for business schools in cross-investment, cross-cultural management and strategy.

Broad, Varied, Connected

If I were to describe Asia in a sentence, it would be “We are many.” Asia is a diversity of cultures, economies, and political structures. That diversity occurs not just from country to country, but within single nations. Take India: All of India is supposed to speak Hindi, but each state claims its own unique language, such as Marathi, Kannada, Bengali, or Tamil. The same is true for other Asian countries, all Towers of Babel.

Asia also represents a wide disparity of income—an October 2013 report from the International Monetary Fund notes that per capita GDPs range from US\$61,000 in Singapore to \$1,600 in Myanmar. But while the ASEAN Secretariat cites an average annual economic growth of 5 percent to 11 percent for ASEAN countries, wide gaps exist in individual countries between rich and poor. A small percentage of Asian billionaires can indulge in fine wines and exotic cars, but a billion or more souls in Asia still do not



Ricardo Lim

If we focus too singularly on
China,
we risk missing many untold stories in other Asian markets.

have access to education, running water, or electricity. When Typhoon Haiyan hit in November, Leyte Island in the Philippines was devastated, and people were reduced to cooking over wood fires and fetching water from rivers. But in truth, that was the state of many people in the countryside even *before* the storm. The storm exposed not only tragedy but disparity.

Asian governments range from democracies to dictatorships, with the latter waning as information flows more freely. Indeed, technology could become the great enabler for the poor in Asia, where computing is cheap. Broadband costs as little as \$5 a month in Sri Lanka, one-tenth the world average. That reality leads to yet another question for business schools: Will Asians continue to need face-to-face education, or can they learn more effectively online?

And while Asia's growing

population does not yet earn and consume as much as Western consumers do, it could soon. Consider this: Despite its one-child policy, China has 160 million students in primary and secondary education as of 2012, according to KPMG's *Education in China* report. That is equivalent to the population of one Russia—or eight Australias—all in short pants. In the years to come, this group will purchase watches and cars and perfumes—and education. Imagine, 15 years from now, when these young Chinese choose grad schools. If only 0.1 percent choose to earn MBAs or EMBA's, China will need 160,000 MBA seats. The number in India is even more staggering: In 2008, there were almost half a billion people—about two Brazils—between the ages of 5 and 24, according to the *Economic Times*. If just 0.1 percent of this group pursued MBAs, India would need 500,000 seats per year.

The sooner business schools understand the differences and unique phenomena that are driving growth within Asia—and prescribe ways to manage them—the sooner that growth can be mutual and sustaining.

The Business of Asian Business Schools

Asian business schools face problems similar to business schools around the world—finding funding, coping with rankings, staying true to mission, hiring faculty. But we also must respond to trends unique to this region:

Intense competition. There has been a surge of new competition in Asian countries, including foreign competition. INSEAD is in Singapore, and the University of Chicago Booth School of Business

AAPBS's Role, Then and Now

The Association of Asia-Pacific Business Schools was formed in 2004 as a way for accredited Asian business schools to help non-accredited schools prepare for the task. At the time, only ten member schools were AACSB-accredited. We met twice a year in revolving locations around Asia to share best accreditation practices. At one point, we even considered conferring a pre-AACSB-accreditation designation to recognize intermediate achievement from members.

That changed when AACSB, EQUIS, and AMBA began to approach schools directly, rather than talk to members through us. Organizations such as GMAC also came to Asia full-time with a smorgasbord of support products. Although these events nullified the original intent of AAPBS, these organizations were better positioned to deliver what our members needed, in a more efficient way.

So, AAPBS has had to transform. Today, as an association of about 110 Asian business schools (a third of which are accredited by AACSB or other bodies), we now encourage greater collaboration among our members and their faculty. We have created a directory that lists the faculty at each member school, along with their areas of expertise and research interests—one day, we may use our directory as a basis for future joint DBA or doctoral programs. We have opened a case center that is based in Hong Kong and roves to various locations to provide case writing and teaching expertise and engage with corporate sponsors. We also hold semiannual conferences around the region.

It is not easy to mobilize AAPBS members. We have to compete for their attention with the AACSBs and GMACs of the world. The association's regional concerns will always ride pillion to local issues such as fundraising, talent management, and recruitment. But we will continue to catalyze conversations on Asian management thought and open doors for productive collaboration.

For more information about the AAPBS and its member schools, visit www.aapbs.org/main.html.

has moved into Singapore and Hong Kong. Nottingham University Business School and Edinburgh Business School in the United Kingdom have opened campuses in Malaysia. Northwestern University's Kellogg School of Management and the University of North Carolina's Kenan-Flagler Business School have partnered with local schools in Thailand; the University of Western Ontario's Richard Ivey School of Business is in Hong Kong. Then there's the China European International Business School, a nearly 20-year-old institution formed through an agreement between the Ministry of Commerce of the People's Republic of China and the European Commission. On top of this, a great number of schools offer "hop-to-X-city" global EMBA's throughout the region, at full Western pricing.

In this climate, Asian schools stay competitive by charging lower tuitions—from US\$10,000 to \$40,000 for a degree compared to \$60,000 to \$120,000 for a branded Western degree. Without such pricing, the global brand names would clearly dominate.

Variations in the quality of MBA education. With so many schools, it's not surprising that programs range widely in quality. For example, India officially has 411 schools that offer post graduate programmes in business, their equivalent to an MBA. The unofficial number of such programs—from both legitimate and ersatz business schools—could be much greater. Yet of that large number, only two Indian schools have been accredited by AACSB to date. Market forces eventually will weed out poor performers, but while there is high demand and money to be

made, the market will attract poor-quality providers.

The China factor. China is the gorilla in the room, the belle of the ball. Because its economy is growing at 11 percent—double or triple that of any other nation—corporations and academic institutions must focus on China. This means that schools will drive funds, research, marketing, and collaborations China's way. As a dean in the Philippines, I am envious, but China deserves it: It simply does things faster and better.

But if we focus too singularly on China, we risk missing nuances in other Asian markets, which could produce many untold stories. We could miss what's happening in many countries now providing outsourced manufacturing and knowledge services to other parts of the

world. Or the fact that Australia and New Zealand are becoming melting pots of Asian culture. Or that Japan has seen a resurgence of "Abenomics," the economic policies of its Prime Minister Shinzo Abe who is calling for significant increases in government spending to stimulate the country's economy.

New accreditation standards. AACSB's new standards have introduced another change to our market. Their emphasis on impact, innovation, and engagement paints clear directions for Asian schools. Even so, there is work to do. Some schools fear that their local realities may stunt their prospects for accreditation—especially in the requirements related to academic qualifications, now divided into Scholarly Practitioner, Scholarly Academic, and Practice Academic

categories. But strong Asian institutions will create greater impact on their local settings; they will innovate even with limited resources. Fly-by-night schools will wither naturally.

The difficulty of keeping scholars. The faculty shortage that some schools in the West are facing is even more intense for schools in Asia. PhD-granting institutions in Asia are not as productive as those in the West, making it more efficient for Asian schools to send scholars to the U.S. or Europe for training. Alas, many do not return. The better Asian scholars also tend to drift to the West, attracted by higher salaries. Asia needs a more effective way to train and retain scholars—perhaps Asian schools should even create their own consortium of PhD-granting institutions to cultivate their talent.

AIM's Mission, Then and Now

How have we in Asia reacted to these drivers? I can present the case of my own school, the Asian Insti-

tute of Management. In the 1960s, a group of local businessmen in the Philippines enrolled in a traveling Harvard advanced management program. They believed that a professional institution offering a similar case-based education could produce competent managers for Asia, so they convinced Harvard professors to help start AIM in 1968. Since then, we have produced 40,000 degree and nondegree graduates, most of whom are still located in Asia.

We did it without a publish-or-perish culture, government support, or a large endowment. We had to be entrepreneurial. We created a number of cost- and time-effective short courses for executives, using cases that we borrowed from Harvard Business School or wrote ourselves by capturing tales from the field. We focused not on specialized training, but on general management. We hired as instructors professionally qualified CEOs and general managers who ran plants, wrote budgets, drove sales

forces, and negotiated with suppliers. What they lacked in theory, they made up for in experience.

Then came competition from well-heeled Asian universities, and with them rankings, partnerships with foreign schools, and AACSB accreditation. How unique were we if we were built on Harvard's Western model of education? We realized that, to be competitive, we needed to participate in media rankings. To be ranked, we needed accreditation. To be accredited, we needed to build a culture driven by academically qualified faculty and innovate new approaches that the market valued.

Our mission to produce competent managers for Asia is even more relevant now than it was in 1968. Our y-variable remains unchanged. But to play the new game, AIM has had to change its x-variables. Who are our target markets—experienced or fresh graduates? How should we package our product—as an all-in traditional MBA or as a specialized degree? How should we deliver our product—full-time or part-time? And in what modes do we deliver—face-to-face, blended, or online?

To keep AIM relevant in today's market, we've made many changes. We have added projects such as the MPO Walkabout, a capstone project in our Managing People in Organizations course. For Walkabout, students complete a project that presents some measure of risk—it must be something they've never done before. We focus on the region through activities such as the International Field Review in our master in development management program. IFR sends students on a two-week immersion in an Asian country, where they learn



Diep Le of Vietnam (far left) and Annie Rose Tapuz of the Philippines (in white shirt), students in AIM's master in development management program, participate in AIM's International Field Review, a two-week immersion in a development project in an Asian country. Le and Tapuz studied the Rural Roads Project's efforts to improve the quality of roads in Cambodia's Kampong Chhnang Province.



As part of AIM's course in Managing People in Organizations, the Walkabout project requires students to do something they've never done before. Lithuanian student Vaidas Sukys constructed a boat made out of plastic bottles to call attention to the irresponsible disposal of nonbiodegradable materials.

more about development projects funded by multilateral agencies.

We also look for academically qualified and professionally qualified faculty who understand industry and publish research, and we bolster their credentials with our seven research centers. Our faculty receive lower salaries than faculty at Western schools, so to keep them content to stay at AIM, we give them ample time to do outside consulting—which also improves their understanding of industry.

Given our limited funding, we also realize that the best way to innovate is to collaborate. We are engaging with nonbusiness schools and teaming up with a university in Manila to create new products that bring together engineering, design, and management. We are partnering with online education providers and seeking out free-market online alternatives. For instance, I teach an introductory statistics course, in which I encourage students to access free videos of the Khan Academy, so I can flip my classroom and spend time helping students delve into the principles they've learned about online.

Finally, though we are the "Asian" Institute of Management, we must focus on building knowledge in the ASEAN region. We recently opened the Dr. Stephen Zuellig School of Development Management to explore issues faced by developing countries, such

Asia's strength is that it will continue to generate novel and compelling stories that advance management.

as helping nonprofits build capacity, bridging social divides (such as between Muslims and Christians), promoting sustainable development and public-private partnerships, and tackling public finance and procurement. And, of course, we have many region-specific management topics to study—ASEAN supply chains, cross-cultural management, diasporas and labor migration, outsourcing, family management and ownership, financial markets, social marketing, social entrepreneurship, and disaster planning and management.

Still Much to Learn

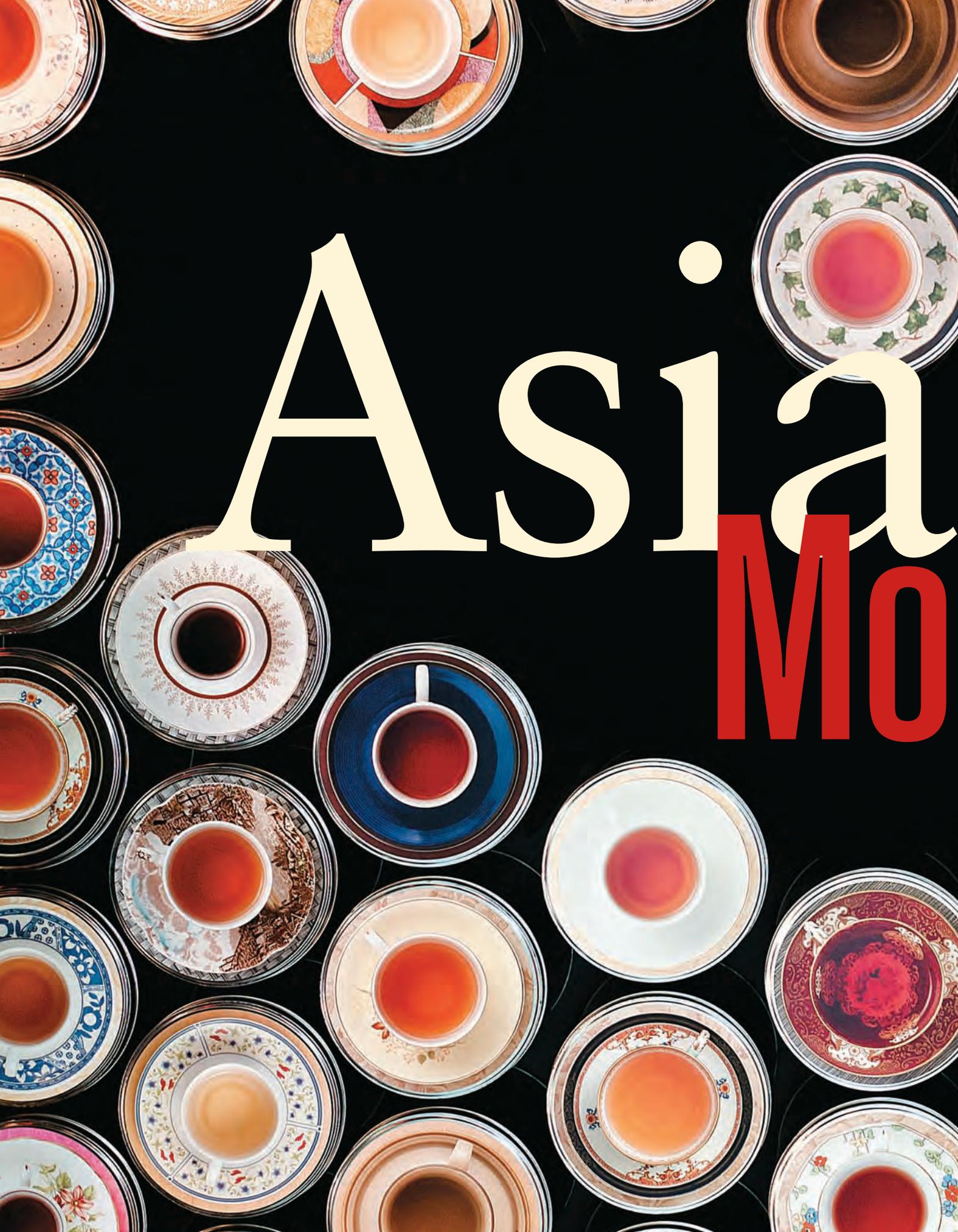
Asia will continue to attract foreign schools to its huge markets, where there will continue to be variations in quality and cost, as well as a proliferation of new specialized

master's degrees and online EMBA products delivered to a stratified, heterogeneous market. China will continue to dominate the economic scene, but pockets of management thought will emerge in the rest of Asia in topics such as sustainable profits, disaster management, entrepreneurship, and supply chains. I believe that the West can learn from our work in such small, concentrated economies in the region's less-studied cities such as Leyte, Aceh, and Phuket.

