A New E-Attitude
Harvard’s Rosabeth Moss Kanter considers the promise of the digital age—and the pitfalls for those who fall behind.

Ethics in Cyberspace
Old values still hold true in the new economy.

The MIS MBA
A specialized degree plugs students into all the functional silos and readies them for a world in which every part of management is shaped by technology.

Rethinking IT
Too much tech? How has the prevalence of computers, cell phones, pagers, and PDAs changed our mindset, and are those changes for the good?

On the Path to Prosperity
Providing quality management training to the aspiring entrepreneurs in Central and Eastern Europe is a top priority in getting the region’s economy thriving.

Connecting the Dots
Cross-disciplinary classrooms help students combine the disparate aspects of management education into one cohesive whole. But sustaining such courses exacts a heavy toll on schools and teachers.

The Executive Edge
Everyone wins when executives go back to school.

Making the Grade
Student satisfaction surveys allow school administrators to identify their weaknesses and capitalize on their strengths.
Mass Communication

When terrorists struck the United States last September, the world knew about it instantly. Not only did we know about the tragedy, we saw it occurring in live images of crashing planes and collapsing towers. News services scrambled to keep us apprised of events in New York, Pennsylvania, and Washington, D.C., literally as they unfolded. That’s the power of today’s media—and the power of today’s technology.

On September 11, everyone was communicating. Passengers with cell phones called from doomed airplanes. Frantic friends, unable to get through on phone lines, left e-mail messages for loved ones in New York and Boston. Organizations around the world began contacting their members to see if they, and those they knew, were safe.

Business schools and alumni networks went into immediate action, setting up message boards that listed the whereabouts and status of students, faculty, and graduates. One typical Web site featured an alphabetical chart of everyone in its network, noting who was safe and how that information had been obtained: e-mail, phone call, note from his wife… It was significant that most news had been obtained electronically.

More than a hundred years ago, when the Civil War claimed disastrous numbers of casualties in every engagement, news filtered back slowly from the front. It often took weeks before those waiting at home knew the fate of their loved ones. Now, we often get the news before nightfall of the same day.

And that’s the true power of today’s technology.

Previous generations expected their technology to help them cook food, wash clothes, heat houses, and drive faster cars. We expect our technology to allow us to communicate instantly. Our cell phones and wireless networks and laptop computers and PDAs help us stay in the loop—every loop—every minute of every day.

Sometimes we use that technology to find out sports scores or stock prices. Sometimes we use that technology to say, “I survived.” It is almost impossible for us to conceive of a location or a circumstance in which we could not, if we needed to, get a message through.

In this issue of BizEd, we look at how technology has affected business schools. How has technology reshaped the mindset of educators and students? What’s the benefit of an MIS MBA? And what does a thought leader like Harvard’s Rosabeth Moss Kanter think about technology’s role in the world today? Business school isn’t just about technology, of course—but schools certainly wouldn’t be the same without it. And neither would the rest of the world. 

From the Editors

Sharon Shum
Bravo for BizEd!

Congratulations on the impressive debut of BizEd. Jeff Cannon, the director of our undergraduate business program, just shared the gorgeous new magazine with me (but he made me promise to give it back!), so I’m rushing to read the excellent articles now. Thank you very much for the wonderful coverage of OneMBA!

Allison Adams
Communications Office
Kenan-Flagler Business School
University of North Carolina
at Chapel Hill

Congratulations on the premiere issue of BizEd. Impress! This magazine will become the definitive reference and template for B-School magazines. I really enjoyed John Fernandes’ write-up on fantasy baseball. I commend him on the many bold initiatives implemented during his tenure at AACSB. Well done.

Benjamin Ola. Akande
Dean, School of Business and Technology
Webster University
St. Louis, Missouri

Congratulations! The magazine looks great. It had very interesting articles and tidbits. I was very impressed. You should be very proud of this first issue.

Larry Edward Penley
Dean, College of Business
Arizona State University
Tempe, Arizona

I have just seen your premiere issue. It is impressive. Best wishes to you and the editors.

Mary Ellen Oliverio
Professor of Accounting
Lubin School of Business
Pace University
New York, New York

Corrections

We received the BizEd magazine today and saw the article on Singapore Management University. It’s great—thanks very much for giving us such wonderful coverage! However, we have to let you know that there was an error in the figure for the cost of the city campus. It should be S$500 million, not S$500,000 as written. It would be great if a correction could be printed.

Monica Lim
Associate Director
Office of Corporate Communications
Singapore Management University
Schools Respond to Terrorist Attacks

When tragedy struck New York City last September, among the institutions acting quickly to offer help were business schools in the affected cities of New York and Washington, D.C., as well as schools in other parts of the country.

At Baruch College—The City University of New York, the way to help was immediate and obvious: offer the virtual trading floor at Subotnick Center for Financial Services as an actual trading floor for about 30 displaced Wall Street commodities brokers.

Bruce Weber, director of the Subotnick Center, arranged to have 20 additional phone lines installed. “We also had to get permission to turn this place from a simulated trading environment to an actual trading room,” he says. Permission was granted by Reuters, which supplies the center with live data feeds from exchanges all over the world. “Not only did Reuters agree to let us trade, they arranged immediate access to the London International Financial Futures Exchange Chicago Board of Trade, which we previously lacked,” says Weber.

In more normal times, the Subotnick Financial Services Center and the Bert and Sandra Wasserman Trading Floor are used to give students experience with instant financial decision-making in actual trading situations. Some of the students have stayed around to watch the traders in action, says Weber. He adds, “They learned a lot.”

Other schools, both in New York and elsewhere, responded to the terrorist attacks with fund-raising efforts, memorial gifts, and other actions:

- Students at Georgetown University in Washington, D.C., raised thousands of dollars for the Red Cross and sponsored blood drives on campus, noted Julie Green Bataille from the school’s office of communications. “Our medical students volunteered their services at ground zero in New York, and our law students offered assistance to victims and families in need of legal services,” she says.

- The Fisher College of Business at the Ohio State University in Columbus created a September 11 Memorial Endowment to support student programs at the college. The endowment was established in memory of alumni who died in the attacks on the World Trade Center and the Pentagon, and in the plane crash in western Pennsylvania.

- At this time, we have been informed of one alumnus, Peter Mardikian, who died in this tragic event,” said Joseph A. Alutto, dean of the college. Mardikian’s family requested that any memorials sent on his behalf be given to the college, Alutto said. The college allocated $25,000 from its current resources to establish this endowment. Should the college learn of other alumni who died in the terrorist attacks, their names will be added to the fund.

- The University of Notre Dame in Indiana prepared a list of faculty members who might provide help to governmental and financial institutions, as well as reporters looking for commentary on the issues of terror-
ism and war. Among those on the list were professors with expertise in international peace studies, Arabic and Islamic studies, religious issues, international relations, international law, international finance, and civil engineering.

- New York University Stern School of Business and a partnership of New York City financial institutions hosted a “Back to Business” forum in November to help more than 10,000 small businesses rebuild in the wake of the disaster. The forum offered small businesses a full range of federal, state, city, and private financial and technical sources of assistance. It was supported by Stern, Bank of New York, Citibank, Deutsche Bank, Fleet Bank, HSBC, JP Morgan Chase, Merrill Lynch, and New York City Economic Development Corporation. Also on hand were representatives from other organizations, such as insurance claims agents, the U.S. Department of Labor, and New York State Small Business Development Centers.

Businesses who need long-term help have been linked to Stern Rebuilds, a free consulting group comprising NYU Stern MBA students, faculty, and legal representatives. Stern Rebuilds is a cross-functional, multilingual program that offers practical, customized business solutions to small and medium New York City businesses affected by the September 11 tragedy. Stern Rebuilds teams help business owners in short- and long-term business plan development; marketing planning; financial strategy such as identifying funding needs; and SBA loan applications.

- New York’s Pace University also responded by hosting two events focused on the future of business. Academics and business leaders attended “The Future of Financial Markets in New York,” which was sponsored by JP Morgan Chase and featured panelists from the Federal Reserve Board and Goldman Sachs. The second event—a planned conference called “Will the Securities Industry Meet Its ACID Test?”—was revamped to provide a forum for discussing the impact of the disaster on the New York economy. Among the featured guests were the president of the New York Stock Exchange and the CEO of the National Association of Securities Dealers.

“In addition, our Small Business Development Center has been assisting businesses affected by the tragedy in securing recovery loan funds, management and technical assistance, and free one-on-one counseling,” says Barbara Rose Aglietti, director of Pace’s office of communications and external relations. “Since the attacks, the center has assisted more than 30 small businesses.”

### AACSB Reschedules Annual Meeting

The 2002 Annual Meeting for AACSB International, originally scheduled for Bangkok, Thailand, in June, has been moved and rescheduled. The meeting will be held April 7 through 9 at the Hilton Chicago in Chicago, Illinois. Programs are being finalized for the AACSB Annual Meeting, and information is available on the organization’s Web site, www.aacsb.edu.
dean of the Robert H. Smith School of Business at the University of Maryland in College Park; Adelaide Griffin, chairperson of the School of Management at the Texas Woman’s University in Denton; Patrick R. Liverpool, dean of the School of Management at Delaware State University in Dover; and Howard Thomas, dean of the Warwick Business School at the University of Warwick in Coventry, England. John Fernandes, president and CEO of AACSB, will be the Task Force liaison to the board.

Among the topics that the Task Force will examine are: curriculum content and delivery; the economic, political, and technological forces that are driving change in management education; the business faculty shortage and the doctoral education structure; and nondegree management education.