I revisit my original proposition: Can Asia influence business school thinking, given that we have a minority voice in AACSB, EFMD, and AMBA? I believe the answer is "yes," because our diversity and differences make for such a rich learning environment. Asia's challenge is to produce new generations of native scholars who will stay in Asia to build a local base of knowledge. But as its economies grow, Asia's strength is that it will continue to generate novel and compelling stories that advance management. And because local schools are the ones best equipped to listen to these stories, the best way for schools in other parts of the world to participate in Asia is to collaborate with us.

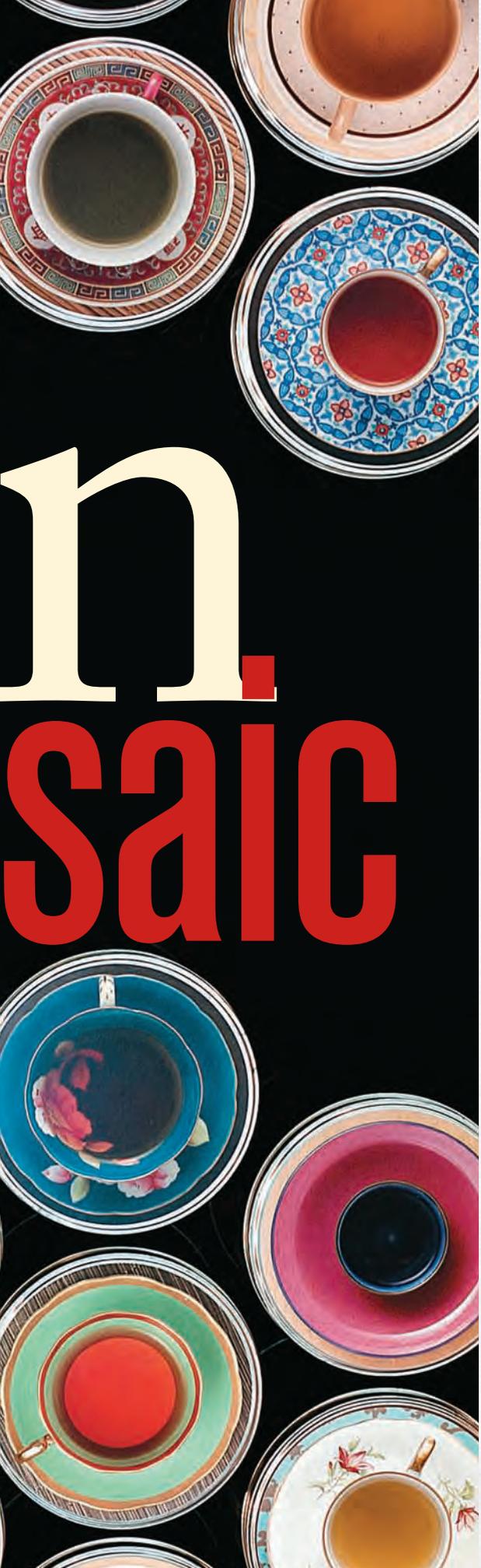
It will be a rich mix, from which new ways of teaching and new management stories are certain to emerge. I hope that is enough to influence business school thinking. **Z**

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Ricardo A. Lim is dean of the Asian Institute of Management in Makati City in the Philippines.



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As varied as their teas, tongues, and traditions,

Asian nations are a vibrant and diverse mix of countries, all with different cultures—and different attitudes about business and business education. Here, three b-school deans from Singapore, India, and Thailand address the challenges they face as they position their schools to be global players. They all agree that business schools across Asia cannot survive if they merely follow a Western educational model. Instead, their students must be immersed in local customs, cases, and curricula. And students and administrators alike must be poised to make sure business ideas flow not just from West to East, but also from East to West.



CLINT DUNN PHOTOGRAPHY/GETTY IMAGES; R-STUDIO/SHUTTERSTOCK



Striving in Singapore

Bernard Yeung is the dean and Stephen Riady Distinguished Professor in Finance and Strategic Management at the National University of Singapore Business School.

Biggest challenge

One challenge is to develop good routines as we grow. For 50 years or more, leading schools such as Chicago, Stanford, and Harvard have developed routines in areas like research, faculty development, alumni relations, and student services. But our institution—which is representative of leading business schools outside the U.S., especially in Asia—is much younger. Our alumni office and our tenure system are only a little more than ten years old. Every day we must continue to develop and refine our routines, like many growing organizations with high aspirations.

Another challenge we face is that we have to streamline operating procedures. Asian universities are mostly state schools. In their growth phase, they understandably have bureaucracies monitoring activities to ensure efficiency. Like most state schools, we are making adjustments to be more efficient.

Improvements are necessary, because excessive monitoring, regulations, and bureaucracy deter people from taking responsibility and being innovative. All of us here are changing our mindsets and management styles to keep pace with a dynamic market. As business schools in Asia, we need to address the lack of human capital, instill the necessary drive and sense of responsibility in our people, and encourage them to take some risks.



Like all business schools, we consciously pay attention to diversity. We want our classrooms to integrate students from all over the world.

On global faculty recruitment

We are attracting more faculty from outside Asia for three reasons. The first is what I would call the attention factor. In the past, many faculty believed that the world paid less attention to academics in Asia. If new faculty were to choose between jobs at top schools in the U.S. or at NUS, they would be more likely to choose to go to schools in the U.S., where they thought it would be easier to be successful. In the past, we had to pay a premium to compensate for this discrepancy.

But as the world's economic center of gravity is quickly shifting toward Asia, our industry is paying more attention to this part of the world. More people are willing to come here. As Asia gets richer, the region's business schools are able to pay more globally competitive salaries. If faculty are especially forward-looking, they will say, "If I go to Asia, 20 years from now when I'm at my peak, I will be at the center of the world's attention."

The second reason is the challenge factor. Faculty in the U.S. and Europe are, in many respects, tweaking what is already there. But in Asia, faculty are dealing with new challenges. We are beginning to see more people who are curious and who want to make a significant impact choose to be here.

The third reason is the market factor—the "thickness" of the mar-



ket makes a difference. Imagine you are a professor going to work in a remote place in the U.S. where very few universities are located. If you don't get tenure, it may be very difficult to find a new job in the same area. But if you go to work in New York City, there are many universities. Such a dense market facilitates job switching. That's increasingly the case in Asia. As the market gets thicker in Asia, academics are more willing to come here.

On global student recruitment

If you look at the latest GMAC data, you'll see that the number of students taking the GMAT is declining in the U.S., but it's growing in this part of the world. Students are choosing business schools in Asia such as NUS Business School even though they have good opportunities in the U.S.

The reason? Which part of the world is growing fast? Asia. Where will students be able to fast-track their careers? Most likely in Asia. If students train at top business schools in this part of the world, they'll get the connections and knowledge that will help them succeed here.

There is what I call a labeling effect among students and employers, where top U.S. schools have tended to have more of an advantage. If employers wanted to hire someone in finance, they might want a graduate of the University of Chicago. If they wanted general management, they might want someone from Harvard. But as Asian schools keep rising in the rankings, the advantage that top schools in the U.S. have is disappearing. Leading Asian business schools are attracting students

globally. At NUS Business School, 10 to 15 percent of our students now come from the West.

On classroom diversity

Like all business schools, we consciously pay attention to diversity. We want our classrooms to integrate students from all over the world.

One way we help our students interact with one another is by giving them total responsibility for a part of the program. We let them run this program together and support them, but we do not interfere. For instance, each year our students run an international case competition called Cerebration, in which some 650 teams from around the world participate. Our students are responsible for arranging corporate sponsorships, as well as participants' hotel accommodations and plane tickets. They even write their own cases. Students from a range of countries—including Australia, Canada, Costa Rica, the U.S., the U.K., Spain, Switzerland, Turkey, China, Singapore, and India—must learn to work together.

On finding Asia-centric cases

Do we have a lot of Harvard-like cases that focus specifically on Asia? Only a few, but they are growing in number. Do we have meaningful data to support vibrant, robust classroom exchanges? Definitely. Like other business schools, we encourage our faculty to use "caselets" drawn from current clinical information to provide our students with an understanding of the Asian market, as well as help them develop critical thinking, decision making, leadership, and management skills that fit our market context.

We also ask students to develop their own cases. In Singapore, we have the *Enterprise 50 Awards* (E50), an annual list of the top 50 small and medium enterprises. Our school has an agreement with E50 organizers for our students to shadow these entrepreneurs. The students then write three papers: a consultant report for the entrepreneur's consumption, a class report for the instructor's consumption, and a reflection report that describes what the student has learned on his or her personal journey. Each year, selected student reports are published in Singapore's *Business Times* newspaper. We then compile these reports into books—we have produced five books so far. The entrepreneurs also buy these books, with the proceeds going to charity and funding scholarships. In this way, our students are contributing to learning in society.

This kind of activity isn't just happening at NUS. Many schools in Asia are developing innovative approaches. Our mission is not to copy Harvard, Chicago, or Stanford. Rather, we are daring to define what a leading business school should be in Asia.

Biggest hope or fear for the next five years

My fear is that we will become complacent. But my hope is that we recognize our responsibility and develop a sense of purpose. Our schools must support the economic renaissance of this part of the world. By developing the right culture, Asian business schools can transform themselves from successful organizations into significant organizations. That is what we strive to be.



Differentiating in Thailand

Viput Ongsakul is dean of the NIDA Business School in Bangkok, Thailand.

Biggest market change

More schools are seeking to differentiate their MBA programs. Some have tailored their programs to serve specific industries such as healthcare, aviation, real estate, or small and medium enterprises.

On market differentiation

To differentiate our school, we pursued and achieved AACSB accreditation. We're also expanding our international network and investigating other accreditation and quality improvement systems. At the same time, we've internationalized our board of directors to include members from Belgium, Canada, Italy, South Korea, and Switzerland.

In addition, we've worked with the Kelley School of Business at Indiana University in Bloomington to develop a dual-degree program. This helps us internationalize our program and gives our students access to the Kelley School's faculty and extensive knowledge base.

Finally, we've developed a bilingual program for Thai students and an English language program for students from other countries. We know that to be an international school, we have to teach in the language of international business.

On aligning research with mission

Achieving AACSB accreditation, with its emphasis on mission, made us realize that we could best serve our market by doing research that aligns with our strategic direction



One advantage we have is that our region and nearby regions are experiencing economic growth.

and that satisfies our stakeholders and funding agencies. In the past, we emphasized publishing research in high-impact journals, but that research did not necessarily support our strategy, so the knowledge developed didn't always benefit our students and their employers. We have decided that what works best for us is pursuing research that impacts our business communities and our countries, and publishing our findings in international and school journals.

On the Thai advantage

During the past five years, because of the U.S. financial crisis, ethics in finance has been a topic that seemed to take center stage at Western business schools. But in Thailand—partly because of our culture and the Thai philosophy of maintaining balance and harmony—we place less emphasis on financial performance than other countries do.

One advantage we have is that our region and nearby regions are experiencing economic growth. For that reason, foundational knowledge about certain industries has already been created through consulting and research projects. This makes it somewhat easier to match students' needs with the right knowledge because our faculty are already familiar with problems that many companies face.

On the flow of students from East to West

Several barriers discourage a majority of Asian students from study-



ing abroad: the overall expense, the time-resource demands, and the difficulty of gaining entry to other countries. To address these issues, many Western schools have developed partnerships with Asian schools.

I have also seen an increasing number of Western students coming to study in Asia in recent years. At NIDA, exchange students are exposed to culture, philosophy, and business and legal environments that are much different from the Western ones they're familiar with. They learn that the solutions and approaches that work here can be quite different from those that work elsewhere in the world.

To help our exchange students learn more about Thailand, NIDA runs an annual one-week summer camp in June, organized by our office of international affairs. The theme of this year's camp will focus on sustainable tourism to expose students to one of this region's largest industries. The program will include academic workshops on the strengths and weaknesses of tourism in the ASEAN region, a one-day course in the Thai language, and field trips to nearby destinations such as Phra Nakhon Si Ayutthaya Historical Park and Ayutthaya Klong Sa Bua Floating Market and Water Theatre.

Biggest hope or fear for the next five years

We are most concerned with the new competition emerging in our own region. In response, NIDA will focus on what we do best: develop business leaders and managers through teaching, training, and consulting.

Competing in India

Ranjit Goswami is dean of academics at the Institute of Management Technology in Nagpur, India.

Biggest challenge

Out of the more than 15,000 business schools in the world, approximately 4,000 of them are in India. This has led to an oversupply of graduates and a lack of employment for many.

In fact, India faces a huge problem of trying to generate employment for its 1.2 billion people—more than half of whom are younger than 25. Traditionally, only a very small percentage of overall Indian employment has come from organized, formal jobs. The problem has been exacerbated because the Indian economy has slowed to a GDP growth rate of around 5 percent, and recent economic growth has produced very few new jobs. That has left our business school graduates—even those from the top 50 business schools—in fierce competition for employment.

Not only are there too many business schools, there are two distinct categories of business education in India. One type is affiliated with a university and comes with an MBA degree. The other category consists of the Indian Institutes of Management and the standalone business schools that offer post-graduate diplomas in management (PGDMs); most of the high-performing schools fall into this category.

To make matters more confusing, the two categories are regulated by different bodies:



Indian business schools are creating India-specific curricula that focus on Indian business models and leadership challenges.



University-affiliated MBAs are overseen by the University Grants Commission, while PGDMs (excluding the IIMs) are regulated by the All India Council for Technical Education. In the past, the AICTE also regulated MBA degrees, but the Indian Supreme Court recently questioned AICTE's authority over MBA education. Every effort to develop effective regulation has led to greater mess, resulting in a policy vacuum.

On quality and capacity

In this hyper-competitive market, the only way to move forward is to improve quality. At IMT Nagpur, which is a standalone school that awards PGDMs, our focus has been on upgrading the curriculum and pedagogy by incorporating current industry perspectives.

We've also looked for ways to build capacity among our faculty. For instance, we conduct management development programs for junior and senior corporate executives, and faculty members who participate gain insights into business practices. We also encourage faculty who have little industry experience to study company reports and read relevant articles—although they must overcome the commonly held belief that books and journals are the only sources of knowledge.

In addition, we conduct training programs for entrepreneurs and CEOs of small and medium enterprises. Many of these individuals have been keen to narrate their business challenges, which our faculty members can turn into case studies. However, only a limited number of faculty members are interested in these endeavors, and

the resulting case studies often fail to capture the complexities of business in a holistic sense.

On India's model for education

Developing nations will have very different reactions to issues such as World Trade Organization norms or Federal Reserve tapering or climate change. The issues are global, but how they impact business in developing nations will be unique to those nations.

Therefore, many Indian business schools have been trying to create India-specific curricula that focus on Indian business models and leadership challenges. At my school, for instance, we're designing a curriculum that caters to the needs of business managers in developing nations but still offers a global perspective. Taking a cue from a Harvard Business School class that examined business history as it unfolded in Europe, North America, and Japan, we plan to offer a course on the history of business education in the developing world. Our version would also focus on China, India, the ASEAN block, Africa, and the Middle East. We plan to include this course, and a few others like it, in our ongoing revamp of our curriculum.

Providing such Asia-specific courses will be even more important when Western business schools begin to enter our market. If we're offering the same curricula that Western schools do, Indian institutions will take a beating.

Of course, Eastern business schools must teach the fundamental business basics that Western schools do—but I believe Western business schools also should

cover models and concepts that are unique to Asia, or at least that originated here. These range from kaizen, the Japanese concept of continuous improvement that informs Toyota's Production System (TPS), to the Beijing Consensus, which refers to a business model in which the government is heavily involved in stimulating economic growth. Any school that claims to be global ought to provide insights into both Western and Eastern business philosophies.

Biggest hope or fear for the next five years

My hope is for better quality of business education in India as existing schools with poor infrastructure are closed or consolidated. I don't believe the market can sustain the number of business schools we have now. I also hope to attain stable, fair, and uniform regulatory policies that will cover foreign universities, Indian state-owned universities, and Indian private universities.

My fear is that more schools will continue to struggle but remain operational and that regulatory policies won't improve, leading to a bitterly competitive market for business education. If business school administrators worry about admissions and placements on a year-to-year basis, they risk compromising on the key deliverables: designing industry-relevant learning objectives, displaying innovation, and maintaining a strong ethical orientation. Excluding the IIMs with their strong reputations, the vast majority of Indian business schools face significant challenges in the years ahead. **Z**

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As business schools worldwide admit larger numbers of applicants from Asian countries, they must rethink traditional approaches to address the diverse needs of this growing student demographic.

BY EMMANUEL MÉTAIS

As the number of Asian students enrolling in U.S. and European business programs continues to grow, many business schools are intensifying their marketing and recruitment efforts to capture the attention of this growing demographic. At the same time, however, it's important for educators to rethink the academic product they have to offer these students. Is it adapted to their linguistic, cultural, and educational needs? Does it suit their employment objectives?

At EDHEC Business School in France, where I serve as director of the Global MBA program, we are reviewing our pedagogical approach, course offerings, and student support services to provide our Asian student population with the best management education possible. We want to make sure we prepare them for successful careers, whether they work in New York or London, or back home in Shanghai or Seoul, Tokyo or Delhi. It's a challenging time for business schools, but also one filled with great promise for internationalization and student recruitment.

It Starts with Case Studies

A growing number of business educators believe traditional Western MBA education fails students from other parts of the world. Among these educators is Mike Bastin, a senior lecturer at the Southampton Solent University School of Business in the United Kingdom. In a recent *Financial Times* op-ed, Bastin laments the state of the modern business school. He points out that the world's top business schools continue to adopt traditional teaching approaches—most notably, the Harvard case study method. The typical case study asks students to analyze real-life management dilemmas, most often from U.S. or European corporations. But Bastin argues that “news of Western corporations struggling to thrive in emerging markets strongly suggests that business students desperately need a new approach.”

I agree with Bastin that a shake-up of traditional business education is needed—and it must start with the foundation of the MBA education: the case study. While the case study method still works well, it has limitations when used with Asian students, primarily because most case stud-

ies do not reflect the management realities of emerging markets. This discrepancy puts students from these regions at a disadvantage if they wish to return to their home countries after graduation.

We've found that case studies focused on Asian markets don't just provide Western students with insights into these regions. They also give much-needed encouragement for our Asian students, who might otherwise be hesitant to speak up in discussions of Western business practices. For instance, we use the HBS case study on Tata's crisis management of the November 2008 terrorist attacks on the Taj Hotel in Mumbai, which sheds light on Indian companies.

Unfortunately, cases that focus on emerging markets tend to be unstable and must be updated regularly, so we can't find as many as we would like. To fill this void, EDHEC works with corporations operating in Asian markets to help them solve strategy and management problems. The results of this work often make their way into our MBA classrooms.

One such project is EDHEC's partnership with French carmaker Renault on its introduction of the Dacia line of cars and SUVs. With roots in Romania, the Dacia brand was originally created for sale in less developed countries such as India, but it has found success in Western Europe thanks to its low sticker price and fuel economy. Through the Dacia story, students learn about reverse innovation, when products or services first created for the developing world spread to industrialized markets.

When discussions are focused on their native countries, Asian students are more confident to



In 2012, the Institute of International Education reported that nearly half of the more than **800,000** international students studying in the U.S. were from Asia.

challenge the professor and other students, because they realize that among their classmates they are the experts on the subject matter. They also are more willing to turn the tables on American and European students by challenging Western attitudes and habits, which sparks interesting classroom exchanges about everything from environmental sustainability to the wastefulness of the Western lifestyle.

Coaching for Confidence

The second dimension of the classic MBA experience is an interactive and dynamic classroom, where students are encouraged to voice their opinions, defend their ideas, and challenge authority. But this

classroom atmosphere can intimidate some Asian students, whose culture emphasizes conformity and respect for authority figures, including professors.

In a philosophy class that is part of EDHEC's Global MBA, students discuss topics such as property rights, human rights, and freedom of speech. During the course, students are encouraged to consider ethical questions from different angles and to find new responses. Geert Demuijnck, who teaches this course, has told me how difficult it can be to persuade some Chinese students to dissect philosophical theories. Even though Chinese students tend to be conscientious and competitive, they often accept lower grades because of their cultural hard-wiring.

To help all of our students become more comfortable participating in class discussion, we offer them individual coaching outside of class. I once worked with a South Korean MBA student who found it difficult to participate in class discussions, not because he lacked a good command of the English language, but because his past education placed an emphasis on the professor's authority rather than on the student's contributions. I began coaching him and helping him set objectives for his contributions to

class discussions. Little by little, he learned to contradict and challenge, skills instinctive to those educated in Western institutions. In the end, this student was amazed by his ability to debate; it was a quality he had believed was not in his DNA.

For students from countries such as India, social integration can be as difficult as academic participation. Our Indian students are usually fluent English speakers, but some have difficulty with soft skills such as collaboration and Western etiquette. “They often do not think these skills are important,” says MB Sarkar, who teaches “Doing Business in Emerging Countries” for our Global MBA program. “It is critical that they understand that they cannot slide by just on the learning and study habits they honed in their college days in India.” In some cases, Sarkar takes students aside and speaks with them about the importance of these issues; he also strongly encourages students to work in cross-cultural groups to ensure their social integration.

Creative Strategies

As indicated above, a third dimension of an MBA program is educating students in soft skills and emotional intelligence. One of the fundamental pedagogical levers in EDHEC’s soft skills courses is honest self-disclosure. As part of this self-reflection, students evaluate their peers’ soft skills.

However, speaking publically about emotional or intimate experiences, a common activity for American and European students, is deemed inappropriate in many Asian countries. Shlomo Maital, a professor of macroeconomics and innovation in our Global MBA pro-

In 2011–2012, **60,000** Chinese citizens took the GMAT—triple the number that took the test in 2007–2008.

gram, has developed an approach to help Asian students overcome these barriers. He boosts their confidence by encouraging them to speak out in class, give oral presentations, and express audacious ideas. “My first goal for my Asian students is to restore their faith in their own creativity,” Maital says. “Asian students bring a superior work ethic to the classroom and in short order their creativity finds expression.”

Maital adds that he doesn’t assign grades for class participation, as this tends to produce rather artificial and forced contributions. “Instead, I try to elicit their stories—for example, an illustration of a creative solution they’ve applied to a problem when their resources were scarce. Or I ask them to write on a Post-it note

something they know that they’re willing to share with the class, which other students might find of value or interest. Then, when I get tired of talking, I pull out one of these notes and ask the student who wrote it to explain. The results are often fascinating!”

Maximum Diversity

Maital stresses that just as the world’s dominant economic powers are shifting, so too is the makeup of the MBA class. Now is the time to take into account this change in several important areas, including faculty recruitment, student body diversity, new student orientation and integration, degree program organization, and staff cultural awareness.

At EDHEC, we have found that

CAREER GUIDANCE FOR ASIAN STUDENTS

Sandra Richez, head of EDHEC’s Global MBA Career Services, suggests the following career counseling approaches for diverse Asian students:

- *Select career coaches who have experience with Asian countries and mindsets.*

- *Draw from your school’s network of Asian alumni to find the right mentors for students.* “‘Asian’ doesn’t mean much,” Richez points out. “We must consider the differences between students from India and Japan, or from China and Malaysia.”

- *Keep cultural gender norms in mind.* “It helps to put a Korean woman in touch with another Korean woman, or a Japanese man in touch with a Japanese man,” Richez says. When schools pair students with mentors of similar gender and nationality, “they can have far more direct and meaningful conversations and develop deeper ongoing mentoring relationships.”

- *Organize a peer mentoring program.* “Our students can help us better respond to other students’ specific, personalized needs.”

faculty members with international backgrounds tend to better understand our Asian students and their needs. For instance, Maital is an Israeli-born Canadian national; Demuijnck, a Belgian; and Sarkar, an Indian-born American national based at Temple University in Philadelphia, Pennsylvania.

It is also important for business schools to recruit students from all over the world to ensure that there is not a dominant group of English speakers or of any one nationality. A high number of Asian students could result in sub-populations of students who live in their own communities and have little or no direct contact with the rest of their class. Some American institutions are now instituting peer-mentoring programs and placing international student liaisons in dorms to encourage more interaction and discourage the formation of sub-groups.

Beyond the Classroom

To ensure that Asian students will be successful in the classroom, many schools are adopting new approaches to integrating their international students successfully:

Expanded orientations. Some undergraduate institutions are creating extended orientation courses for Asian students. Mount Holyoke College in Massachusetts, for example, administers a yearlong international student program that includes workshops on topics such as overcoming culture shock, filing income taxes, and using the counseling center.

Workshops. At EDHEC, we organize a one-day session that offers students lessons on interpreting different cultures. It's not focused solely on Asia, but it gives all of our students a head start for interacting



This year, nearly
200,000
people took Common
Admission Test,
the entrance
exam for India's
management and
business schools.

with their international peers.

Targeted career counseling. Asian students often are used to a job application process where family connections and social status can be crucial. Our career counselors help them adopt more Western approaches to writing their CVs and networking for certain job searches.

Language study. While most Asian students already are proficient in English, at EDHEC we also encourage students to take French language courses early in their programs so they have an easier time fitting into French culture.

Social media use. Some schools send tweets to students with tips and lessons regarding the new country or direct them to a Facebook page where they can interact

with student ambassadors who are trained to offer advice before and after their programs begin.

Travel for students and staff.

To better address the growing importance of Asia in business, international programs could focus more specifically on emerging Asian countries. For instance, all students in EDHEC's Global MBA program take a trip to Singapore to meet executives from both Asian and Western companies. Some U.S. undergraduate programs take that approach one step further—they send their front-line staff members to China to develop more awareness of the needs of Chinese students. A few years ago, Michigan State University, for example, sent members of its residence hall staff to Beijing.

Cultural Integration

By integrating culturally sensitive strategies into every aspect of their programs, business schools can help everyone in their communities better understand one another and receive maximum benefit from their MBA experience. We must view the increased presence of Asian students on our campuses as an opportunity for innovation and modernization. Asian students can teach us much about their homelands, work ethics, savoir-faire, and creativity. It's certainly my hope that business school professionals will seize this opportunity to better prepare themselves and their students for the exciting future that lies ahead. **Z**

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Emmanuel Métails is director of the EDHEC Global MBA at EDHEC Business School in Nice, France. EDHEC also has campuses in Lille and Paris, France; London; and Singapore.



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Closing the
Skills Gap—

East & West

BY GOVIND HARIHARAN

Today's business graduates should be team players who excel at communication, critical thinking, and technical knowledge. But it's just as important that they possess deep understanding of Eastern and Western approaches to business.

Some experts are calling this era the Century of Asia, and it's not hard to see why. China and India are becoming economic giants; along with the U.S., they account for one-third of the world's population. It's likely that everyone in the business world will eventually have close interactions with Chinese, Indian, or American businesses or employees. This means that Eastern and Western business schools will need to work together in innovative and relevant ways to produce managers who can succeed in global business environments.

But if Eastern and Western schools are going to have productive partnerships, all of us will have to look beyond the stereotypes. Many people believe that Eastern business education emphasizes rote memorization and produces highly trained graduates who lack soft skills and independent thinking abilities. Others are convinced that Western-educated business students excel in communication and soft skills, but lack strong technical training. And yet, employers in China and India often complain that recent graduates lack technical training, while U.S. employers are unimpressed by the communication skills of their new hires.

For example, a recent McKinsey study titled "The \$250 billion question: Can China close the skills gap?" pointed to the major shortcomings of Chinese graduates: insufficient technical training, inadequate English-speaking skills, and deficiencies in soft skills such as teamwork, critical thinking, and innovative flair. At the same time, employers surveyed in India and the U.S. identified similar deficiencies in recent graduates: low technical ability, poor communication and analytical skills, and little ability to work well in cross-cultural teams.

Clearly there are similar skills gaps in graduates across these three countries—and probably most other nations. If business schools around the world are going to produce a strong workforce for the global economy, *all* of them must help their graduates develop technical competency, communication skills, critical thinking, and the ability to work in teams.

DEBORAH VAN KIRK/GETTY IMAGES; R-STUDIO/SHUTTERSTOCK

Four New Approaches

I believe that recent attempts to redress these skill gaps have fallen short for four reasons: The solutions look West instead of East; they ignore government and society; they emphasize bicultural rather than multicultural business education; and they ignore the importance of science, technology, engineering, and math (commonly known as STEM). Therefore, I would propose four new approaches to erasing skills gaps in today's business graduates:

Look East: The last decade has witnessed an unprecedented growth in collaborations between Western business schools and their counterparts in Asia, particularly China. However, U.S. schools have been exporting their knowledge to China since the 1980s. For example, the University of Buffalo established an MBA program in Dalian in the late '80s, and EMBA programs have sprouted throughout China since the 1990s. The U.S. and other Western universities have been slower to create partnerships with Indian schools over the past decade and a half, but more of these have been launched in recent years. For instance, Harvard recently established a center for executive education in Mumbai. What's common to most of these programs is an emphasis on training Asian business students to work *in Asia*, sometimes within multinational Western corporations that have locations in China or India.