Formed last fall, the Task Force is moving quickly to develop and propose initiatives to the AACSB Board of Directors. The initial white paper was submitted for consideration at this month’s meeting of the board, and additional changes will be made through April’s Annual Meeting, when the board will discuss potential action.

Big Endowment for CU-Boulder College of Business

The University of Colorado at Boulder College of Business has received a $35 million commitment from the Leeds family of New York to endow the CU-Boulder business school. The endowment will support academic excellence, social responsibility, and diversity. Michael and Richard Leeds are graduates of CU-Boulder.

The CU Board of Regents will consider a resolution next week to rename the college the “Leeds School of Business.” The Leeds’ commitment is the sixth largest in the nation to a business school and the largest ever received by the Boulder campus. The Coleman gift, the largest in history to a public university, was made to CU’s four-campus system last January.

“Our goal is to help the University of Colorado produce graduates who enter the workforce with a solid background in personal, societal, and business values,” says Michael Leeds. “We also want to recognize leading socially responsible businesses and further research in the area.”

In addition to endowing capital projects and curriculum development, the gift will support two annual award ceremonies to recognize socially responsible and environmentally friendly corporations. They will include companies that have demonstrated success in areas such as engaging in environmentally sustainable practices, reducing adverse environmental impacts, recycling, maintaining natural habitats, and improving efficient use of natural resources, as well as companies that demonstrate business ethics in the global economy, sustainable business enterprise, and social venture entrepreneurship. The gift also will support the business school’s diversity programs. More information is available on the Web site at: leeds.colorado.edu.

Penn State Receives $3 Million for Science, Business

A Pittsburgh couple has donated $3 million to create endowed faculty chairs at Penn State University in the Eberly College of Science and the Smeal College of Business Administration. Ronald R. Davenport, who earned his undergraduate degree in business from Penn State, is a former dean of the Duquesne University School of Law and is chairman and chief executive officer of Sheridan Broadcasting Corp. Judith Loftin Davenport graduated with a medical technology degree from Penn State and is a dentist and co-founder and director of the broadcasting group.

The gift is the largest ever made by a minority couple or individual in the history of Penn State, notes university president Graham B. Spanier. Says Judith Davenport, “As an African-American alumna, I want other African-American students and alumni to know how important we feel it is to support Penn State.”

Practical Intelligence a Predictor for Success

Tests that assess students’ practical abilities can be as valuable at predicting their success as standardized intelligence tests like the Graduate Management Admissions Test. That’s one of the conclusions drawn by psychologist Robert Sternberg and collaborator Jennifer Hedlund after surveying MBA students at the University of Michigan Business School in Ann Arbor.
“The types of problems found on standardized intelligence or aptitude tests are quite different from the types of problems found in the real world,” says Sternberg, a professor at Yale University and author of *Successful Intelligence*. “Individuals who perform well on academic problems do not necessarily perform well on poorly defined practical problems. Thus, individuals who are successful by GMAT standards may not be successful by business standards.”

Sternberg worked with Hedlund, an assistant professor at the Central Connecticut State University, to study two classes of incoming Michigan MBA students in 1999 and 2000. The researchers found that measures of managerial potential that assess practical abilities predict success in both academic and practical endeavors. They based their framework on Sternberg’s theory of successful intelligence (SI), which proposes that success is an interactive function of analytic, creative, and practical abilities.

The study used case-based short-answer problems and situational judgment problems, in which answers were rated for quality instead of being classified as right or wrong.

Sternberg and Hedlund found that the higher the scores on these two measures, the better the first-year and final grade point averages, and the higher the grade on an applied team-consulting project. They further found that students with higher successful intelligence scores participated in more academic clubs and held more leadership positions.

### Wash U Opens Exec Ed Center

Washington University’s Olin School of Business, St. Louis, Missouri, recently opened its new Charles F. Knight Executive Education Center. The five-story building, named for the man who was chairman and CEO of Emerson for 27 years, houses executive education programs for mid-

### AACSB Nominates Board Candidates

Candidates for the Board of Directors of AACSB International, St. Louis, Missouri, have been chosen by the nominating committee. The nominations will be presented for ratification to the Board of Directors at the January board meeting, and the election will be held during the last two weeks of January. Results will be announced by mid-February.

Margot Northey of Queen’s University, Kingston, Ontario, is the uncontested candidate for vice-chair chair elect. To serve as representatives of accredited member institutions, nominees are: Phillip Frese, Quinnipiac University, Camden, Connecticut; Yash P. Gupta, University of Washington, Seattle; Sidney E. Harris, Georgia State University, Atlanta; and Richard E. Sorensen, Virginia Polytechnic Institute and State University in Blacksburg. Two will be elected.

Two candidates have been nominated to serve as representative of non-accredited member institutions: Patricia W. Meyers, University of Redlands in California; and Jean-Marie Toulouse, Ecole des Hautes Etudes Commerciales de Montreal in Quebec. One will be elected.

To serve as representative of a non-U.S. educational institution, nominees are Xavier Mendoza of ESADE in Barcelona, Spain, and Howard Thomas, University of Warwick, Coventry, England. One will be elected. In an uncontested election for representative of non-educational member institutions, Jean C. Wyer of PricewaterhouseCoopers, Florham Park, New Jersey, has been nominated.
through upper-level executives and the business school’s Weston Career Resources Center.

The $50 million, 135,000-square-foot center provides a totally integrated residential learning facility including five high-tech classrooms with total combined seating capacity of 400. The center also offers 28 small-group study rooms, dining facilities that serve up to 225, several lounges, a fitness center, pub, executive board room, and 66 rooms providing overnight lodging for executives enrolled in degree and nondegree programs.

The Olin School offers a 21-month executive MBA degree program with a concentration in general management. Starting this month, EMBA degrees will be offered with concentrations in general management, health services management, or manufacturing and operations. Nondegree programs can be custom-tailored for companies on a range of topics, including corporate strategy, capital markets analysis, financial impact of executive decisions, manufacturing excellence, global strategy, managing information technology, strategic leadership, manufacturing strategy, new product development, and strategic marketing management.

In 1997, Knight and Emerson provided a combined $15 million challenge grant to the Olin School to strengthen its executive education programs. The grant is part of the Campaign for Washington University, a major fund-raising effort. The Campaign, to end June 30, 2004, has already secured gifts and commitments of more than $1 billion to date, its original goal. A revised goal of $1.3 billion was established by the Board of Trustees in May 2001.

High Marks for Canadian Research

Canadian universities rank among the top business schools worldwide for published research, according to a new research database that is known as Businessresearch.ca. The online database allows users to view current rankings of Canadian, U.S., and international business schools based on the number of research articles published in more than 60 major academic journals from 1989 to fall 2001.

The site is a result of a partnership between three Canadian schools: University of British Columbia’s Faculty of Commerce and Business Administration, Vancouver, British Columbia; University of Alberta School of Business, Edmonton, Alberta; and the Joseph L. Rotman School of Management at the University of Toronto, Toronto, Ontario.

According to the site, over the past decade, six Canadian business schools have ranked within the top 80 research producers worldwide, in a category where the Wharton School at the University of Pennsylvania and Harvard Business School occupy the two top spots. In ranking the global research performance of Canadian business schools relative to schools outside the United States, the site places four Canadian schools in the top ten: UBC Commerce (first), Alberta (second), McGill University in Montreal, Quebec (sixth), and Rotman (seventh).

The top business schools outside

SMU Joins Forces with Banking Group

Singapore Management University and the Singapore Investment Banking Association have signed a memorandum of understanding to establish collaborative efforts in executive education programs, conferences, and business research. Undergraduate and graduate modules related to investment banking and financial markets also might be added to relevant programs. SIBA will participate in curriculum design and development of teaching materials and case studies for classes at the undergraduate and graduate levels.

The first SIBA-SMU program, “Fixed Income Markets,” will be a ten-week course covering pricing tools, bond applications, and fixed income products. Participants will have ten weeks of free access to Asiabondportal.com, the first multidealer online trading platform for the Asian fixed income market.
North America for this comparison include the London Business School, INSEAD of Fontainebleau, France, and the Hong Kong University of Science and Technology.

The site allows international and national comparisons of research and can be tailored to specific journals, fields, particular countries, or regions and dates.

New SDSU Program Serves Tourism Industry

Although the tourism business was hit heavily by last year’s terrorist attacks and a downturn in the economy, the need for management in the tourism industry will continue. That’s the opinion of Carl Winston, director of the new hospitality and tourism management (HTM) program at San Diego State University in California.

Winston says the new HTM will examine the many components of the industry: high-rise hotels, luxury resorts, major attractions, support industries such as shuttle and parking services, and airlines. The curriculum covers core business courses and then offers students concentrations in the areas of hotel management, restaurant management, events management, and global tourism.

Funding from industry leaders and school alumni has helped to inaugurate the program. A $1.1 million gift in 1999 from SDSU alumnus L. Robert Payne provided seed money to launch the HTM program and propel a $10 million, five-year campaign to fund it. Another SDSU alumnus, Norman Brinker, just pledged $1 million to endow an executive-in-residence program. Other major donors to the HTM program include the Conrad N. Hilton Foundation, Town & Country Resort Hotel, California Restaurant Association, Anheuser-Busch Foundation, Delaware North Companies Inc., and San Diego Convention & Visitor’s Bureau.

In other news from SDSU, the school will launch an international business exchange program with two universities in Brazil, thanks to a $206,000 grant from the U.S. Department of Education. The U.S.-Brazil Consortium for International Business Management will link SDSU and the University of Florida with the Universidade Federal do Parana in Curitiba, Brazil, and Pontificia Universidade Catolica-Rio de Janeiro. Students from the U.S. schools will enroll in business courses in Brazil for an average of 33 weeks and complete internships in fields such as tourism, telecommunications, energy, and automobile manufacturing. The U.S. schools will host Brazilian schools and help them find internships in San Diego and Florida.