But that's not what is really needed for economic success in the 21st century. Business schools also need to prepare Western students to work in multinational Asian corporations, whether these corporations are located in Asia or the West. That's



Business schools need to prepare Western students to work in multinational Asian corporations.

where many new jobs are being created—and will be for the rest of the century. I think a school such as the Singapore Management University is poised to capitalize on this reality better than many others as it positions itself to become a business education hub for the world. (See “Why Singapore?” on next page.)

Pay attention to government and society: In China, business education is only relevant if it is accompanied by a thorough understanding of the government. There are two reasons: The large and growing public enterprises that dominate certain sectors are often key sources of employment

for business graduates, and the government maintains relatively high levels of regulatory oversight. Similarly, businesspeople operating in India must understand the local population's religious beliefs and caste system, because both permeate the business system.

Western business students must become familiar with what might seem like alien subjects if they are to gain a comprehensive understanding of Eastern business practices. One example of such an approach is at the Fletcher School at Tufts University in Medford, Massachusetts. The program nurtures young global leaders by first giving them a foundation in international affairs and diplomacy.

Think multicultural rather than bicultural: The recent talks between Chinese Premier Li Keqiang and Indian Prime Minister Manmohan Singh have emphasized educational cooperation, as have the Obama-Singh treaties between the U.S. and India. (See “A Treaty for Education” on page 48.) In fact, since the inception of bilateral treaties, they have included commitments to education—but the key point is that these partnerships have been bilateral.

Treaties between universities on different continents also have tended to be bilateral. For instance, every major university in India has established a partnership with a school in the West, and most Indian business schools have recently signed MOUs with Chinese universities. Because they're bilateral, they're designed to enhance bicultural communication in the workplace—but the fact is, most workplaces are or soon will be multicultural. Therefore, busi-

ness graduates must learn how to function in multicultural settings.

Once again, Singapore is ideally situated to promote this type of education, because it has strong ties to the U.S., as well as China and India, and its own population is multicultural. While SMU has numerous bilateral partnerships with Chinese, Indian, and U.S. schools, its next step might well be to bring several universities together to create seamless cross-cultural business communication. INSEAD, which has campuses in France, Singapore, and Abu Dhabi, is already striving for that multicultural ideal.

Also offering opportunities for multicultural business education are consortia made up of business school members from several continents. These include Trium, whose members are New York University, the London School of Economics and Political Science, and HEC School of Management; and OneMBA, whose members are the Chinese University of Hong Kong, Erasmus University, Tecnológico de Monterrey Graduate School of Business Administration and Leadership (EGADE), the University of North Carolina at Chapel Hill, and Escola de Administração de Empresas de São Paulo da Fundação Getúlio Vargas (FGV-EAESP).

Other schools—such as my own, Kennesaw State University (KSU) in Georgia—are developing business education programs designed to impart true multicultural business savvy. The nonprofit India China America (ICA) Institute housed at Kennesaw was formed to drive synergies among the three countries in the areas of emerging markets, commercial growth, and alignment of policies. In one tri-

Why Singapore?

As international business schools seek ways to make their programs more multicultural, they could learn from the approach taken by institutions in Singapore. Universities located there start out with a geographic advantage, on top of other key cultural and regulatory benefits. Many Western and Eastern corporations have set up headquarters there; its population includes an ethnic mix of Malay, Chinese, and Indian citizens, as well as Western expatriates. In addition, its far-sighted government has shown itself to be the world's most business-friendly regulatory environment, according to a 2013 report from the World Bank and International Finance Corporation. Thus, it's no surprise that Singapore is rapidly evolving into a regional and global educational hub.

I've been particularly impressed by Singapore Management University and its Lee Kong Chian School of Business, under the deanship of Howard Thomas. SMU has capitalized on its location to become a model for educating global business leaders. Over the last two years, the school has developed a long-term strategic focus on China, India, and the Association of Southeast Asian Nations (ASEAN)—and in many cases, its initiatives have been led by top school administrators.

For instance, president Arnoud De Meyer is spearheading the “Be China Ready” initiative, which will increase opportunities for student exchanges and promote more trade and political collaboration between Singapore and China. Provost Rajendra Srivastava is heading the India strategy, which will include a partnership between the school and the Bombay Stock Exchange to provide cutting-edge education for future Indian finance professionals. Vice president Annie Koh is leading the Business Family Institute, which has established strong partnerships with leading universities and organizations in Asia, Europe, and the United States to provide solid business grounding for the multitude of family businesses in Asia and beyond.

In addition, SMU has developed cases about Asian business problems and strategies, and it boasts that these are now used on every continent save Antarctica. By the time all these separate strands are combined together in one multilateral effort, SMU will be in the enviable position of being able to impart to the West the knowledge that is needed to succeed in the East.



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“America’s Best Colleges”



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A Treaty for Education

The Obama-Singh 21st Century Knowledge Initiative was a keystone educational partnership between the United States and India that was announced in November 2009. The two countries pledged US\$5 million each to enhance collaboration between U.S. and Indian institutions.

The money will support faculty exchanges, research, and other partnerships between American and Indian schools that receive grants of approximately \$250,000 to carry out their joint projects. The areas of focus for the grants are energy, climate change and environmental studies, education and educational reform, public health, and sustainable development and community development.

Eight educational partnerships were selected in November 2011 for the inaugural 2012 awards. The lead U.S. schools were Rutgers, the University of Montana, Cornell University, and the University of Michigan; the lead Indian schools were Mahatma Gandhi University, Banaras Hindu University, the Indian Institute of Technology in Delhi, and IIT Kanpur. Each of the eight lead universities has developed partnerships with one or more schools from the other country.

A similar list of grantees was announced in 2013 and included the Indian Institute of Management in Bangalore—the first for a business school in the initiative. IIMB has joined with the University of North Carolina on a joint project called “Partnering for Success: Advancing Sustainability Research and Education in India.”

The joint working group of the Obama-Singh Initiative plans to allocate the \$10 million in grants over a five-year period. Eight to ten university partnerships will receive grants annually.

nodal partnership, students from Indian and U.S. schools will learn about doing business with China; Chinese and American students will learn about doing business with India; and Chinese and Indian students will study how to do business with the U.S. In the grand finale, all the bilateral pairs will form truly multicultural teams to work together on a global project—perhaps in Singapore.

Promote STEM education for all: Western business schools have traditionally considered science, technology, engineering, and math to be foreign fields that their students should avoid—but that needs to change. The majority of students entering MBA programs in China and India have engineering backgrounds, and anyone who wants to communicate with them must

have a basic level of proficiency in STEM subjects.

As we move through the 21st century, it’s becoming increasingly apparent that for business education to close the skills gap, innovative collaboration is necessary. To create a global workforce, business students in the West must learn how to work and lead in the East, just as students from the East must understand how to work in the Western world. No longer can we say East is East and West is West; they each must embrace and learn to understand the other. **Z**

Govind Hariharan is professor of economics and the executive director of the India China America (ICA) Institute at the Michael J. Coles College of Business at Kennesaw State University in Atlanta, Georgia.

The Long-Term Partne





Partnership

Washington University in St. Louis and Fudan University in Shanghai launched an EMBA program 12 years ago—and despite the enormous changes in China’s economy since then, it’s still flourishing today.

BY JIM LITTLE

When Washington University in St. Louis, Missouri, launched its Executive MBA program with Fudan University in Shanghai in 2002, it adopted the cautious approach of Deng Xiaoping, who introduced unprecedented economic reform in China with this maxim: “We must cross the river by feeling out the stones with our feet.” By taking small steps in an unfamiliar market, the Washington University-Fudan Executive MBA became the first joint venture program to be formally recognized by China’s Ministry of Education, as well as the model for Fudan’s own Chinese-language EMBA program.

Washington University first began planning its Shanghai EMBA in 2000, when China’s economy was about a third of its current size. Some multinational companies had locations in China, but many were relatively new to the market and their Chinese operations typically accounted for only a small percentage of their global revenue. Their challenge at the time was getting established in China and, in particular, attracting and developing talent.

Fast forward to 2014. The strategy of both multinational and local Chinese companies has shifted from exporting low-cost products “made in China” to selling products to a more affluent and open Chinese market. Competition has become more Westernized, no longer based almost solely on price, but now focused on product features and quality as much as price. At the same time, multinational corporations are grappling with the challenge of managing incredible growth rates of up to 100 percent a year. But still, just as in 2000, companies see their greatest challenge as a shortage of management talent.

The goal of the Washington University-Fudan Executive MBA is to train leaders who aren't just able to manage in China, but who one day will manage large regional or global organizations. To do so, we've had to design a program that serves not just Chinese business, but global business.

Designing the Program

From the very beginning our program has emphasized developing students' skills as global managers. For that reason, the basic outline of our curriculum has remained focused on strategy, execution, and leadership.

The opening module delivers a foundational core on topics such as organizational behavior, financial accounting, data modeling, and strategic cost analysis. Leadership



At the formal graduation ceremony for EMBA students in 2013, speakers included Washington University's Jim Little (top), who has been academic director of the Shanghai program since its inception, and Fudan University's Zhiwen Yin, the first co-director of the program.

courses cover managing power and leading organizational change. Later modules focus on growth and global management.

Even though we are training global managers, the program provides insights on the particular challenges of managing in the Chinese environment. China-specific material is included throughout the curriculum, and we employ cases set in China. However, our main strategy for bringing a Chinese perspective to the program is to bring together faculty from Olin Business School and Fudan School of Management to co-teach most courses. These faculty members focus on issues germane to China, which ensures that students gain both global competence and local understanding. We also have a course, Fudan Thought Leaders, which

Co-Teaching and Co-Learning

By Zhiwen Yin

Executive MBA students are very demanding. That was one of the first and most important lessons we learned from our colleagues at Washington University when we began our partnership in 2002. We have learned and shared many more lessons over a decade of collaboration.

My school, Fudan University in Shanghai, launched its MBA program in 1991, and by 2001, we were interested in offering an executive MBA program. We wanted a Western academic partner with experience and a good track

record. Fudan and Washington University in St. Louis are similar in many respects: Both are leading research institutions that offer a full spectrum of undergraduate and graduate school academic disciplines. And we both had similar ideas about the values, goals, and mutual benefits we could gain from a joint venture.

The Washington University-Fudan EMBA program has become our flagship East-West partnership program. Over the course of our relationship, we have learned many valuable lessons about the best way to run a joint program:

■ **Don't focus on making money; focus on gaining value.** Any school that cares only about profiting from an East-West partnership should stop before it even starts. While we didn't want to *lose* money when we launched the partnership, we cared about more than simply making money. We were much more interested in the experience and knowledge we could gain through the alliance.

■ **Maintain rigorous admissions requirements.** Applicants to our English-language MBA must be fluent in

English because simultaneous translation is not offered. They also are required to have at least ten years' work experience with five years in a management position. Even more important than their working experience is their potential to grow.

Therefore, we interview all candidates to learn about their work experience, language abilities, and personal career development goals. We want students who not only contribute in the classroom, but who also will build the brand name and reputation of the program once they graduate. An example would be Michael

brings faculty from both the School of Management and other departments of Fudan to discuss Chinese history, politics, and legal issues.

The Olin faculty who co-teach the Shanghai courses also teach in our U.S.-based programs, and they have found that the same teaching skills that lead to success in U.S. classrooms apply in China. Many have now taught in China for more than ten years. This experience has given them a front-row seat to China's economic evolution over the past decade, which has deepened their understanding of this complex country and enriched their teaching.

Lessons Learned in China

While the decadelong partnership with Fudan has been fruitful, it hasn't always been easy. It's a challenge to manage programs

Sun. When he participated in the EMBA program a few years ago, he was president of China's second largest brewery, Tsingtao Beer. Today, he is chairman of Tsingtao, and he recommends our program to his employees.

■ **Embrace co-teaching opportunities.** Fudan and Washington University professors each bring their own insights to the classrooms. The American and Chinese professors often will debate topics from their own points of view, which stimulates classroom discussions. While our business professors provide a unique understanding of the Chinese economy, we

often invite in professors from other departments at Fudan to share cultural and historic perspectives.

■ **Don't alter the curriculum in response to trends.** Because the fundamentals don't change significantly, we've been able to keep the same Olin and Fudan faculty teaching together for more than a decade, and this has helped us run a strong and stable program. The things that *do* change from year to year are the students and their work experiences. The students keep the program fresh as they bring examples of their work to the classroom.

Video Links

■ A snapshot of the Washington University-Fudan EMBA in Shanghai: youtu.be/tbvpw04i0mI

■ Students and professors describe the Wash U-Fudan MBA experience: youtu.be/nliEWu2K-QA

■ Observations by brewery executives in China and the U.S. representing Tsingtao and Schlafly beers: youtu.be/f5z24ZB-Q4Q

far from home. For instance, we've dealt with the obvious and expected issues—such as securing work permissions for U.S. staff and dealing with delays in financial transfers caused by Chinese foreign exchange regulations. We've also encountered more unexpected difficulties, such as learning how to build a program culture that genuinely reflects both partners.

Going into the program, we realized it would be essential to find the right partner, and we chose Fudan for several reasons. We wanted a

school with a strong reputation, because Washington University was not well-known in China, and the partnership with Fudan conferred immediate legitimacy. In addition, the Fudan School of Management shared the Olin Business School's commitment to the highest standards in research and teaching. Perhaps most important, the leadership of the two schools quickly developed the close personal relationships that are essential to a successful joint venture.

Something we didn't learn until we arrived in China was that, despite the sheer size of the Chinese population, there is a relatively small market for English-language EMBA programs in China. Language proficiency is mandatory, because participation in class discussion is essential, and reading

School of Management to build a new campus that should be finished in mid-2016.

■ **Keep evolving.** Six months after launching the English EMBA with Washington University, Fudan debuted its own EMBA program in Chinese. We adopted many aspects of the joint program into our Chinese version—because we had learned and continue to learn so much from our partnership with our colleagues in St. Louis.

■ **Never stop improving.** As I mentioned at the beginning, executive students can be very demanding, and we are constantly learning the ways we can serve them better. For example, we pay attention to their food preferences. Foreign students don't want Chinese food, and Chinese students don't want pizza or fast food, so now we offer both.

We're also planning to upgrade our facilities. When the Shanghai-based students do their residencies in St. Louis, they are very impressed with Olin Business School's executive conference center and hotel facilities. This has inspired us at the Fudan

Zhiwen Yin is associate dean and associate professor at the School of Management, Fudan University, in Shanghai, China.

MBA Highlights

- Meets once per month over 18 months in Shanghai.

- Culminates with a two-week capstone session at Washington University's Charles F. Knight Executive Education and Conference Center in St. Louis. This residency includes company visits, presentations by senior executives, and an intense interactive experience with students from Washington University's St. Louis and Kansas City EMBA programs.

- Allows students to earn an MBA degree from Washington University and a certificate from Fudan University that makes them full-fledged alumni of Fudan.

and written assignments must be completed in English. Many potential students find it much more attractive to study in their native language. In fact, I would say that if there are two million middle managers in Shanghai, almost two million of them would prefer to get an MBA in Chinese. Schools compete intensely for the executives who are qualified—and willing—to pursue EMBA degrees in English.

Fortunately, we have more than 500 successful alumni from our Shanghai EMBA program, and they are our best ambassadors and recruiters for the program. They not only recommend executives from their own companies, but help spread the word among the Chinese and ex-pat community of executives based in Shanghai.

Olin Business School's partnership with Fudan's School of Management opened the door to many other joint opportunities for our universities.

Today, the schools of social work, law, medicine, and engineering from both institutions are involved in research partnerships through the St. Louis-based McDonnell Academy that also sponsors exchange programs for students and faculty.

Our next goal is to take the lessons we've learned from the Fudan program and replicate it in other markets. Olin is currently developing an EMBA program with IIT-Bombay, and we expect to enroll our first class in 2015. We know there will be challenges as we set out for Mumbai—but we are confident that we can profit from the lessons we learned in China as we explore this exciting new market. **Z**

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Jim Little is the Donald J. Danforth Jr. Distinguished Professor of Business at the Olin Business School of Washington University in St. Louis, Missouri. He has been the academic director of the EMBA-Shanghai program since its inception.



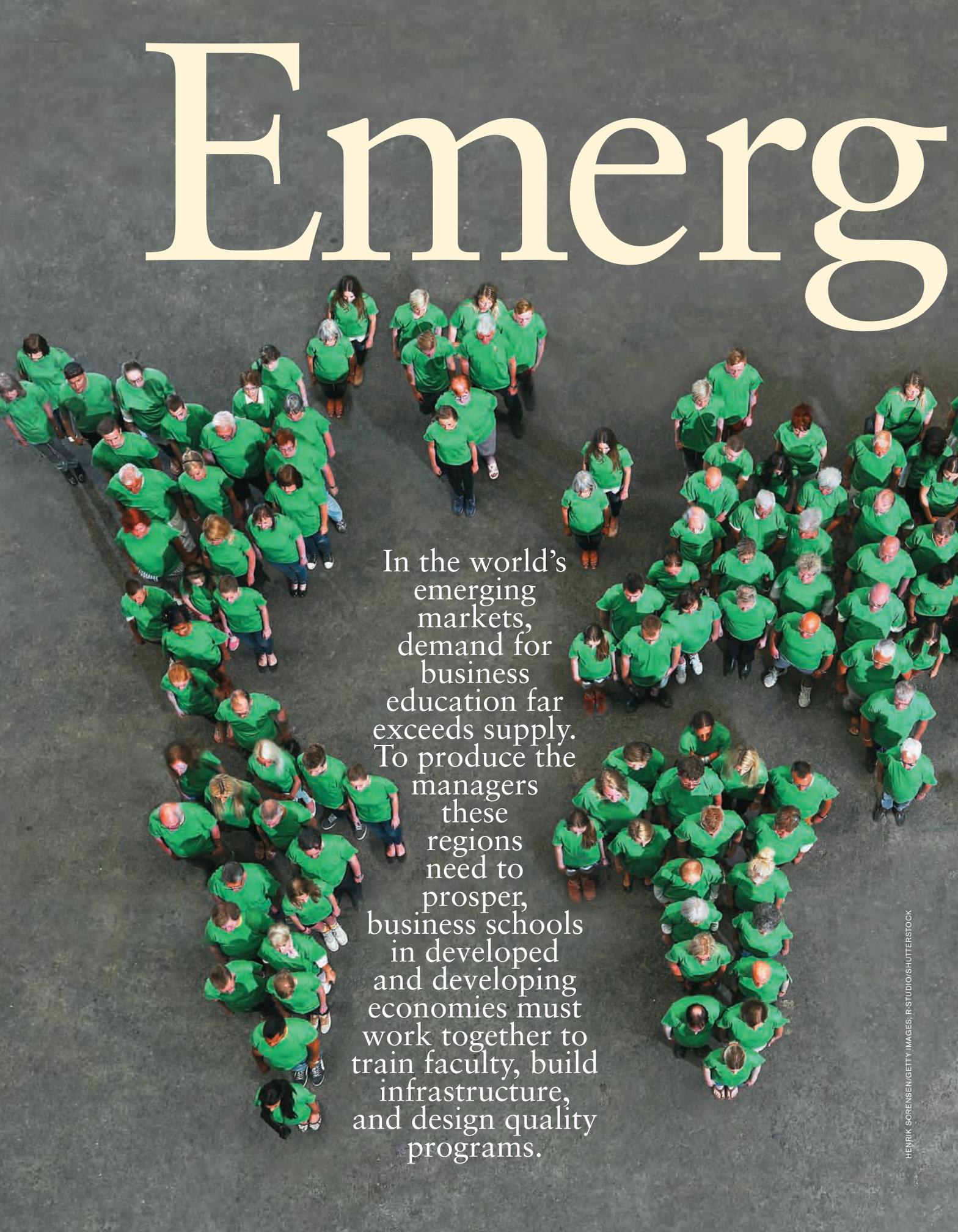
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Emerg



In the world's emerging markets, demand for business education far exceeds supply. To produce the managers these regions need to prosper, business schools in developed and developing economies must work together to train faculty, build infrastructure, and design quality programs.



ing Opportunities

BY JOHN FERNANDES

The rate of growth in emerging economies is picking up speed. *The Economist* notes that the percentage of global corporations based in developing nations more than doubled between 2005 and 2010, from 8.2 percent to 17.4 percent. And according to the International Monetary Fund, 2013 was the first year in which emerging markets accounted for more than half of the world's gross domestic product (GDP), on the basis of sheer purchasing power.

Not surprisingly, the nations with greatest potential for growth are the world's largest emerging economies, including the BRIC nations of Brazil, Russia, India, and China. Just consider this data point: In 2012, the U.S. and Europe represented 19 percent and 20 percent of global GDP, respectively; China accounted for 12 percent; India, for 6 percent. The Conference Board Global Economic Outlook 2014 projects that by 2025, the U.S. and Europe's share of global GDP will fall to 18 percent each, while China's and India's will increase to 23 percent and 8 percent, respectively.

This economic shift toward developing nations has huge implications for our industry because it correlates to an increasing demand for business education in these regions. Research from UNESCO Institute for Statistics indicates that enrollments at higher education institutions in emerging economies grew by 109 percent between 2001 and 2010—compared to just 28 percent at institutions in developed countries. So far, however, the number and quality of programs in these regions have not kept pace. There is still far more demand in emerging markets than supply can accommodate.

How will business schools in different parts of the world provide the programs needed to educate future leaders? AACSB is keenly interested in the answer to that question.

Technology has an important role to play in helping schools expand the reach of their programs. For instance, introductory courses, which aren't as dependent upon student-to-student or student-to-faculty interaction, could increasingly be taught to large cohorts through technology-enabled platforms. Schools could also use fewer faculty, or use their current faculty more judiciously, if they partner with institutions that have strong online delivery programs.

But first and foremost, business schools in developed and emerging economies must collaborate more frequently to achieve goals crucial to our industry. Only by working together can they take advantage of each other's

In the next few years,
technology will be
essential to help schools
overcome time
zone differences,
manage large globally
distributed student
cohorts, and
accommodate
local cultural
differences
in their online
programs.

unique characteristics and meet the challenges they face.

Expanding Reach, Reaching Out

For more than 100 years, business schools have acted much like castles with moats: Each year, they've lowered their drawbridges to allow new students to come rushing in. Today, as competition for the best students intensifies, that rush has become less automatic for all but the most prestigious private schools or the most subsidized state institutions. Emerging markets can present an opportunity for institutions in developed economies looking to satisfy capacity.

Instead of, say, a regional school in Alabama looking to Tennessee to address a dearth in students, that school could look toward an emerging market, whose students would breathe additional cultural diversity and a global perspective into the school's student body and community. To attract such students, schools in developed economies increasingly must enhance their student recruitment plans, target their strategies more effectively, strengthen their marketing and branding mechanisms, and expand their reach farther than ever.

In the next few years, technology will be essential to help schools overcome time zone differences, manage large globally distributed student cohorts, and accommodate local cultural differences in their online programs. Business schools that use new technologies effectively not only will raise their global profiles and reach new markets, but also will help students in emerging markets access quality management education.

Schools in developed markets

may need to focus their efforts in one or two regions that have an abundance of quality students but lack the resources necessary to satisfy the demand. That's the approach that Tulane University's A.B. Freeman School of Business in New Orleans, Louisiana, has taken. For many years, the Freeman School has targeted Latin America for master's and doctoral students, a strategy that has helped it become the largest producer of PhDs in Latin America. It has directed its culture, its faculty expertise, and its research orientation beyond its domestic roots to a target market with a high demand for its programs.

For schools in emerging markets, however, the opposite is true. They have too many students and not enough faculty. Schools are operating at or above capacity, faculty have high teaching loads, and many students are denied access to the best schools.

Many developing nations are working to transition the basis of their economies from primarily the extraction of natural resources to the delivery of technologically supported services. In Latin America, for instance, a number of countries

are rich in natural resources, but still struggle to advance their higher education infrastructure. Peru, for example, has made strides in providing quality business education to the region, but the country still needs more capacity. Its population needs more opportunities to develop the skill sets necessary to shift its market and those of surrounding countries to an economy fit for the future.

To help their regions prosper, business schools in emerging economies must help raise the education level of their populations by addressing their resource constraints, insufficient infrastructure, and outdated technology. Most often, the quickest route to addressing such challenges is through partnerships with schools in developed nations.

Engaging in Collaboration

One example of such a successful collaboration is the Sasin Graduate Institute of Business Administration at Chulalongkorn University in Bangkok, Thailand, a joint effort of Chulalongkorn, the Kellogg School of Management at Northwestern University in Evanston, Illinois, and the Wharton School of the University of Pennsylvania in Philadelphia. The partnership involved academic and faculty exchanges between the institutions, leading to the development of Sasin's own full-time faculty with PhDs and a robust curriculum.

Collaborations between institutions in developed and developing countries can support not only faculty development, but also curriculum design, student and faculty exchanges, and cross-continental student teamwork via technological platforms. Through close-knit col-

Moving an Industry Forward

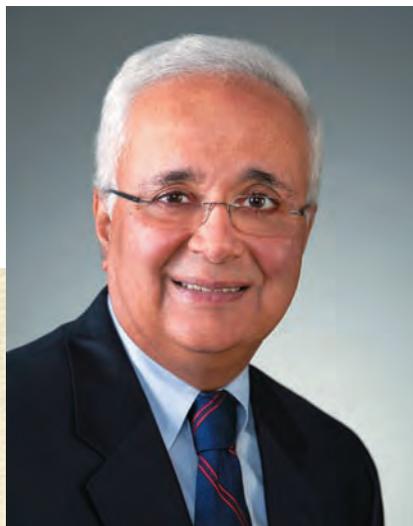
Since John Fernandes took the helm of AACSB International as its president and CEO in 2000, the organization has had tremendous global growth. Its membership grew 65 percent to include 1,343 schools, and the number of nations represented in its membership grew 75 percent to 84 countries. Today the majority of AACSB members are from countries other than the U.S. In 2000, only 19 schools outside the U.S. held AACSB accreditation. Today, 185 schools in 44 countries other than the U.S. are accredited.

Fernandes will retire in May 2015. As the industry looks ahead to the next 15 years, *BizEd* asked Fernandes what he sees as the most significant challenges—and potential solutions that lie ahead for business education.

What do you think will be the biggest global challenge business schools will face?

In the 1950s in the U.S., most burgers were made-to-order at popular diners and restaurants. Then, McDonald's began to offer cheaper, more convenient options. Consumers were willing to accept a less expensive, mass-produced alternative in lieu of a customized hamburger of higher quality. Higher education could go that same route, in which people will value convenience and affordability over quality.

I also fear we're moving too far away from the liberal arts, which could result in graduates with an imbalance of knowledge, skewed too much to engineering, mathematics, and the sciences. Business schools need to embrace the value of liberal learning and soft skills to prepare graduates to be innovative business leaders.



How do you foresee business schools adapting to rising costs and decreased funding?

Schools in North America derive nearly 85 percent of their revenues from tuition; schools in Asia and Europe derive more than 70 percent. But we're hitting a tuition ceiling, reinforced by students' reluctance to take on too much debt and lenders' reluctance to grant large loans.

The inability to raise tuition will cause a shift. Some, such as Google Fellow and Udacity founder Sebastian Thrun, predict that in 50 years, there will be only a handful of universities. I do not think that will happen, but rising tuition costs will force a change in the market. We will always have those "life-fulfilling" business school brands whose programs can guarantee their graduates successful careers. There are only about 30 of these schools in world, and I think that number will stay fairly stable. It is astounding to me that it can cost more than US\$100,000 to complete an MBA at these major schools. In 25 years, that cost might rise as high as \$300,000. If these brand-name schools continue to raise their tuitions, the other 99 percent of schools will be forced to lower their costs and adopt other models.

What kinds of models?

A valuable tool that I think could benefit schools financially, once they're ready, is faculty leveraging. With faculty leveraging, schools invest in a strong academic

who understands the research on a given topic and the pedagogical strategies and classroom environment to teach it well. These doctorally qualified faculty will conduct research and have light teaching loads. Under AACSB's 2013 standards, such faculty would be considered Scholarly Academics (SA).

Each SA could work with four or five other faculty classified as Instructional Practitioners (IP) under AACSB's 2013 standards. Practically speaking, one SA in accounting who makes \$175,000 a year could work with five IPs who each make \$70,000 a year, which could bring a school's costs down significantly.

What could spark widespread adoption of faculty leveraging?

One trend that could push schools toward this model is the increasing emphasis on assessment of learning outcomes. Society and governments no longer accept the idea that students learn just because a great faculty member is in front of them. Rather, they want to measure those results. By adopting faculty leveraging, schools will be better able to assure positive outcomes over many more students at reduced cost.

What kind of leadership do you think business schools will need?