DePaul Expands MBA Programs

New venues and new courses are shaping the MBA program at DePaul University’s Kellstadt Graduate School of Business in Chicago, Illinois. Last fall, the school opened an MBA program in Bahrain, becoming the first accredited U.S. business school to offer an MBA degree in the Arabian Gulf. The 16-month program will be conducted at the Bahrain Institute of Banking and Finance. A series of 16 DePaul professors will travel to Bahrain to teach the program’s intensive courses to an initial class of 26 students, composed of government officials, officials from the Court of the Crown Prince, and employees of Bahrain financial institutions.

DePaul will extend its international reach by opening an MBA program in the Czech Republic this month. The program is a joint effort between Kellstadt and the Czech Management Center and will be offered at the CMC’s facility near Prague. The 18-month program will focus on marketing and finance, with its 16 courses tailored to accommodate working professionals. The capstone course will be taught in Chicago over a two-week period.

Closer to home, DePaul has introduced three new graduate programs on its Chicago campus. The Health Care Management MBA concentration combines 20 courses from DePaul’s graduate business, law, nursing and public service programs. The 12-course Master of Science Degree in Human Resources combines core courses in business, human resources, staffing, compensation and employment with law, public service, and psychology classes. The third new graduate business program, the MBA concentration in Financial Analysis, is designed for students who want to study for an MBA degree and sit for the CFA exam.
The University of Kansas School of Business in Lawrence and Kansas City-based education and professional services firm IMCG have joined forces to establish the KU Center for Management Education. The center will offer corporate, university, and open enrollment programs for private and public sector organizations.

Bill Beedles, KU professor of finance and CME coordinator, says the center will provide a full portfolio of management education services. These will include management certificate programs, courses focused on a single subject, intensive short courses, and personalized programs for specific corporations.

“Business education today is ongoing,” says Beedles. “To keep pace, businesses must constantly update management skills in finance, e-business, strategy, human resources, marketing, and international business. Our faculty provide an excellent resource for the latest practices and research.”

CME’s major market will be businesses in the Plains States region, particularly mid-size companies in greater Kansas City, Lawrence, Topeka, and Wichita. Clients will be businesses, nonprofit agencies, and government organizations.

Development and leadership of the center will be in the hands of a combined KU-IMCG team. IMCG principals Rick Stilwell and Joe Rei will serve as managing directors. KU Professor of Finance Beedles will serve as faculty coordinator. Beedles has been a member of the KU School of Business finance faculty since 1978 and has served as the school’s Executive Education Faculty Coordinator for the last decade.

**Canisius College, Buffalo, New York, has appointed Thomas D. Grover executive director of the Strassberger Center for Entrepreneurship. Grover was formerly executive vice president and regional director of Small Business Services for Fleet Bank and managed the bank’s services to small business customers in upstate New York. As executive director, he will develop entrepreneurial educational opportunities and networking for Canisius College students, local business owners, and key managers.**

**Babson College, Wellesley, Massachusetts, and Indeliiq, a purveyor of e-learning solutions for corporate enterprise, have announced that they are expanding their Building Business Acumen suite of performance simulations to include four additional courses. These include Building a Business Case, Managing in a Dynamic Environment, Capturing Global Markets, and Enhancing Enterprise Value.**

**Yale School of Management at Yale University, New Haven, Connecticut, has grown closer to its goal of increasing senior faculty by 60 percent. Among the new professors that recently joined Yale SOM are: Florencio López-de-Silanes, Garry D. Brewer, Judith A. Chevalier, Benjamin Polak, Nathaniel O. Keohane, Dina Mayzlin, Rodney P. Parker, and K. Sudhir.**

**In other news from Yale, the School of Management held its first conference with the Chief Executive Leadership Institute last fall. At that event, Roger A. Enrico, Chairman and Chief Executive Officer of PepsiCo, received the “Legend in Leadership Award” for his outstanding contributions to business and society. This spring, Enrico will teach two leadership classes at Yale SOM’s Executive-in-Residence program, focusing on leading a global corporation and developing skills for emerging leaders.**

**M. Barry O’Brien has been appointed interim dean of the School of Business at Francis Marion University, Florence, South Carolina. Robert T. Barrett will become associate dean of the School of Business, Donald E. Kelley will become associate provost, and Ben L. Kyer has been named director of the MBA program.**

**University of Connecticut in Storrs, Connecticut, has received a pledge of more than $500,000 from the People’s Bank. The contributions will fund programs in the School of Business, the College of Liberal Arts & Sciences, the Neag School of Education, and the School of Medicine.**

**Two prominent business and community leaders have agreed to co-chair the Global Forum on Management Education 2002, the management education conference that will be held in Bangkok, Thailand, June 9 through 12. The co-chairs are Washington SvCip, Founder of The SGV Group, a member firm of Andersen Worldwide; and Dr. Sippanondha Ketudat, Chairman of the Brain Bank Program of Thailand’s National Economic and Social Development Board. For more information on GF2002, send e-mail to gf2002@...**
DuPree College of Management Complex Begins Construction

Technology Square is just two years away. Groundbreaking began in Atlanta last September for the future home of Georgia Tech’s DuPree College of Management. The new facility is expected to open in 2003.

School administrators expect the facility to give Georgia Tech and DuPree College a strong presence in Atlanta’s midtown area, which is home to several technology giants and considered a model urban live-work-play neighborhood. “Students will come to class in the proximity of the companies with whom we want to help create value and develop jobs,” said DuPree dean Terry C. Blum.

Along with providing a new home for the DuPree College of Management, Technology Square will boast several other facilities, including the Global Learning Center, the Georgia Tech Hotel and Conference Center, the Economic Development Institute, the Georgia Tech Bookstore, the Interdisciplinary Institute, and the Center for Quality Growth and Regional Development.

TRIUM Enrolls Multinational Class

The TRIUM Executive MBA Program—an alliance of New York University Stern School of Business, the London School of Economics and Political Science, and HEC School of Management in Paris—has enrolled its inaugural class. The 28 senior executives represent 11 nationalities and 10 countries of residency, including Canada, France, Germany, Hong Kong, Japan, Korea, the Netherlands, Tunisia, the United Kingdom, and the United States. The participants represent a diverse range of industries such as aerospace, consulting, consumer products and services, and investment banking.

The TRIUM program blends the complementary strengths of three universities and five international learning locations, allowing executives in the cohort program to share best practices and learn from peers about global business challenges. The first TRIUM module, held in London, emphasized the interaction between economics and politics and addressed the broad international context within which modern business decisions are made. Executives observed the House of Lords and heard from industry speakers in banking and politics.

Last fall, management expert Peter Drucker became the seventh person ever to receive The Salvation Army’s Evangeline Booth Award, given to those who have achieved excellence in service to The Salvation Army. The award was presented in a ceremony at Claremont Graduate University in California, where Drucker teaches graduate-level management courses.

The McDonough School of Business at Georgetown University, Washington, D.C., has appointed Marilyn A. Morgan associate dean and director of graduate programs. She will oversee the offices of admissions, career management, and student life. Morgan most recently held the position of assistant dean at the Fuqua School of Business at Duke University, Durham, North Carolina, where she directed the Global Executive M.B.A. program. She also served as president of Disc Education Technology, an educational software company in Raleigh, N.C., from 1989 to 1999.

In other EFMD news, the organization has appointed three new board members: Jeffrey Defries, Deputy Dean and Secretary, London Business School; Leo Muray, director, Cranfield School of Management, UK; and Bohdan Budzan, director general, International Management Institute (IMI-KIEV), Ukraine.

Julio Urgel recently began his new position as director of EQUIS, the accreditation organization for efmd, the Belgium-based European Foundation for Management Development. Previously as academic dean at Instituto de Empresa, Urgel worked very closely with the efmd on projects that included hosting a Deans and Directors meeting, as well as various seminars. He also has been deeply involved in the development of EQUIS, first as dean of one of the pioneer schools, then as a frequent auditor on peer review teams. More recently, he was a member of the EQUIS steering committee.

Technology is a double-edged sword. It not only enables, but also requires organizations to be more innovative. For
More than 20 years into her career, Rosabeth Moss Kanter is renowned for her revolutionary ideas on management, which she shares through her speeches, books, teaching … and rap songs? Yes, in her latest book, Evolve! Succeeding in the Digital Culture of Tomorrow, she even turns to rap to communicate her message: Technology, and the e-culture it inspires, requires business leaders to embrace change, not fear it.

The lyrics of “Evolve!—The Song,” which open the book, call for people to “find new habits of mind,” while the chorus affirms, “You’ve got to evolve.” Already the song has been made into a music video that’s getting play in classes, at corporate conventions, and even on CNBC Europe and CNN.

Rap music may seem an unlikely medium for a Harvard Business School professor and celebrated business consultant, but her adoption of it proves Kanter practices what she preaches. She is quick to point out that her decision to write the song is an apt metaphor for successful leadership in today’s technological times. “We all must try new things and learn to think in new ways,” asserts Kanter. “To innovate, we must learn not only to use new technologies, but also to behave differently.”

From her book The Change Masters in 1983 to When Giants Learn to Dance in 1992, Kanter has been at the forefront of the development of new attitudes in management, inspiring CEOs to rethink their definitions of leadership and realize they must change with the times to survive. Kanter holds that this theme has never been more relevant, now that technology and business are so inextricably linked.

Recently, Kanter surveyed more than 700 companies to learn about their attitudes toward new technologies. Companies that found the most success in the new economy were driven not by youth, Kanter points out, but by a willingness, even an eagerness, to change. The corporate stories that emerged from the survey inspired her to write Evolve!, in which she explores the corporate culture of the companies who have embraced technology, and of those who still lag behind.

In a recent discussion about her book and her latest views on technological development, Kanter stresses that technology is not an ungovernable force for change in business, but a tool that should be used wisely and creatively. Moreover, technological innovation demands that businesses and business schools alike keep their outlooks and approaches fresh in order to be effective in the digital age.

Although technology played a role in your past research on management, this is your first book devoted entirely to the impact of technology on business. What inspired you to survey companies about technology specifically?

I’ve always been interested in aspects of technology because it has had such an influence on organizational behavior. During the 1990s, there were only two really significant developments that changed the way businesses operated. The first was globalization, the result of the deregulation of Asian financial markets and the opening of Eastern European markets after the fall of communism. The second was the introduction of the World Wide Web in 1993. The increasing use of communication and network technologies made all kinds of new applications possible. For anyone interested in change, it’s impossible to ignore the Internet.
In *Evolve*, you write that the World Wide Web “is both a stimulus for new organizational culture (making it necessary) and a facilitator of that same culture (making it possible).” If the Internet had not been introduced, would companies still have had to become more open and collaborative, or has technology forced their evolution in a way that otherwise might not have occurred?

A shift has occurred in organizational culture and the workplace over the last two decades. This shift coincides with a new kind of industry that is highly entrepreneurial and centered on technology. You can almost date it to the late 1970s, when Silicon Valley and Apple Computers introduced a new attitude and culture into the workplace, different from the stodgy, bureaucratic corporations that I had studied in my earlier research. The idea of a workplace where people do not simply follow orders, but instead express their ideas and values, was growing. But without the ability to construct an interactive network that allowed people to respond and handle communications quickly and simultaneously, it would have been much more difficult to achieve.

For example, when I was a kid, a television show called “Sunrise Semester” premiered. It was supposed to wipe out education as we knew it. It would broadcast courses over television, allowing at-home education and making traditional schools obsolete. Well, it didn’t wipe out anything. It disappeared, because it was limited: The communication was only one way. One-way communication could not spark such an evolution as we are seeing today. Technology has accelerated the formation of communities of all kinds because it connects people interactively and opens up many possibilities for how people communicate.

**The attacks on the United States on September 11 inadvertently added a new chapter to our digital culture, highlighting just how important network technologies have become. In light of the attacks, how do you think globalization and e-business will be affected?**

First of all, I believe more information and activities are going to go online. Not only were the attacks a horrible, horrible blow to all of us, but they also slowed down the physical movement of goods and people. This slowdown could have a negative impact on globalization, as people’s level of fear increases. The use of digital media, which kept so many people informed during the crisis, inevitably will accelerate because of fears about mail and air travel.

In addition, people don’t want to wait for their newspapers or the nightly television broadcast; they want to go online and get information immediately. The event created a hunger for information in all parts of the world, and for getting it in real time.

As a result of September 11, we are much more conscious of our global connections. At the same time, we also are more afraid of them. But we’re too close to the events now to know what the long-term consequences to globalization and e-business will be. We’ll have to wait and see what happens.

You note that corporations are either “pacesetters” or “laggards”—there are those companies that accept and evolve with the possibilities of new technologies, and there are those that deny or repress them. To what extent do you think those terms now apply to the academic community?

There always will be schools that are “wait-and-see” types. Some simply don’t have the resources to invest; others are already big and successful, and so they see no reason to change. But something new is in the air in business schools—many are developing models for distance education and e-learning. It’s not clear that anyone has the perfect model yet, but some are spending more time than others in experimenting to create new offerings and new ways of delivering it.

Some schools are a little ahead. It doesn’t mean that they are doing it perfectly. But it does mean that they’re willing to be a little more experimental and willing to change, characteristics that will become increasingly important in the new economy.

It’s often difficult for academic institutions to move quickly because they’re sometimes more resource-constrained than are corporations. Also, because they’re more collegial in nature, more people have to agree on a project. Schools don’t function like corporations, where a small group assigns budgets and responsibilities and says, “Just do what you have to do.” They’re not hierarchical in the same way as a company.

That lack of hierarchy can be a tremendous advantage. But it also requires academic leaders to be more collegial and to understand coalition building more completely than corporate leaders, in order to let the entrepreneurs in their midst rise. In the corporate world you can get away with making decisions unilaterally, but the dynamic among colleagues in an academic setting demands a more persuasive kind of leadership.
In terms of technology, what should management education institutions expect to face in the years to come?

Companies increasingly are delivering their training and education online. For example, the latest figure I have from IBM is that more than 30 percent of their employee training is now online. As this develops, schools that have a technological component, an online component, will have an advantage.

That doesn’t mean that all courses will be “virtual,” but that schools will have increasingly developed online capabilities and new ways of managing and sharing their information. For instance, I’m very struck by MIT and its offer to put all of its course materials online over the next decade. Many believe such a tactic to be a mistake—what will happen to MIT if it simply gives the education away?

But I disagree. I think that MIT will make its education even more valuable, because if people want to learn something, they go to the source. If MIT has material that leaders use, then people who are going to be true leaders will go directly to MIT to learn what they need to know. They’ll still need MIT to provide a service.

Information gathering is something that is done well online. Libraries have transformed themselves into information management specialists. But you still need people to gather it, pull it together, and make sense of it.

There is a reason for a professor to meet with a class and deliver knowledge, instead of simply placing information online for students to find. It is the interaction that’s important. When people meet each other, in a class, seminar, conference, or workshop, their experiences are deepened because of their shared experience. Educational institutions now must figure out the role technology will play in that experience, and how to use technology as a tool to enhance it.

When you surveyed hundreds of companies about their use of technology, did anything in the results surprise you?

I wasn’t surprised by the findings, but one trend did come through stronger than I expected. In older, more established institutions, their problems with change and innovation were almost entirely internal. They were worried about whether they had the resources and imagination to move forward. On the other hand, smaller, newer organizations cited external forces as the primary source of difficulty: Did they have a market? Could they get the necessary capital? The older institutions had none of these problems. They were simply stuck in their ways.

This phenomenon comes through in the business school community as well. Professional schools, such as business schools, have always been a little more customer-focused and a little less turf-minded internally. But that does not mean that they may not have the same internal issues, especially with faculty.

If an institution is threatened by the changes that are coming, that will be a problem. The more threatened the institution, the more threatened the faculty members will be. And the more threatened the faculty members, the more difficult it is to get them, and the institution, to change.

What will happen to those institutions that do not change and adapt to new technologies and innovations as quickly as others? If they cannot lead, is it good enough to follow?

That’s the other end of the question. In big industry shifts like this, the “mediocre middle” often gets driven out. The institutions that are at the high end—the content providers, the knowledge developers, the research resources with brand-name faculty—will flourish. They can add technology as a tool, but their real competitive advantage is in knowledge production. They are seen as sources of information.

At the other end, there are schools that become very creative and efficient distributors of knowledge. Using technology, they can distribute that knowledge from any location, physically or virtually, and they can do it on demand.

The institutions that will be in trouble are those that don’t have either of those attributes, those that are simply a campus supplying services to a local market. With these institutions, we may see more alliances and partnerships taking place. I believe the world of higher education is ripe for these kinds of alliances, in which mid-range schools become a part of a much larger, multicampus institution that takes over the facilities and faculty of weaker institutions in order to expand its programs.

These mid-range institutions might also seek other kinds of partnerships. For example, they might become the corporate training arm of a consortium of companies. Some are doing this even now, supplying the talent to design custom executive programs.

As I write in Evolve!, technology is going to play a large role in these shifts. But the book is not about how technology will make the world completely virtual. It’s about how it will make us change.
WHEN IT COMES TO BUSINESS ETHICS, THERE’S NOTHING NEW UNDER THE SUN. THE OLD-FASHIONED LESSONS OF FAIR-DEALING AND FORTHRIGHTNESS STILL HOLD TRUE IN THE NEW ECONOMY.

In the so-called “new economy,” it may seem that the rules of business have changed to suit the faster pace of the technological times. Certainly, the landscape for business is different from what it was ten years ago. But as we examine the conduct and consequence of the new companies that rode the tidal wave of the new economy, one thing becomes increasingly clear: There is nothing new under the sun. There is no such thing as “cyberethics” or “ethics in e-commerce.” There is simply the practice of business ethics.

I have found that this idea is not always an easy sell, especially to new-economy converts. For example, early in 2000 I gave a speech on the importance of ethics in business to an audience of very young and successful e-commerce entrepreneurs. They offered a chilly reception for my discussion on the importance of honesty and keeping one’s word in business. When I had finished, one young man approached me and said, “You’re just going to have to face the fact that with new ways of doing business, these old rules don’t work. You can’t expect us to live by them.”

I left the speech with significantly increased self-doubt. I questioned whether my expectations about ethics in business were unrealistic or old-fashioned. I feared I had become one of those stodgy professors who fails to grasp business trends and simply continues teaching the irrelevant.

However, over the next year increasing revelations about the practices of companies in the “new economy” and the market’s downturn renewed my commitment to teaching traditional ethical values and principles in business, no matter what trends surround it. Those basic principles I discussed nearly two years ago with that somewhat hostile crowd still hold true today.

And judging from the ethical missteps of companies in the new economy, as noted in the discussion and lessons that follow, we have not done as much in academia as we should have to help future business leaders understand the whats, whys, and hows of business ethics.