I think that business schools increasingly will have to be run like businesses, choosing people with business skills as their leaders. They will need leaders with the skills to inspire and motivate faculties to want to change. Absent that approach, important work will not get done because of a lack of motivation. As a result, business schools will fail to react to external factors until the situation is dire. We will need inspirational leaders with business acumen to move the industry forward.

laborations, schools in developing economies can expose their students and faculty to different educational practices, while schools in developed nations can expand their academic development to regions of the world that are currently attracting excitement and generating innovation. Eventually, when both schools reach a level of parity, they even can explore the option of sharing a curriculum.

At AACSB, however, we haven't done nearly enough to encourage greater collaboration between schools in emerging and developed markets. In May, we appointed Richard Sorensen, who recently retired as dean of the Pamplin College of Business at Virginia Tech in Blacksburg, as a special advisor for emerging markets. We deliver sessions on collaborations and other relevant topics at conferences around the world, as well as at events in emerging markets. But as an association and as an industry, we have yet to promote collaborations among a broader base of schools.

Much like sports teams improve their performance through training, schools advance their programs by pursuing accreditation. Although AACSB has accredited the best schools in emerging markets, many schools in the developing world do not have the infrastructure to begin the accreditation process. Accredited schools can raise the level of education in emerging nations by creating development and volunteer initiatives for other schools in their regions.

Establishing a Global Perspective

When I have presented the idea of greater international collaboration and exchanges to some business school leaders, they often have

expressed concern that doing so will result in *too many* international students in their programs. I believe this mindset is short-sighted. A business school's goal should be to attract the best minds to its program and local economy.

A school and its surrounding community can realize some of the benefits of international student recruitment when international students stay after graduation to contribute to the local economy, foster a more global mindset, and facilitate innovation. Just consider Aalto Business School in Helsinki, Finland. Roughly 70 percent of Aalto's international graduates live in Finland one year after graduation.

Historically, attracting students from abroad has been a strength of the United States, although it has become less so in recent years as students face more obstacles in securing visas for study and

employment. Yet, even with fewer students staying in the U.S. after graduation, U.S. schools still reap benefits from international recruitment, including a rich global network of alumni. Therefore, schools should do all they can to maintain these connections, which provide strong, reciprocal benefits for both participating countries.

Going forward, as schools in both emerging and developing markets strive for success, they will need to view each other as potential solutions to the challenges they face. Both types of schools bring different strengths to the table, and both can support more international curricula and cultures. It's time for partnerships between schools on both sides of the economic line to become the rule, not the exception. **Z**

John Fernandes is president and CEO of AACSB International.

Schools in developed economies increasingly must enhance their student recruitment plans, target their strategies more effectively, strengthen their marketing and branding mechanisms, and expand their reach.



India's Growing Education Market

THE BRITISH COUNCIL'S Education Intelligence in the United Kingdom recently surveyed more than 10,000 students from across India about their educational goals. The council's report "Inside India: A New Status Quo" notes that 67 percent of these students felt that having greater access to international higher education opportunities would help strengthen India's position in the global economy.

US\$100,000

Average disposable household income required to fund study abroad



Forty-two percent of students surveyed noted that newspapers were their primary sources to learn about international study opportunities.

The report also predicts that the flow of Indian students to institutions in the rest of the world could begin to decrease in the years to come. As the Indian government places greater emphasis on improving the quality of and access to higher education, more students are opting to enroll in local institutions.

"For many years India has provided an increasing flow of international students to study destinations such as the U.K., the U.S., and Australia," says Elizabeth Shepherd, research director for Education Intelligence. "With the fluctuating trends in Indian students' overseas priorities and the expanding education sector in India, it's even more important to understand the factors driving higher education decision making."

.04%

Percentage of Indian households that can afford to fund international education



With the United Nations estimating that India's population will surpass that of China by approximately 2028, the number of educational providers within India—both foreign and domestic—will continue to increase and improve in quality, says Richard Everitt, director of education and society for the British Council in India. "We are entering a new era where traditional flows are being disrupted for a number of reasons," he says. "The U.K. is the No. 1 choice for young Indians who want to study overseas, but there are new dynamics coming into play. U.K. universities may want to consider how they are demonstrating their quality, their value, and related incentives."

The report is available for purchase at <http://ihe.britishcouncil.org/educationintelligence/inside-india-new-status-quo>.

Most preferred study destination among Indian students:*

U.K.....	19%
U.S.	17%
India	15%
Australia.....	11%
Canada.....	6%

Most important factors when selecting a study destination:

Quality of education	61%
Cost of studying and living.....	43%
Scholarship availability	42%
Post-graduation work opportunities.....	22%

Biggest deterrents to studying overseas:

High cost	65%
Difficulty obtaining visas	45%
Lack of scholarships	42%
Lack of work opportunities.....	35%

*Source: "Inside India: A New Status Quo"

The Discouraged Worker Effect

DURING FINANCIAL DOWNTURNS, markets pay close attention to the unemployment rate. But just as important to an economic recovery is the “discouraged worker effect,” which refers to the factors that lead some unemployed workers to give up their searches altogether, say Mark Kurt, assistant professor of economics, and Steve DeLoach, professor of economics, both of Elon University’s Love School of Business in North Carolina.

Past research shows that the high cost of a job search, a poor likelihood of success, and an expectation of lower wages can drive the discouraged worker effect. Kurt and DeLoach wanted to learn how job search intensity also might be affected by distant macroeconomic shocks such as statewide mass layoffs, stock market fluctuations, and housing values.

The pair examined data from the U.S. Bureau of Labor Statistics’ American Time Use Survey 2003-09, which asked participants to keep diaries of their daily job search activities. Kurt and DeLoach found that a 5 percent decrease in stock prices on the S&P 500 increases job search time by more than 4 minutes in a week. “While this appears small,” the authors write, “recall that the stock market fell by about 50 percent in the first half of 2009.”

Reports of mass layoffs in a person’s state of residence lead to a decrease in search intensity, counteracting the effect of a stock market dip on a job search. A decrease in local housing prices, however, produces only a slight increase in search time, likely because information about housing prices is not so widely available. Ironically, large increases in stock market prices can lead to a *decrease* in job search intensity among the unemployed—a phenomenon Kurt and DeLoach call “the wealth effect.”

These findings could have implications for policymakers, the authors write. Policymakers should take into account the effect of macroeconomic events on job search intensity as they consider changes in fiscal policy or tax reform.

“Discouraging Workers: Estimating the Impacts of Macroeconomic Shocks on the Search Intensity of the Unemployed” appears in the December 2013 *Journal of Labor Research*.



Mark Kurt



Steve DeLoach

UPCOMING & ONGOING

■ WEALTH BUILDING

The Moscow School of Management Skolkovo in Russia has opened the Wealth Management and Philanthropy Centre. The center will focus on areas such as asset management, succession planning, and philanthropy for Russian entrepreneurs, service providers, charitable organizations, and regulators. Veronica Misytina, a former partner of PricewaterhouseCoopers in Russia, will act as center director.

■ BEST IN FINANCE

Cambridge Judge Business School in the United Kingdom has launched the Centre for Compliance and Trust to explore the financial industry, including the way it functions, responds to regulation, and adopts practices to meet standards of compliance. The center will develop tools to help finance professionals adopt effective compliance strategies and respond to regulatory changes.

■ GLOBAL SMEs

The Schulich School of Business at York University in Toronto has opened the Centre for Global Enterprise, a “one-stop consulting, research, and teaching hub” to help Canada’s small and medium-sized businesses expand their global exports and international reach.

■ BEST REPORTING

Pace University’s Lubin School of Business in New York City has opened its new Center for Excellence in Financial Reporting. The center will hold conferences, promote research, and plan activities aimed at enhancing reporting practices.



Boosting Happiness at Work

SEVERAL STUDIES SHOW that focusing too deliberately on achieving happiness can make people *less* happy. But those studies are based on short-term lab-based activities. Four researchers wanted to see what would happen if they asked people to focus on happiness over longer periods of time, in real-world settings.

The co-authors of a current working paper on maximizing happiness include Kelly Goldsmith and David Gal, assistant professors of marketing at Northwestern University's Kellogg School of Management in Evanston, Illinois; Raj Raghunathan, a marketing professor at the University of Texas at Austin McCombs School of Business; and Lauren Cheatham, a doctoral student in marketing at the Stanford Graduate School of Business in California.

In one experiment, researchers asked 217 employees at Amazon's Mechanical Turk, an online marketplace that connects businesses with workers, to focus on their happiness levels daily for a week. Each participant was placed in one of three groups. Each day, those in the "happiness maximizing" group answered the question "Did you do your best to be happy today?" Those in the "happiness monitoring" group answered the question "How happy were you today?" Those in the control group simply reported what day of the week it was.

The researchers found that those in the maximizing group reported significant gains in happiness at the end of the week, compared to the control.



Contrary to the findings of past studies, those in the "monitoring" group did not experience a decline in happiness—their levels stayed steady. The researchers speculate that "the negative consequences of happiness monitoring...may attenuate over longer time horizons."

In another experiment, the researchers divided 349 managers from seven Fortune 500 firms in the U.S. into maximizing, monitoring, and control conditions. Each day participants received an email between 4:00 and 5:00 p.m. with a query designed for their condition. The maximizing group again reported the greatest boosts in happiness. This time, the happiness levels of the monitoring group also improved over those of the control group.

To boost happiness in the workplace, companies may want to go beyond an annual review to discover what employees think of their jobs, say the authors. Instead, managers might send daily emails that ask employees what they did that day to find purpose in their work and to engage with the company.

"Happiness in the World: Focusing on Maximizing Happiness Makes People Happy" is available online at ssrn.com/abstract=1979829.

RESEARCH RECOGNITIONS

Nicholas Bloom, professor of economics at Stanford University in California, has received the 2014 Ewing Marion Kauffman Prize Medal for Distinguished Research in Entrepreneurship. He was recognized for his study of practices that contribute to the successful performance of entrepreneurial firms.

The Decision Sciences Institute has presented its inaugural Carol J. Latta Memorial DSI Emerging Leadership Award for Outstanding Early Career Scholar to **Aravind Chandrasekaran**, assistant professor of management sciences at The Ohio State University's Fisher College of Business in Columbus.

V. Kumar, Regents' Professor and executive director of the Center for Excellence in Brand and Customer Management at Georgia State University's Robinson College of Business, has been named a Chang Jiang Scholar by the Ministry of Education of the People's Republic of China and the Li Ka Shing

Foundation. The designation recognizes international scholars in specific areas of expertise and includes a three-year visiting appointment to the nominating institution. Kumar's appointment will be at Huazhong University of Science and Technology (HUST) in Wuhan, Hubei, province.



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The CEO Experience Trap

WHEN COMPANIES HIRE new leaders, they most often place their bets on CEOs with plenty of previous experience. But according to a new study, a company might see better outcomes if it takes a risk and hires someone with little to no prior experience.



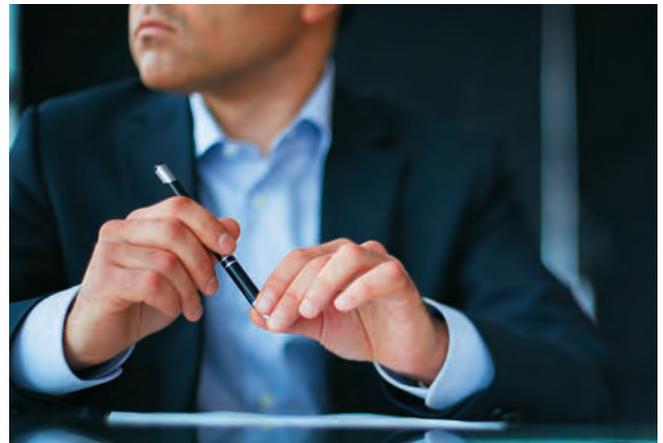
Burak Koyuncu

Burak Koyuncu of NEOMA Business School in France and Monica Hamori of IE Business School in Spain looked at data on CEOs who had been at the helm of S&P 500 corporations since 2005, tracking their performance for up to three years. They found that the average return on assets for those who had transitioned from one CEO position to another was 48 percent lower than for those who had no prior experience or who worked in different positions between CEO jobs.



Monika Hamori

In many cases, CEOs need more time to “unlearn” the approaches they used in their old positions. They often try to apply old solutions to new problems, says Koyuncu, “because they have developed fixed assumptions about how tasks should be done.”



These findings don't mean that companies always should hire inexperienced CEOs. But the authors recommend that when companies hire individuals straight from other CEO positions, they place them in interim positions for a year or more to learn the nuances of their new companies before taking the helm.

“The greater the opportunity for acculturation, the greater the chance the company can avoid falling into the CEO experience trap,” said Koyuncu.

“Experience Matters? The Impact of Prior CEO Experience on Firm Performance” is forthcoming in *Human Resource Management*.

Religious Neighbors Spark Good Behavior

BUSINESSES HEADQUARTERED in religious communities behave better than those that aren't, whether or not their leaders are religious. This is the finding of a study by Jeffrey Callen of the University of Toronto's Rotman School of Management in Canada and Xiaohua Fang of Georgia State University's Robinson College of Business in Atlanta.

The researchers analyzed data from the American Religion Data Archive, looking at the number of churches and rate of church membership in U.S. counties. They then looked at the number of account restatements and stock returns for U.S. companies. They found that companies headquartered in the most religious counties were less likely to conceal bad news—and, so, are also less likely to experience the stock price crashes that often follow the market's sudden discovery of bad behavior.

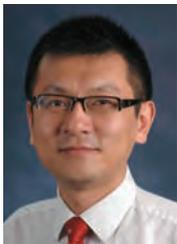
Callen notes that companies can pay a high cost if they're not upfront in a church-going community. "Where you have strong corporate governance, religion doesn't need to kick in," says Callen. "But where there is poor corporate governance, religion substitutes for it."

"Religion and Stock Price Crash Risk" is forthcoming in the *Journal of Financial and*

Quantitative Analysis. A working draft is available at ssrn.com/abstract=2001010. The paper reinforces a similar 2010 study by researchers Thomas Omer, Sean McGuire, and Nathan Sharp of the Mays Business School at Texas A&M University in College Station. (See "Religion Curtails Financial Fraud" on page 61 of the September/October 2010 issue of *BizEd*.)