A look at these ethical missteps offers a perfect teaching opportunity for lessons in business ethics. Students can see for themselves the consequences when these basic principles are violated—the same principles that have been labeled by too many as out-moded or inapplicable to new forms of business.
Honesty Is the Best Policy

In 1993, Andrew Stark published his seminal piece, “What’s the Matter with Business Ethics?” in *Harvard Business Review*. Professor Stark concluded that the discipline of business ethics had provided very little to managers because of its focus on theory and the impractical. Further, he indicted members of the discipline for their unrealistic expectations for business behavior. Unfortunately, Professor Stark was simply part of the discipline’s majority who believe that ethics and business are mutually exclusive terms: It must be all or nothing at all.

Likewise, theorists in business ethics frequently condemn a business for being in business. These theorists might advise a company to go out of business rather than violate their self-defined ethical principles. Professor Stark understandably chastised this group for being impractical. But he then went on to take the position at the opposite extreme—that sometimes a business has to be unethical to survive.

One of the clear lessons of the new economy is that neither approach is realistic, practical, or even frequent in running a business. Just because a business is “soft,” in the sense that it has no factories or produces no pollutants—as nearly all new economy companies were in the late 1990s—does not mean that it is ethical. And very often it is the decision to behave in an unethical fashion that prompts the demise of a business rather than assures its survival.

The underlying “social responsibility” arguments about business—particularly the pro-environment focus—have not served as accurate predictors of honesty-in-fact in terms of business behavior, especially among the “new economy” companies. These leaders possessed an odd sense of immunity, a sense of ethical invincibility perhaps born of years of business ethics instruction centered on topics of social responsibility. So long as the company employees were engaged in volunteer work, there seemed little cause to worry about undisclosed risk, postponed write-downs, and conflicts of interest. Who can blame them?

For the past decade, ethics instruction has focused on topics such as global warming, sweatshops, environmentalism, and diversity. While those are important topics in the field, few scholars were doing research or teaching the ethics of earnings management. And, as examples below will indicate, earnings management became an art form in new economy companies, bordering on cooking the books.

But a look at the lack of transparency in the financial statements of many of the new economy companies tells us that perhaps, as a matter of business ethics, we should begin with disclosure of expenses. Only then should we work our way up to saving the planet.

As we teach business ethics, one of the foremost lessons is perhaps that no one business ethics principle provides a free pass from accountability in other areas. Virtue does not result from obscuring financial activities. An ethical company has a multifaceted approach to creating its culture. Our responsibility is to be certain students understand all aspects of business ethics so that they can create, and work within, that culture effectively.

History Repeats Itself

Consider a scenario with the following characteristics:

- High-price earnings multipliers
- Economic disturbances abroad
- High levels of optimism
- Insiders selling their shares
- Insider trading
- An abundance of options
- Speculation
- A false security and a feeling of invincibility
This list seems to be a description of market conditions before the bubble began to burst in April 2000. However, those factors actually were taken from readings on the climate that preceded the 1929 stock market crash and the Holland Tulip Market of the 1600s (from The Causes of the 1929 Stock Market Crash by Harold Bierman Jr., and Tulipmania: The Story of the World’s Most Coveted Flower and the Extraordinary Passions It Aroused by Michael Dash). Historical perspective is crucial to understanding the present. Our role as academicians surely includes providing students with that perspective so that they can understand that their experiences are not unique, and that history does have its lessons.

The Holland Tulip market was one that evolved from the love of a new flower. As the price for the flower increased, investors began to purchase tulip bulbs. As bulb prices increased and supplies decreased, investors sought bulb futures, an investment in air! At one point, one tulip bulb future was selling for $10,000 in today’s dollars. When everyone realized that there was nothing to their investments, save the hope of a bulb sometime in the future, the market collapsed. Investors and companies wanted it all as quickly as possible and discarded the basics of sound investment to be part of a wild scheme.

Sound familiar? As students examine the investments in dot-coms that had no record of earnings—just expenses and hope for the future—the Holland tulip market becomes incredibly relevant. During the height of the dot-com mania in which IPOs were creating billionaires overnight, it was as if the financial statements of these companies were reading, “Well, if it hadn’t been for all of our expenses, we would have made money.”

While we may think that the recent evolution in business has presented us with new rules, some fundamental principles do not change. Expenses in excess of earnings, no matter how sound the model for predicting future earnings, are still expenses that reduce earnings.

Establishing the ground rules for business and business ethics still remains a critical part of a solid business education. A simple look at even the California gold rush provides students with a historical foundation. At the time, many individuals and businesses purchased land, options, and investments in mines. Their risk was high and not always undertaken with complete or honest information. Quick returns, frauds, and schemes were the downfall of nearly all involved.

Their dreams turned to dust, but the true winners from the gold rush economy were those very staid businesses that supplied the materials for the expanded mining industry there. For example, Levi Strauss, the company that sold the miners their pants, remains an established company today, just as the companies that sold the dot-coms their furniture, supplies, and services survive.

There is an element of patience and virtue in the long term that should be taught as part of the study of ethics. Double-digit growth is not sustainable for extended periods of time, but steadily increasing growth is. With that knowledge base, students can understand how often ethical shortcuts interfere with that long-term goal of increasing success.

Lesson 3

What Goes Around Comes Around

Two examples of new economy companies and their financial statements illustrate the ease with which business ethics can be incorporated into discussion. A look at MicroStrategy Inc. and Dell Computers offers students a challenging example of why transparent financial statements matter.

When MicroStrategy issued its IPO, its share price was $6. By March 2000, that price had climbed to $333. However, when MicroStrategy announced in December 2000 that the Securities Exchange Commission was investigating it for “accounting improprieties,” its share price dropped 62 percent in one day.

As the investigation unfolded, we learned the following:

- PricewaterhouseCoopers certified its financials for 1999 (profit figure).
- PricewaterhouseCoopers then forced Microstrategy to correct the 1999 financials—they showed a loss.
- PricewaterhouseCoopers settled a lawsuit with shareholders for $51 million (plus interest from September 2000) on May 10, 2001.
I

Share price on May 10, 2001, was $4.95, and on October 11, $1.61, up from $1.40.

MicroStrategy then offered the following explanation in its annual reports filed with the SEC:

_The Company has concluded that certain of its software sales that include service relationships will be accounted for using contract accounting, which spreads the recognition of revenue over the entire contract period as opposed to separating it between the software and services components. The effect of these revisions is to defer the time when revenue is recognized for large, complex contracts that combine both products and services._

_The Company, with the concurrence of PricewaterhouseCoopers, LLP, its auditors, will reduce its 1999 reported revenue from $205.3 million to between approximately $150.0 million and $155.0 million, and its results of operations from diluted net income per share of $0.15 to a diluted loss per share between approximately ($0.43) and ($0.51)._  

MicroStrategy broke no laws in its interpretation of accounting principles with regard to booking revenues. But a change, insisted upon by its auditors, took the company financials from a position of net income per share to a net loss of some $0.58 per share lower. Here, the moment for teaching business ethics comes when we ask not simply whether MicroStrategy could report its earnings this way, but whether it _should_.

Students are able to see the long-term impact of that choice, or that interpretation of an accounting rule, on the company and all of its stakeholders. More than the restatement of earnings and its impact is the psychological impact on the market as the company loses reputational capital in terms of the reliability of its financial reports.  

A related ethical issue surrounding financial reporting choices is the absence of independent boards among the dot-com companies. That false sense of invincibility was evident as the majority of the dot-coms opted not to have outsiders on their boards. There are reasons and historical foundations for independence on boards, particularly in audit committees.  

However, the dot-coms seemed particularly hostile to the very suggestion of such outside input. When asked in 1999 about the lack of outsiders on his board, Jeff Dachis, the former CEO of Razorfish, said, “I control 10 percent of the company. What’s good for me is good for all shareholders. Management isn’t screwing up. We’ve created enormous shareholder value.” Razorfish’s IPO sold at $56 per share; it was at $1.11 in May 2001. Dachis was replaced as CEO in 2000. The stock price in October 2001 was $0.21, up from $0.14 per share.

Dell Computer provides another example of ethical issues in financial reporting and how earnings are obtained. During the late 1990s, a sizable percentage of Dell’s earnings was the result of the company’s rather complex stock purchase program that employed puts and calls. Dell was using its own stock to hedge earnings, and doing a darn good job of it, so long as the company’s stock price was increasing and Dell was on the correct side in terms of its balance of puts and calls. But when the market took its downturn, Dell experienced reductions in earnings.

This type of accounting practice resulted in increased SEC oversight and disclosure rules in which companies must be specific in disclosing their OCI (Other Comprehensive Income). Further, the SEC has new rules in place on puts and calls by companies in their own stock because of the potential for manipulation of stock prices.

Warren Buffett has commented on the new liberties in financial reporting and referred to some of the creative accounting methods used to report earnings as the “_distortion du jour._” Mr. Buffett offers the ethical perspective on these issues as he raises the issue of whether the United States is losing its longstanding position of candor, or transparency, in its companies’ financial statements.

While these financial reporting issues are not new, the new economy seemed to provide the incentives for pushing the envelope on managing earnings practices, resulting in new regulations for those abuses of transparency. Interestingly, 66 percent of all of the SEC investigations for accounting fraud now involve dot-com companies.

While many investors have lost significant amounts, study of these experiences is valuable to students. Students must explore the basic ethical questions: Are these disclosures complete and honest? What are the implications for this decision on how to report revenue? If I were an investor, is this information I would want disclosed? And would I want more discussion of the risk involved in this approach to financial reporting?
Trust Must Be Earned

The May 14, 2001, cover of *Fortune* magazine has a photo of Mary Meeker, the new economy analyst from Morgan Stanley, and the question, “Can we ever trust again?” Inside the magazine, the stories raise two basic concerns in business ethics: conflicts of interest and insider trading.