Jeffrey Callen



Xiaohua Fang



Singapore's Gender Diversity Inches Up

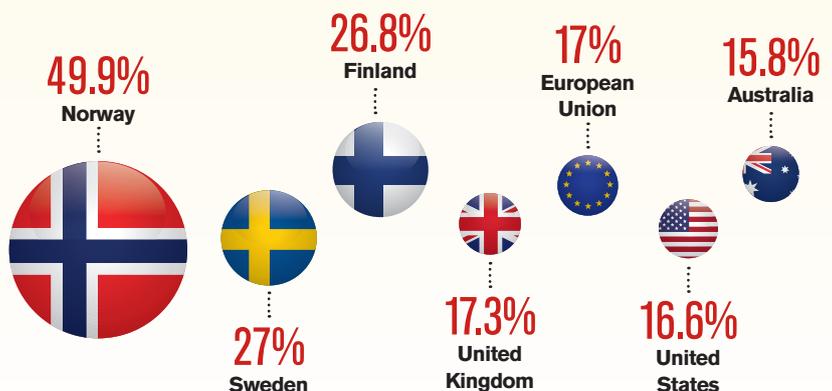
WOMEN'S CORPORATE BOARD participation in Singapore is slowly but steadily increasing, according to the 2013 Singapore Board Diversity Report from the National University of Singapore's Centre for Governance, Institutions and Organisations (CGIO). In 2012, women comprised 7.9 percent of all board members for firms listed on the Singapore Exchange, up from 7.3 percent in 2011 and 6.9 percent in 2010.

However, Singapore still ranked behind other countries in the region, including Indonesia, where 11.6 percent of board members were women; Hong Kong, where 9.4 percent were women; New Zealand, 9.1 percent; China, 9 percent; and Malaysia, 8.7 percent. Six in ten Singaporean boards were still all-male. The countries with worse representation included India (5.8 percent), South Korea (2.4 percent), and Japan (2.0 percent).

The report also found that the presence of one woman on the board improved a company's return on equity and return on assets by small but statistically significant amounts (.33 percent and .32 percent, respectively). Companies with women board members also scored higher in corporate governance.

The report's authors include Marleen Dieleman, Meijun Qian, and Muhammad Ibrahim. The report is available at http://bschool.nus.edu/Portals/0/images/CGIO/Report/Singapore%20Board%20Diversity_Report_%202013_Final.pdf.

Countries in the CGIO study where women have the greatest representation on corporate boards:



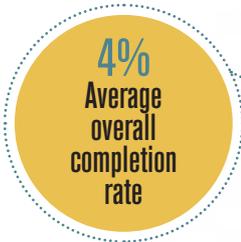
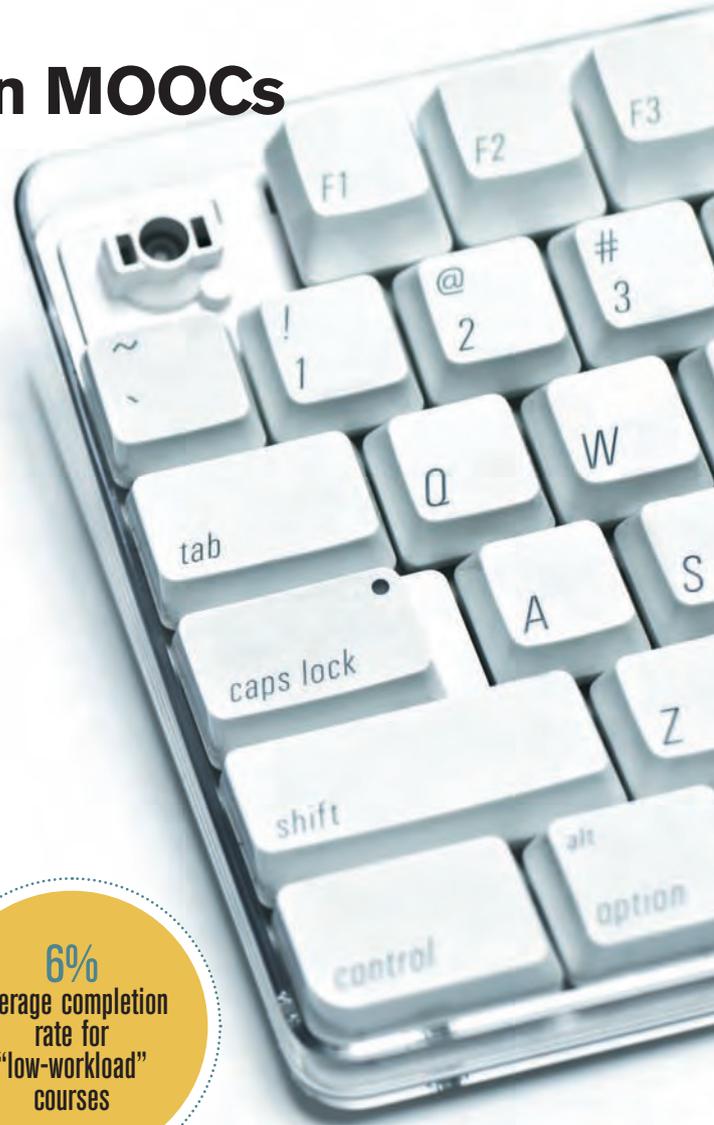
technology

Most Users Still Abandon MOOCs

A STUDY FROM the Alliance for Higher Education and Democracy at the University of Pennsylvania's Graduate School of Education shows that massive open online courses still inspire low levels of student engagement as a percentage of total initial enrollments. The number of active users decreases dramatically after the first one or two weeks.

Co-authors Laura Perna, Alan Ruby, Robert Boruch, Nicole Wang, Janie Scull, Chad Evans, and Seher Ahmad analyzed the movement of 1 million users through 16 MOOCs that the University of Pennsylvania offered from June 2012 to June 2013. All offered via the Coursera platform, the courses were on topics ranging from gamification and microeconomics to mythology, poetry, and genome science. The number of students enrolled in each course ranged from more than 110,000 for "Introduction to Operations Management" to about 13,000 for "Rationing and Allocating Scarce Medical Resources."

The research was supported by the MOOC Research Initiative, which is funded by the Gates Foundation and administered through Athabasca University, as well as a grant from the U.S. Department of Education. Some of the study's findings are highlighted on this page.



Share of registrants in business-related MOOCs who accessed content within one week of course end:

Introduction to Operations Management.....	2%
Gamification	6%
Principles of Macroeconomics.....	7%

Share of students with final grades above 80%

Principles of Macroeconomics.....	2%
Introduction to Operations Management.....	3%
Gamification	8%

Number of students by countries of origin*

U.S.	50,000
India	24,000
Brazil	15,000
U.K.	13,000

*numbers are approximate

Yale Launches ‘Next-Generation’ MOOCs

IN LIGHT OF the low student completion rates in MOOCs (See “Most Users Still Abandon MOOCs” on previous page), many universities are experimenting with ways to encourage more student engagement, increase completion rates, and improve learning outcomes in these delivery formats. One such school is Yale University in New Haven, Connecticut, which has launched what it calls its “next generation of free online courses.” Among four new courses, offered through Coursera, is “Financial Markets,” designed by Nobel Prize winner Robert Shiller, the school’s Sterling Professor of Economics. The other three will cover topics in architecture, psychology, and law.

The four MOOCs will integrate several new elements, such as interactive features, assessment tools, and shorter lecture formats—each video will be about ten minutes long. The platform now also allows instructors to insert quiz questions and participatory activities at any point during the lectures.

In another departure from typical MOOC format, students will be required to start the course at the same time and turn in weekly homework assignments by posted deadlines. Although students who successfully complete the courses cannot earn credits at Yale, they pay a fee of US\$49 to be in the Verified Certificate track. The track provides verification to prospective employers that students have completed the course with satisfactory performance.

Craig Wright, the school’s academic director of online education, bills the courses as “opportunities for those around the world to get to know some of Yale’s great teachers.” It’s likely that the industry also will be watching to see if new features such as those that Yale has integrated could lead to better outcomes in MOOC formats.



Career Planning Gets Gamified

IT CAN BE a challenge to keep undergraduate business students engaged with their schools’ career centers. But Loyola University Maryland’s Sellinger School of Business and Management in Baltimore has solved that problem by gamifying the process.

The Sellinger School has created Career Navigator, an online program that uses rewards and social media to guide undergraduate students in career development. Career Navigator has attracted more than 1,500 students—a third of Loyola’s undergraduate population—since its September 2013 launch.

Students create Career Navigator accounts online and connect those accounts to their social media profiles. They then earn points for social media activity such as following Loyola’s career-related Twitter feeds or checking in on Foursquare at

career-development events.

Students also can earn points for participating in career-building activities such as networking events, career fairs, résumé workshops, and internship applications. Participants can redeem their points for prizes, such as Loyola-branded hoodies and water bottles, tickets to a Baltimore Ravens football game, chances to win a plasma-screen television, and lunch with Sellinger School deans.

The program was created in response to a challenging job market as a way “to meet students where they are,” says Karyl B. Leggio, dean of the Sellinger School. Using gamification in the career development process, she adds, “makes career development highly visible, fun, and effective.”

Learn more about Career Navigator at www.sellinger.nav.com.

Big Data Gets Bigger on Campus

“BIG DATA” HAS been getting bigger, as more schools and businesses help build this burgeoning field. Their goal is to produce graduates who can fill the growing number of analytics-related positions—set to increase by 25 percent by 2018 in the U.S. alone, according to the U.S. Department of Labor. Here are just a few new developments focused on analytics:

■ Babson College in Wellesley, Massachusetts, has launched undergraduate and graduate concentrations in business analytics. Undergraduate students choose one of four paths for the concentration: functional depth, marketing analytics, financial analytics, or industry sectors. They also can customize a trajectory by choosing from a list of electives.

Graduate students must complete courses in three categories, including foundation, application, and depth courses. They also must take a minimum of 12 credits from electives in functional areas such as business intelligence, marketing analytics, and economic and financial forecasting.

■ In March, the Massachusetts Institute of Technology in Cambridge offers its first online professional course for technical professionals and executives. Tuition for the four-week course, “Tackling the Challenges of Big Data,” costs US\$495. It covers topics such as data collection, storage, and processing; analytics and visualization; and real-world applications. The course is taught by faculty in MIT’s computer science and artificial intelligence laboratory in the school of engineering. Upon completion, students will receive an MIT Professional Education certificate.

■ In April, the John Molson Executive Centre at Concordia University in Montreal, Canada, will offer a three-week, CAN\$4,000 certificate program on data analytics for middle managers, delivered in online and face-to-face formats.

■ In 2014, the Goodman School of Business at Brock University in Ontario, Canada, will add a specialization in business analytics to its two-year MBA program.

■ IBM recently unveiled its own online skills assess-



ment tool for college students. The IBM Analytics Talent Assessment allows students to measure their preparedness for jobs in data analytics, including their ability to tap data sources and make data-driven recommendations to support a range of business strategies. The questionnaire, which takes 30 to 40 minutes to complete, includes sections that measure cognitive ability, verbal and logical reasoning, and competence in analytics-based skills. After completing the sections, students receive a report on their strengths and weaknesses via email.

Since November, eight universities with Big Data and analytics programs have been pilot testing the tool. They include Fordham University, George Washington University, Illinois Institute of Technology, Northwestern University, The Ohio State University, Southern Methodist University, University of Massachusetts Boston, and the University of Virginia.

The aim of new programs in analytics is to train students to “make better business decisions through analytics as well as through intuition,” says Scott Moore, Babson’s undergraduate dean. That kind of knowledge is becoming increasingly important, he adds, because “soon, every business organization will be an analytics-focused organization.”

TOOLS OF THE TRADE

Olin School Experiments with Wearable Technology

by Karren Watkins, Andrew Knight, and Ron King

Many businesses are making their first forays into the use of wearable sensors, a quickly evolving technology that collects information about the wearer's behavior or physiological condition. Walt Disney World Resort, for example, has been testing the use of RFID-equipped wristbands for park attendees. Visitors can use their wristbands to enter the park and make credit purchases. The wristbands also act as parking passes and hotel room keys. In the future, guests might even be able to use the technology to schedule a place on park rides or make dining reservations. At the same time, Disney can aggregate the data these devices generate so it can better understand the behavior of park guests and adjust to emergent patterns.

As wearable technology becomes more powerful, less expensive, and more prominent in business, can business schools create richer learning experiences by bringing the technology into their classrooms? At Olin Business School at Washington University in St. Louis, Missouri, we think so.

In the fall 2013 semester, we initiated Project Sense, a program that introduces students to wearable technology. With the technology's sensor-based metrics, we can give students objective, quantitative data on how they engage in interpersonal interactions.

Dynamic Data

Traditional models for giving students feedback on their interpersonal skills rely heavily on surveys and one-on-one coaching sessions. While these approaches are useful, they are limited by their inherently subjective nature. That's why we wanted to discover whether wearable sensors could offer students more insight into how they interact with their peers.

Off-the-shelf technology is currently limited, but we use a device called a Sociometer, developed at the Media Lab at the Massachusetts Institute of Technology. The Sociometer is worn around the neck on a lanyard, much like an identification badge. Embedded in the device are an array of sensors, including microphones, Bluetooth, infrared, and an accelerometer, which record moment-by-moment markers of conversation and body movements to paint a detailed picture of group and interpersonal dynamics.



Olin students Senthilkumar Manickavachakam and Liz O'Keefe wear Sociometers to record the details of their social interaction.

Each device costs approximately US\$500—the university now owns 20, and we plan to purchase more in the future.

We gather data as students engage in a range of experiential learning activities. Students can go to an online portal to access personalized reports, easy-to-read charts, and graphics derived from the sociometric data. An example of a personalized report can be found at www.bizedmagazine.com/features/technology/wearing-tech/.

Putting Sensors to Work

So far, we have used the Sociometers in three primary experiential activities:

Mock interviews. Students are given the option of receiving sociometric feedback during 30-minute mock interviews in Olin's Management Communication Lab, in addition to the interviewer's immediate verbal feedback. The Sociometer measures, for example, how much and how well students engage in vocal and physical mirroring of their interviewers, behaviors known to indicate interpersonal influence. It also provides data on how well students pace and balance their parts of the conversation.

While the idea of wearing a device during an interview could be intimidating, almost all students opt to use the Sociometers. They find the resulting data to be an enlightening part of their practice.

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This innovative new seminar teaches the skills of building coalitions, resolving conflict, and reallocating resources to enable innovation. To register or for more information on upcoming modules visit:

www.aacsb.edu/seminars/leading-academic-enterprise.



Consulting teams. We also give students the option to use the devices in our CEL Practicum Consulting course, which is coordinated by our Center for Experiential Learning. The course matches student teams with local businesses for semesterlong projects. Although sociometric feedback is most complete if all team members wear the devices, participation is voluntary. During each meeting, the Sociometers gather data on how often students engage with different team members, when and how often they are contributing to meetings, and how their team’s dynamics are changing over time.

Without the feedback, students may be peripherally aware of their intra-team dynamics, but they tend to focus primarily on their consulting relationships with clients as they gather data, analyze problem information, or produce deliverables. The Sociometer ensures that they also understand their behavior in groups and learn to manage group dynamics more effectively.