The conflicts of interest in the new economy centered on the role of analysts. While many investors assumed that analysts such as Meeker were offering their candid assessments of companies, the analysts very often stood to benefit personally, or through their companies, if they endorsed an IPO. Many became cheerleaders for the companies they were supposed to be evaluating independently.

Other players also had conflicts of interest in the new economy stock offerings. Lawyers who were offering their professional opinions as part of the disclosures in the IPO registration materials often were to be paid in shares of the new company. Their opinions on the legal issues facing the company were in conflict with their economic interest in the IPO not only going forward, but going well.

In addition, insider trading occurred in the form of the so-called “pump and dump” stock sales. In this money-making venture, even television analysts got in on the game of purchasing a particular stock and then taking to the airways, the Internet, and the print media to pump the stock to investors. When the investors took the bait and bought, increasing the value of the shares, the pumper would then dump the shares at a significant profit. Even a teenager, 15-year-old Jonathan Lebed, managed to turn an investment of $8,000 into a handsome $800,000 profit. He used different screen names to pump shares he had purchased, and then sold them after intrigued investors caused the prices to climb. And he did all this without missing a day of school.

These conflicts and self-dealing stock-trading scenarios are teaching moments to show what happens to markets when investors lose trust in the fundamental fairness that they assumed existed. Beyond the ethical principles is the exploration of the underlying reasons they exist—that markets function because of certain assumptions about values and behaviors. Investors hold back when they perceive that they cannot get a fair shake in a market that has no level playing field. An examination of economic volatility differences across nations can show students what happens when there is a perception of corruption in markets. In this respect, stock market investments are no more sophisticated than money kept in a jar or under a mattress.

The very nature of e-commerce demands more trust than has ever existed in our business transactions. We trust that those responding via electronic means are indeed who they purport to be. We trust that companies will not misuse the credit information we provide to them to pay for merchandise ordered electronically. And we trust that everyone will honor pledges made with simply a click.

Go Back to the Basics

As I think back to the young man’s skepticism about the role of ethics in the new economy, my mindset has changed. It is because of the nature of the new economy and e-commerce, not in spite of it, that we need basic ethics more than ever.

As teachers and scholars, we and our students can benefit from the experiences of the fallen dot-com companies in the now not-so-new new economy. They serve as the perfect examples to demonstrate how the basic principles of ethics, such as honesty, fairness, and the avoidance of conflicts of interest, are a cornerstone to success, even when the means for doing business changes.

Marianne Jennings is a professor of legal and ethical studies at the College of Business at Arizona State University in Tempe, Arizona.
Management education is nothing if not adaptive. When the need for a new specialty arises, half a dozen schools are instantly on the scene with a revamped program model that suits the situation. Since the mid-'90s, one of those programs du jour has been the MIS MBA, a degree that melds core business courses with hands-on, technological know-how. Students who leave school with such a degree understand not only how to integrate technology into a business, but how that technology will affect the company, its employees, and its bottom line.

While schools worldwide have implemented technological changes into their classrooms and course deliveries, not every business school has focused on technology itself as an area of study. Not every school will feel it must. According to a report by AACSB International and researchers at the University of Louisiana at Lafayette, the majority of universities have chosen to integrate e-business and technology into their general management courses, not break them out into separate degrees.

The schools that have opted to develop an MIS MBA—or its equivalent—primarily have done so either because the school itself has a high technological aptitude or because it’s in a part of the world where tech skills are highly valued. For instance, Boston University in Boston, Massachusetts, began its
high-tech MBA program after tech watchers such as Computerworld gave high marks to its management and IS programs.

“We decided to build on our strength and make that our flagship program,” says John Chalykoff, associate dean of academic programs and director of the school’s MS IS program. He adds, “Our old degree really was geared toward training future CIOs. The new degree has been revamped to train CEOs, because anybody in the future is going to need to be at the intersection of business and technology. You’ve got to be able to understand both to be successful today.”

“Today, it’s almost incumbent for anybody at any level to have an understanding of technology,” agrees Arkalgud Ramaprasad, head of the information and decision sciences at the University of Illinois in Chicago. “Even in finance, accounting, and marketing, you need to know something about databases. There is an expectation in any functional area that you will have technological literacy.”

The trick is to understand what you’re offering with a tech-based degree and why—and to make those reasons clear to students, employers, and other stakeholders. “The way we’ve approached it in our MBA program is to say that we’re not trying to create super programmers, but rather trying to enable MBA students to have a better understanding of information technology and information systems. That way they can make better decisions about investing in them and embarking on technology-related projects,” says Len Jessup, Philip L. Kays distinguished professor in management information systems at the Pullman campus of Washington State University.

“We decided that, for us, management of technology means an emphasis on three things,” says McRae C. Banks, department head and Harry G. Stoddard professor at Worcester Polytechnic Institute, Worcester, Massachusetts. “The first is leading and managing in technology-based organizations. Those are primarily, but not necessarily, high-tech organizations. The second is integrating technology into existing organizations for companies that need a level of technology but don’t know how to implement it. Furthermore, they think it’s a financial

“The new degree has been revamped to train CEOs, because anybody in the future

Tech Tabulations

The MIS MBA is not the only form of technology that’s reshaping business school offerings. Across the globe, business schools are responding to technological innovations by considering new e-business programs, distance learning options, and key business management processes. Current research on technology indicates growing importance in each area.

In a recent worldwide survey conducted by AACSB International, only 16 percent of business schools indicated they have introduced or plan to introduce a separate master’s level degree program in e-business. However, 45.7 percent of deans and directors indicated that their school has or is planning to introduce an MBA concentration in the e-business area. Other popular approaches include certificate programs (46.8 percent) and nondegree executive programs (41.2 percent).

In the same survey, 42.3 percent of deans and directors indicated that they believe a “degree in e-business” is effective or very effective in meeting the e-business needs of employers. However, 81.7 percent believe that a “degree in
is going to need to be at the intersection of business and technology. You’ve got to be able to understand both to be successful today.” —John Chalykoff, Boston University

a functional area with e-business integrated into the curriculum” is effective or very effective in meeting the e-business needs of employers.

Last year, 72 percent of colleges offered distance-learning classes, a number that is expected to grow to 84.1 percent next year. According to Dan LeClair, the director of knowledge services for AACSB International, “The Internet can improve access to management education because it resolves the classic ‘double coincidence of wants’ problem. In traditional classroom-based environments, the student’s schedule and location must match those of the course. With Internet-based courses, at any point in time a student may find a course about to begin halfway around the globe.”

LeClair cites more projections that indicate the demand for e-learning will increase substantially in the near future. The U.S. online population is expected to grow to more than 210 million by 2005. More than 30 million U.S. households will have broadband access, and the Internet will boast close to 85 million wireless users. Worldwide, 741.6 million people will be online by 2005.

Businesses also will rely more and more on online education as corporations shift resources to e-learning. The worldwide corporate e-learning market was $2 billion in 1999 and is expected to surpass $23 billion by 2004. An estimated 33 million “free agents” who work from their homes rely on the Internet for almost everything—from sales leads to supply procurement to education.

Nonetheless, an emphasis on online learning doesn’t come without risk for the schools that provide it. Court cases are still establishing who owns the intellectual property rights to online education. Online courses offer potential competition to the very business school that develops them. Plus, the role of faculty is unclear in an environment where much of the education is being conducted over the computer, LeClair speculates that a group of branded management schools and professors may develop a large share of courses that will be used by other schools employing armies of academically and professionally qualified instructors to conduct these courses.

Even so, schools must participate in what Robert Reich calls “the global bazaar,” or they risk becoming invisible, says LeClair. This means working with online application services to simplify the admissions process and mining geodemographic data to locate potential students. It means using global technology to keep up with global business—and to keep in step with business schools around the world.

decision and a technology decision, whereas probably 60 percent is a human resources decision. The third is creating new processes, products, services, and organizations based on technology.”

Technology is the infrastructure that supports these organizational cornerstones, Banks concludes. “Information technology is what enables organizations to make changes and continue advancing.”

Hot Prospects

Business leaders—the ultimate consumers for this new breed of graduate—seem to have embraced the students who’ve specialized in a mix of technology and management. “I had someone look at my curriculum and say, ‘You build people who can do all this? Oh my God, I want some of them,’” says Barb Marcolin, area chair of management education in the Faculty of Management, University of Calgary, Calgary, Alberta.

While Marcolin says management students with an IS specialty “have their choice of jobs,” she notes that students must be willing to sell themselves and their special knowledge. “They have to understand the value of what they’ve learned—not just the technology, but how to assess a problem and consider the capabilities of technology in a certain application area.”

Calgary and other schools enhance that salability by exposing students to real-world business situations, either through internships or intensive projects or both. For instance, at UIC, the school promotes “project courses” rather than internships. “Essentially the entire course is based on a project done by a student team, based on e-commerce, and led by a faculty member,” says Ramaprasad. “They’re very popular.”

University of Calgary offers extensive co-op programs that allow student teams to work for up to four months on technology-related jobs at various companies. In addition, the school sponsors a project office that matches students with companies that need some management help. “Last week, I talked to the CEO of a small oil and gas company who said, ‘I need an MBA to help me through my growth issues. Where do I find one?’” Marcolin reports. “So I sent him to the project office and said, ‘You can get a team of them, and they’ll demonstrate their value to you. You can not only assess their skills, but also how you might use an employee with an MBA.”

A set of students at Boston University proved their value during an internship program by building an internal intranet system. They were part of a group of second-year students participating in Boston’s seven-month internship program in which students work on an IT project every Friday in a local
companies. "Companies present their projects, students bid on them, and teams are formed," says Chalykoff. "The students are highly skilled, and the companies gain a great deal." These projects are in addition to a regular summer internship program, during which students also can take a concentrated online course.