Teamwork exercises. Student teams also can receive feedback on how their group members interact during classroom exercises. For example, our MBA students recently used Sociometers as they completed the *Everest* 90-minute leadership and team simulation from Harvard Business School Publishing.

After the most recent simulation, sensor data showed teams how their group’s interactions differed from other groups and how those interactions could have influenced their per-

formance. For instance, teams with more equal participation among all members attained a higher percentage of their simulation goals than teams with less balanced participation. The data also revealed differences in the leadership styles of men and women—men talked significantly more when they held the “Leader” role, while women in the same role did not.

Future Plans

We plan to apply the Sociometers to an increasing number of experiences at Olin, from networking and recruiting events to negotiation exercises. As sensors continue to get smaller, cheaper, and more advanced, their possible uses in the business world will only grow. We believe that by integrating sensor technology into experiential learning, Project Sense will help students become more self-aware and influential business leaders. 🚫

Karren Watkins is a research associate and director of Project Sense at Olin Business School at Washington University in St. Louis. Andrew Knight is assistant professor of organizational behavior, and he conceptualized and initiated Project Sense. Ron King is director of Olin’s Center for Experiential Learning, senior associate dean for special projects, and the Myron Northrop Professor of Accounting.

your turn

By Deniz Ozenbas and Robert A. Schwartz

Trading Rooms: Bridges to Reality

MANY BUSINESS SCHOOL deans love the idea of adding trading rooms to their schools. They imagine how impressed prospective students and potential donors will be with the flashy trappings, which usually include LED stock tickers and walls of video monitors. Trading rooms are so popular that, according to a recent survey by Rise Display, there are 277 of them actively operating in American and Canadian business schools, and between 35 and 40 could be added in 2014.

Many students find it difficult to apply business-school theories to real world situations. A trading room offers them a number of experiential learning opportunities, whether they're observing how prices are affected by announcements from the U.S. Federal Reserve; writing reports based on historical, real-time, or simulated data; or acting as portfolio managers who run their own funds. Trading rooms allow them to be graded, not just by their professors, but also by the marketplace. In a trading room, they'll find out that an actual market isn't the frictionless environment they studied in business theory; it comes with pitfalls attributable to imperfect information and implementation costs. In short, they'll learn that making a decision is one thing, but implementing it is something else.

Trading Rooms in Use

But a trading room isn't like the magical baseball diamond in the movie "Field of Dreams"—just because you build one doesn't mean faculty and

students will come to it. Professors frequently have to be convinced that they should take time from their crowded course schedules to run exercises in a trading room, and sometimes they need help visualizing the many ways in which such spaces can enrich their classes. Here are a few ideas:

- Use the trading room to control how news announcements are released to students as they enter "buy" and "sell" orders in an exciting environment replete with rapidly changing prices. To crank the tension up some more, create information asymmetry by making the news available to only some of the students.

- Create an exercise that helps students learn firsthand that their implementation decisions depend on the structure of the market they're operating within. Use the simulated reality of a trading room to change one variable at a time, while keeping everything else constant, much like a lab scientist conducting an experiment.

- Integrate the financial market into a nonfinance course. For example, bring a marketing or accounting class into the trading room and have students start trading in a simulated marketplace. After a while, halt the exercise so that a team of students can make a presentation—maybe the marketing team will describe a new product launch or the accounting team will release an earnings report and price projections. Then resume trading and see what happens after the announcements. Do stock prices go up, or do they tank? What a nifty way to show that the price impact of new information also depends on how it is presented. And what a great way for students to experience how their work will be graded by the marketplace.



Deniz Ozenbas



Robert A. Schwartz

A trading room offers opportunities for a broad mix of students and faculty.

Wider Applications

As this discussion implies, much of the action that takes place in a trading room has a finance application—enough so that “trading rooms” could be aptly renamed “financial services centers.” But trading rooms can have considerably wider relevance.

First, students aren’t just trading financial shares in a trading room; they’re trading book learning for experiential learning. But second, it’s not just finance and business students who can benefit from a trading room. Such a facility offers plenty of opportunities for a broad mix of students and faculty from around the campus.

As an example, math students can use a trading room to understand concrete applications of abstract concepts. Computer science majors can explore a spectrum of IT-related issues in a trading room. Journalism students can observe events on Reuters or Bloomberg terminals, then dig deeper to find related information.

Trading rooms also can be used as centers for community outreach. For instance, a business school can offer high school students and local residents financial literacy programs that utilize its trading room’s software and hardware. And finally, a trading room can be rented out for corporate training activities, which turns it into a profit center for the school.

Make no mistake, a trading room can be an expensive investment for a business school. But that investment can pay off handsomely by producing graduates who are more likely to be poised and ready to work in the real world. 

Deniz Ozenbas is a professor of finance at Montclair State University in New Jersey. Robert Schwartz is Marvin M. Speiser Professor of Finance and University Distinguished Professor at Baruch College’s Zicklin School of Business in New York; he is also a developer/owner of TraderEx trading simulation software.



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bookshelf



PARTNERS AND RIVALS

AUTHOR: Wendy Dobson

PUBLISHER: University of Toronto Press, US\$32.95

DOBSON DOESN'T WASTE time or mince words as she lays out her central premise: “The relationship between China and the United States is central to any strategic view of the world in the twenty-first century.” But the two countries have a complex relationship, freighted with history and marked by rivalry in the modern era. She analyzes the factors that will shape their relationship in the coming decade, from the deep interdependence between countries to China’s internal political and economic challenges. She then explains how these factors are affected by China’s view of itself as a great nation that has experienced periodic humiliations. Dobson hopes that, if they work hard to understand each other’s cultures and respect each other’s goals, China and the U.S. can avoid the “traditional Great Power competition.” She writes, “In a deeply connected world, the consequences of conflict as a result of misunderstanding, miscalculation, or accident are prohibitively high, and there is little place for zero-sum politics.”

JUGAAD INNOVATION

AUTHORS: Navi Radjou, Jaideep Prabhu, Simone Ahuja

PUBLISHER: Jossey-Bass, US\$27.95

WHILE WESTERN corporations invest in highly structured R&D that doesn’t always yield results, small-scale entrepreneurs in emerging nations solve wicked problems with inventions that are simple, creative, effective, and inexpensive. These entrepreneurs, say the authors, are embracing the spirit of *jugaad*, a Hindi word that means “an improvised solution born from ingenuity.”

In other words, these entrepreneurs see adversity as an opportunity, not a setback. They do more with less; they’re flexible and quick to adapt; they seek out underserved customers; and they employ empathy and passion instead of market research and focus groups. The authors profile entrepreneurs from BRIC nations who have created inventions such as a refrigerator that needs no energy source and a cell

phone for the blind. The authors—Radjou and Prabhu of the University of Cambridge and Ahuja, a consultant—believe Western corporations can integrate jugaad principles into their own cultures. In fact, Western organizations *must* if they are to deal with the realities of today’s complex world: “scarcity, diversity, interconnectivity, velocity, and breakneck globalization.” Their book is both a sobering and exciting read.

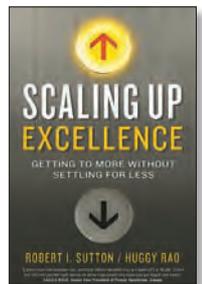
SCALING UP EXCELLENCE

AUTHORS: Robert Sutton and Huggy Rao

PUBLISHER: Crown Business, US\$26

MOST BUSINESSES STRIVE for continuous improvement and additional growth, but how can leaders infuse enthusiasm and a commitment to excellence throughout the expanding organization? Sutton and Rao, both of Stanford, interview dozens of business leaders at Google, Pixar, IDEO, and other innovative companies to develop guidelines for proselytizing excellence. These include: Spread

a mindset, not just a footprint; engage all the senses; link short-term realities to long-term dreams; accelerate accountability; avoid the traps of impatience and incompetence; add *and* subtract protocols; and slow down when necessary. They’re quick to point out that there’s no one-size-fits-all formula for success, and they acknowledge that scaling up excellence can be a messy process with occasional missteps. The task is also unending, they write: Organizations that sustain excellence are motivated by “that often uncomfortable urge for constant innovation, driven by the nagging feeling that things are never quite good enough.” Uncomfortable, maybe—but highly productive.



COMPETE SMARTER, NOT HARDER

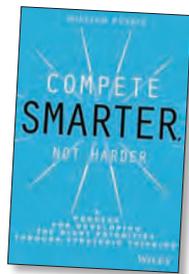
AUTHOR: William Putsis

PUBLISHER: Wiley, US\$24

IT DOESN'T MATTER how great your product is or how efficiently

you work; if you're not competing in the right part of the market, you'll fail. It's all about setting priorities, insists Putsis, a professor at UNC-Chapel Hill:

"Companies need to make choices about allocating scarce resources. Not only must they decide in what part of the market they should compete, but they must also adopt the right tactics." He emphasizes



how important it is to understand the external business environment, which can't be controlled by an individual company, and to exploit the value chain, which sometimes can. For instance, he examines Google Glass, a wearable wi-fi device that keeps users constantly updated about essential information. But it only works when there's unbroken

Internet access—which is one reason Google is providing ubiquitous high-speed broadband service in test markets. If Google owns the Internet connection, it has leverage at every other point "in the value chain and gives the company a complete solution no one else can offer," Putsis writes. That might be an extreme example, but it's certainly a convincing one.

Don't Miss

READY TO BE A THOUGHT LEADER? asks executive coach Denise Brosseau. For those who answer yes, she outlines the seven necessary steps—such as find your driving passion, build your ripples of influence, and codify your lessons learned—while underscoring what makes thought leadership so important. "As a recognized thought leader, you will have the power to persuade, the status and authority to move things in a new direction, and the clout to implement real progress and widespread innovation," she writes. "Thought leadership is not about being known; it is being known for making a difference." (Jossey-Bass, US\$27.99)

BABSON'S THOMAS H. Davenport isn't sure big data will be the transformative force experts are predicting, and he doesn't even like the term big data. But in *Big Data @ Work*, he takes a comprehensive look at how massive data might change the future of work. He points out that it's not the "big" part that's so overwhelming, it's the fact that the available information is unstructured and difficult to mine. Enter the data scientist. "The data is often free or cheap, the hardware and software are free or inexpensive, but the people are expensive and difficult to hire," Davenport points out. It's only one of many thoughtful insights in the book. (Harvard Business Review Press, US\$30)

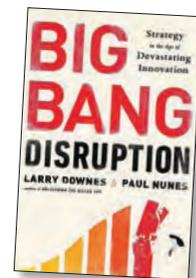
TODAY'S GLOBAL WORKFORCE includes more women, more generations, and more racially diverse individuals than ever before—but fewer CEOs who know how to manage such a broad group of employees. In *Flex*, executive coaches Jan Hyun and Audrey Lee call for leaders to become more "fluent" in interacting with people of all types. They write that leaders must "view difference as a latent potential, not a liability," and have "an insatiable curiosity about perspectives and motivations of others, and the skills to navigate across leadership styles." Hyun and Lee provide examples of fluent leaders and tips for gaining much-needed flexibility. (HarperBusiness, US\$27.99)

BIG BANG DISRUPTION

AUTHORS: Larry Downes and Paul Nunes

PUBLISHER: Portfolio/Penguin,
US\$29.95

EVEN DISRUPTION HAS been disrupted. Old theories considered how innovators created new markets, targeted underserved markets, or focused on niche markets. But today's innovators attack all markets, all at once, frequently using mobile cloud-based computing that enables them to create products with almost no investment of infrastructure or IT. These disruptors might not even be setting out to shake up the industry. "Usually, they're just tossing something shiny in the direction of your customers, hoping to attract them to a business that's completely different from yours," write Downes, an Internet analyst and columnist, and Nunes of the Accenture Institute for High Performance. The authors offer 12 tips for surviving and creating Big Bang disruptions. These include staying hypervigilant, changing directions swiftly, abandoning old assets if necessary—and always looking for the next opportunity. **Z**



idea exchange

Ripple Effect

The Idea

Global Links Scholar Program, a private-public partnership to empower Iraqi women through education

Location

The Crummer Graduate School of Business at Rollins College in Winter Park, Florida

The History

Three years ago, Rick Goings, CEO of Tupperware Brands Corporation, and Elinor Steele, the company's vice president of global communications and women's initiatives, visited Iraq, where they learned that Iraq's entrepreneurial sector was nonexistent. While attending a forum at the University of Baghdad, Goings and Steele felt the students' sense of hopelessness—with no development, the country offered them no careers and no future. Women in particular lacked entrepreneurial spirit.

After that trip, the company approached Rollins College to create Global Links, which through an application process selects one promising Iraqi woman serving as a business or economics professor to come to campus for two semesters. During that time, she takes courses in social entrepreneurship and management in a "train-the-trainer" model.

Between semesters, the scholar participates in a two-month externship at Tupperware Brands, where she shadows managers to develop skills in management, entrepreneurial strategic planning, market analysis, and sales force development.

Year One: Inaugural Scholar

In 2012, Amel Abed Mohammed Ali, a professor of operations management and head of the industrial management department at Iraq's Babylon University, became the inaugural Global Links Scholar. After her year at Rollins, Ali returned to Iraq to work with Women for Women International (WfWI), an international nongovernmental organization that supports women as they rebuild their lives after war and civil strife.

Using what she had learned, Ali helped create a mentorship program in social entrepreneurship for participants in WfWI programs, as well as new courses in entrepreneurship, social entrepreneurship, and career management at her school. Twenty-five students who attended sessions on those topics became mentors to 50 more new entrepreneurs—all women who had graduated from WfWI programs.



Year Two: Student Visits

The learning will come full circle in Phase 2 of the program, when Ali returns to Rollins with five Iraqi undergraduates. During a two-week visit, they will partner with Rollins MBA students to develop social enterprises, improve skills, and build networks to increase their impact when they return to Iraq.

The group was expected to visit in 2013, but changes at the U.S. Department of State caused a delay. Their arrival has been rescheduled for early April.

In the meantime, Ali has given presentations on the importance of creating an entrepreneurial ecosystem in Iraq. She also discussed Global Links with former President Bill Clinton at the Clinton Global Initiative in New York City.



Global Links Scholar
Amel Abed Mohammed Ali

Affecting Lives

Ali's actions have spread to her community, a ripple effect that has positively affected the lives of 100 individuals a year. Over five years, she will have touched the lives of hundreds—enough to begin building Iraq's small and medium enterprise sector.

In 2014, the school will welcome its next scholar. "Dr. Ali's courage and passion for change have opened our eyes just as much as we opened hers," says Craig McAllaster, dean of the Crummer School. "We look forward to hearing about her progress in Iraq, and we anticipate the arrival of our 2014 Global Links Scholar." Z