But the ultimate point of a specialized degree is to help students get a better job, not just a better internship, and program directors say that this is happening. For instance, WSU is located in a region that's always hungry for graduates with any kind of technical expertise.

"A degree like this means our students are more competitive for the traditional kinds of jobs at more traditional companies—like, say, Safeco—that are ramping up their information technology, especially with respect to the Internet and electronic commerce," says Jessup. "It also opens the doors for MBA students in places where they might not traditionally have thought about working—for example, firms like Microsoft and Amazon. When MBA students have technology as part of their skill set, it opens up their knowledge domain."

In fact, students with a degree that emphasizes both business and management can begin to look almost anywhere as the need for tech skills spreads throughout business. "There's been a change in student strategies," says Banks of Worcester Polytechnic. "Before, they focused on high-tech companies. Now they're focusing on traditional manufacturing and consumer products companies, but still in a technical capacity."

The changing economy does affect the job situation, however, even for students with sought-after degrees. "What we're seeing this year is a slowdown in the consulting sector," says Banks. Dot-coms are also noticeably absent from job fairs, but he doesn't find that surprising.

"Dot-coms weren't actively recruiting our students before. Our people aren't going into technical positions like that. They're going into higher-level positions where they understand both the technology and the business."

The only fallout for his students from the dot-com disaster has been a trickle-down effect, says Jessup. "Many of the people in technical positions that were laid off by dot-com firms are out looking for jobs, and some of them have decided to take more traditional corporate jobs. So now, people with engineering degrees or computer science degrees and a few years' experience are taking that systems project management job at Boeing or Ford that an MBA student or MIS undergraduate might have taken. That hurts a little."

**The Quest for Staff**

The biggest challenge facing schools that offer tech-based management degrees is not helping students find jobs, however; it's hiring teachers. In a world where finding qualified teachers is already difficult, finding faculty who know both business and technology is a real challenge. Jessup points out that the problem is exacerbated by decisions that schools made in the last decade to cut back on doctoral programs, particularly in MIS programs. As a result, there were no freshly minted professors available when demand began to mushroom in the 1990s.

"Layer into that the fact that MIS is an academic discipline that is not very old," Jessup continues. "The very first wave of MIS faculty members who started the discipline 20 or 30 years ago are starting to retire in droves. In the next three to five years, that whole wave of faculty will retire, and there's nothing with which to reload. Factor into that the general growth in MIS programs, which means growth in demand for MIS faculty, and it's really very difficult to find and hold on to MIS faculty."

Even if a school perceives the solution to be simply adding a technology emphasis to all the disciplines within the management field, says Jessup, the problem still exists. "Then you've got to find faculty members in those areas who not only know their own discipline well, but also understand technology well. That's really difficult."

"We have a much narrower pool of applicants available to us than we would if we ran a broader program," says Banks. He describes a recent effort to go through the pool of available professors to fill a faculty opening at Worcester
Now they’re focusing on traditional manufacturing and consumer products companies, but still in a technical capacity.” —McRae C. Banks, Worcester Polytechnic Institute. “Out of that group, those who had technical qualifications as well as the business background we were seeking formed a much smaller set. Ultimately we ended up with seven or eight people who had the type of package we were seeking.”

The scarcity of good help has led to an unexpected bonus for those who can meet the demand. “The good news is that MIS has been legitimized as a discipline,” says WSU’s Jessup. “Now to get a really good MIS faculty member, you pay about what you would pay to get a really good finance or accounting faculty member. It’s elevated the status of MIS in terms of the pay and stature.”

Marcolin agrees that MIS management salaries have risen at Calgary, and not just for the new hires. She says, “Our dean has said, ‘Look, we’ve got to keep the people we have.’ He’s looked at our internal salaries and worked very hard to keep them comparable to the market level. He recognizes that if we’re going to be an internationally recognized school, we’ve got to be able to compete with other schools.”

Stakeholders on Board
Starting an MIS MBA, however, is not only about staffing it, but also about selling it. First, of course, faculty members have to recognize what the degree is.

“Most of those outside of the information systems area in business schools think of technology as the network,” says Marcolin. “They think, ‘Well, let’s just put a network in, and then we’re fine.’ They don’t think about the systems part, which touches every little part of the organization. The technology is only 20 percent of the cost.”

Academic politics are equally challenging, says Ramaprasad. “There are schools at the technical end, there are schools at the managerial end, and there are schools that think MIS is not a field,” says Ramaprasad. But even if a school has decided to go ahead with an MIS management degree, it won’t be successful unless all the faculty members buy into the program. “The big issue involves where you are anchored in terms of which department is going to take the initiative. Do you locate it in computer science or business?” Too often, he says, the resulting program looks like one “designed by a committee.”

It’s not just the faculty members who have to be ready to accept a technology focus; the campus has to be prepared as well, Chalykoff points out. “You must have the infrastructure that can support it,” he says. “At Boston, every part of our business school is wired. You can’t sit anywhere, whether it’s in the cafeteria or the hallways, where you can’t plug in.”

A successful tech-related management degree also requires the involvement of the business community, Chalykoff notes. “That’s key. You have to have those internships set up,” he says. “We have an advisory council that is extremely supportive.”

Expansion and Improvement
Even schools that have successfully implemented tech-related management programs are looking for ways to improve their offerings—both for current students and potential students.

At Calgary, school officials want to expand the e-business program and make it more accessible to people in the community. “We see a huge demand for students who are outside the program, who don’t want to come back for two years under any format, so we’re trying to decide how to make the content more flexible,” says Marcolin. “We might make it a certificate program or a diploma program, something where people can get credit.”

Banks expects to see an influx of people with technical skills coming back to college for advanced degrees. He says that too many engineers and computer scientists are being put in positions where they must manage people, not equipment; many don’t have the necessary skills.

“We’re going to see more and more people who have gone through engineering programs and science programs come back to school and get graduate degrees in business,” he predicts. “We’ll see them coming into the marketplace and into the business schools to provide a more technical perspective.”

“I think technology is going to be critically important in the future. In fact, it may become so important that it will be absorbed into the functional areas, and we really won’t need separate MIS courses,” says Ramaprasad. “But there is sufficient new technology going forward that I think there is still a market for people who are more technically oriented.”

He expects future emphasis to be on more interdisciplinary programs that change the way MIS is viewed. “We have mislabeled it by calling it ‘management of information systems,’” he says. “We should call it management of information. I would like to think we’ll start focusing on information management, that we’ll go beyond information technology and information systems.”

Whether technology becomes so pervasive that it is absorbed into core courses, or whether it becomes so specialized that the best approach will be a dual degree, technology has become an integral part of the management education field. No corporation can survive today without a basic understanding of the Internet, electronic communication, and database management. No business school can survive without meeting the needs of those corporations—by producing students whose soft skills and hard knowledge make them savvy managers in today’s business world.
When it comes to computers and business schools, is it possible that more isn’t always best?

JASON FRAND of the Anderson School at UCLA considers the effects—good and bad—of technology’s ever-increasing ubiquity.

by Tricia Bisoux
What prompted you to start surveying deans about technology?

In 1980, my dean suggested I find out what some other business schools were doing with technology. Two weeks later, I got a call from someone at Washington University in St. Louis, saying, “We’re surveying a dozen schools to see what’s going on.” Then, I got a call from someone at Berkeley, saying, “We’re surveying a dozen schools.” So I said, “Why don’t you give me your lists?” I ended up with a list of about 30 schools, and we published a little report in 1981 or 1982.

In 1984, I got a call from some people at IBM, who explained that the company would be doing some activity with business schools and would like a copy of our survey. When I told them it was four years old, they asked me to give them a proposal to update it. So I did the “first annual” survey in 1984. After that, someone whose school was not included approached IBM and asked why we didn’t do a survey of all the schools. So our next survey included all the AACSB-accredited schools, about 250 at the time. In 1993, for our tenth survey, I expanded it to all member schools, using a worldwide list.

Since then, you’ve expanded the survey to include hundreds of schools worldwide. What have you found most interesting about the evolution of computers in business schools?

In the early years of the surveys, we were tracking the number of faculty members per computer. At that time, the most well-endowed schools might have two faculty members per computer, whereas the less well-endowed schools would have ten faculty members sharing a computer. When we looked at the graphs over time, the more well-endowed schools went to one faculty member per computer more quickly.

However, even more important was that the schools that got them earlier and the schools that got them later did not tend to do different things. The well-endowed schools were all doing e-mail, spreadsheets, simulations, word processing. It’s not that some schools got a five-year head start, and so, were doing something phenomenally different from schools that got computers five years later.

The surveys have not shown any educational breakthrough that enables schools to differentiate themselves based on the use of technology. Rather, there has been a sea change in which everybody has benefited from the introduction of technology.

For example, when I first taught statistics in 1969, it was unheard of to give students a large amount of data to work with. In fact, there was a debate about whether or not to allow students to use calculators because one side felt it discriminated against those who could not afford them. A simple four-function calculator, which could add, subtract, multiply, and divide, cost $75. So you gave students unrealistically simple problems with four or five numbers to practice calculating statistics. If you gave them dozens of numbers, you had to send them to a lab that had a calculator.

Today, everybody can use Excel and do basic descriptive statistics with huge realistic data sets. So all students—whether they’re attending the richest or the poorest school—
have benefited from the ability to gain insights into a very fundamental, computationally oriented process.

Word processing and PowerPoint enable people to manipulate ideas in ways that are very different from what they could do in the past, and that’s something that is available everywhere. That’s not to say that every school has access to things like Dow Jones—that’s very expensive. But the basic technology is available to everyone.

Many business schools are emphasizing the role of wireless technologies in their course delivery. Is this necessarily a positive trend?

I identify a series of attributes of what I call the “Information Age mindset,” which is very, very different from the mindset of students a few years ago.

For example, students look at computers as if they aren’t even technology; they’re just a normal part of the environment, like the telephone or the automobile. They look at the concept of connectivity—of wanting to be connected all the time—as part of the normal set of expectations as a user. Constantly carrying your cell phone, your beeper, your Palm Pilot is just a normal part of the behavioral environment.

It’s the whole idea of staying connected, of doing rather than knowing. It’s all about what you can produce, not what you know. Bill Gates, for example, represents a whole generation of professional managers who say, “I’m going to go out and make my money, not necessarily going through the normal processes of school.” That adds tremendous pressure to the faculty to deliver only immediate stuff, cutting out much of the theoretical stuff.

There is now also a consumer-creator blurring, the dimension between what I created and what someone else has created that I just used. Students go out to the Web and just copy information as if it is their own intellectual idea. And when they try to assemble it they may or may not do a good job of pulling it together into a thoughtful piece.

At a conference I recently attended, I interviewed a group of librarians. They noted that a major, growing concern is that students are failing at critical thinking, at the task of working ideas through from point zero to end. There’s zero tolerance for delays. They would like everything to happen instantaneously. They don’t want to go through large amounts of ambiguous data; they want the regurgitated “journalistic” form of the news. They want to make their decision and draw their conclusion from the abstract, not the whole article.

The wireless technology plays into this mindset. It puts a whole different set of pressures on business schools to put material in a different format for a different mental mindset than previous generations had.

Must business schools cater to this mindset to survive in a competitive marketplace? Or should they still emphasize theory, for students’ own good?

The challenging question you’re asking is that, as students come in with the different orientation toward education, viewing education as a consumer rather than as a learning partner, what is the responsibility of schools to respond? How do we say to students that it’s “for your own good” that we take you through this theoretical journey, rather than the practical journey, when there are all these models for acquiring information outside the traditional formats?

In the long run, that kind of short-term orientation is dangerous. I remember being asked, “If everybody is learning in a Nintendo environment, will there be people able to run computers in the next generation?” Will we be able to prepare a generation of technologists, when the systems, which seem simpler for users, are becoming more complex
and difficult to work with under the covers? Will we have the skill set to manage that level of complexity? Those are challenging questions.

What current developments in computer use for education do you find most intriguing?
The technology of PDAs and laptops is well established. Now the questions are, How do we evolve student and faculty behavior to get the maximum benefit from them? How do we identify the most appropriate uses of technology in and out of the classroom?

The letter that Anderson sent to our entering students this year was quite different from those in the past. In last year’s letter, it told students, “You’re required to have a laptop to be used extensively throughout the program.” This year, we say, “You’re required to have a laptop. In some classes you’re not going to use it at all; in some classes we’re going to use it minimally, and in others more extensively.” So, emphasis on using the laptop in the classroom has substantially diminished. It’s appropriate in some settings and inappropriate in others.

We have some faculty who have been extremely successful with laptops. They bring it in at different points of their lectures and make it a dynamic and powerful tool. It adds insight into the concept that they’re discussing.

For example, we have a marketing professor who uses what he calls “the hourglass method.” When he introduces cases, he tells students, “Let’s start very broadly.” He talks about the broad issues in a particular case. Then, he works them down to the question, “What is the decision that has to be made?” At that point, he invites them to bring out their laptops and use the data made available for the case to gain insights into the decision that needs to be made. He then gives the students a few minutes in class to do their analyses, find the best situation, pull that information up, display it in class, and discuss it. He calls it the “hourglass method” because he starts out broad, then narrows their focus to the data, and finally returns to a broad discussion.

The wireless world is setting up an expectation that you can get to any information anytime. However, in an educational setting, we must decide where the technology fits best and where it doesn’t belong.

—Jason Frand

We have another professor who uses Web technology to help students understand the company in the clearest context. Students look not only at a company's Web site, but also at its competitors’ and suppliers’ Web sites. This exercise helps students understand that these companies don’t work in an isolated world. They look at these models to understand how organizations work.

The wireless world is setting up an expectation that you can get to any information anytime. However, in an educational setting, we must decide where the technology fits best and where it doesn’t belong. In many cases, our job is to teach the students how to decide which information they should be getting, not just providing it to them. We’re trying to get closer, not just to understanding, but to enforcing a culture that says that there are some places where we just don’t use the technology.

Three years ago, the default was to plug in your computer. If the faculty didn’t want you to use it, they would ask you to not use it. We’ve changed that. Now the default is, don’t plug in your computer. The faculty will ask you to plug it in if they want you to do so.

How can schools best keep up with technological advancement without being overwhelmed?

We once did a graph that showed that mainframes came into schools over a 30-year period. Microcomputers came in between 1979 and 1989, moving from a point where they were not in any schools to being in 100 percent of them, essentially.

Then we started looking at laptops and how quickly those have spread, almost overnight. And Palm Pilots have gone from nonexistent to essentially everywhere. So, these technologies are being introduced and worked into the system at an ever-accelerating pace.

As I said earlier, students don’t necessarily think of computers as “technology.” They are just some of the tools available for them to use on an ongoing basis. What we think of as very new and exciting technologies are just part and parcel to the tool kit that every student now expects to use. Can you imagine not having a telephone? For students it’s no different. They can’t imagine functioning without access to these tools.

But the new technologies are spreading very quickly. Managing them and figuring out how they fit into other technologies represent major managerial and financial challenges for universities. One simple strategy schools can use when introducing a new technology: Don’t be the first one to do it. There isn’t necessarily a first-user advantage with these technologies. The learning experience that comes with waiting may far outweigh the advantage of being first.
With communism only a decade gone in Central and Eastern Europe, Many believe that ventures into management education and
The region still is charting its best course into the global economy. Entrepreneurship will put this promising market well on its way.

On the Path to Prosperity

So much attention has been paid to the wonders of “e-business” and the electronic age, it may be easy to overlook another important “e” steadily gaining in global importance. For the economies of Central and Eastern Europe, especially, this “e” stands for “entrepreneurship,” which many analysts believe will be the saving grace of that region.

Burgeoning private enterprise promises to create wealth in the private sectors of Russia, Lithuania, Poland, the former Yugoslavia, and other countries in the region. But even more important, it also may introduce innovation and adaptability to an unpredictable economic climate, characteristics that simply were not cultivated under communist rule.

Michael Diedring, Director General of the Baltic Management Institution, an executive education provider in Vilnius, Lithuania, has witnessed many of the changes experienced by that country firsthand. It’s not just the transformation of an economy at issue, he points out. It’s the transformation of an entire mindset.

“In many parts of the world, it’s OK to have ‘failed’ as an entrepreneur. Such failure is often even considered a ‘badge of honor.’ Many extremely successful

by Tricia Bisoux
entrepreneurs do not succeed until their third or fourth venture,” says Diedring. However, the perception of failure is much different in countries such as Lithuania.

“Entrepreneurs in this part of the world must be brave. They risk not only financial ruin and legal problems, but negative social consequences if their businesses fail. In Lithuania’s population of 3.5 million, for example, everyone is somehow related or knows everyone else. The news of a ‘failure’ is quickly spread through the entire society,” he explains. “In addition, European culture does not celebrate business in the same way as other cultures. It is still common for many educated people to see business as ‘dirty.’”

Economic scholars believe that educating the people about starting and managing businesses may be the best way to help Central and Eastern European countries thrive. And it may be up to management education institutions, at least in part, to provide much-needed training to some of the world’s most eager, yet most uncertain, entrepreneurs.

A Time of Reconstruction
Many vestigial remains of communism are still present in the banks and governmental agencies of Central and Eastern European countries. High taxes, low capitalization, legal entanglements, and few support systems are problems that still must be addressed for entrepreneurship to truly take hold, says Andrew Wilson, senior program officer with the Center for International Private Enterprise (CIPE) in Washington, D.C. The region’s old communist infrastructure must be rebuilt into a new, more flexible system, he believes.

“The level of difficulty varies from country to country, and follows a north-south pattern. Countries such as Poland, the Baltic States, Hungary, and the Czech Republic, which started their transitions from communism earlier, have done very well. But for others whose governments have resisted reform in the past, such as Bosnia-Herzegovina and Macedonia, it’s a much different story,” he says.

“The small entrepreneur has a very difficult time,” Wilson
continues. “The regulatory environment can be daunting. The assistance that Western entrepreneurs take for granted—government agencies, tax breaks, and bank loans—is simply not there. In Montenegro, for instance, a person has to make a $20,000 deposit to the government just to start a business; that’s several years’ salary. And usually, most people can’t afford employees because the labor laws are so severe. For every $100 they pay in official salary, they must pay additional taxes of $200 or $300. That forces many business owners into a gray economy, where they keep two sets of books.”

A trend of “survival entrepreneurship” has emerged in these regions, explains Wilson. Those who have lost their formal jobs have been compelled to begin small, informal “suitcase trades” to survive. However, although these activities may be undertaken out of desperation, such initiative may serve the region well. These new microenterprises indicate a “natural spirit for entrepreneurship” that should be cultivated, he says.

Most agree that changes in long-established and traditionally sluggish institutions such as governments and banks will be slow in coming. That’s the reason organizations such as CIPE are pinning their short-term hopes on management education as a means to get the Central and Eastern European economies going.

“Entrepreneurial skills are important, but people there also need basic management skills,” says Wilson. “We’re talking about writing a business plan, getting credit, and learning bookkeeping. We need to target the small entrepreneurs and teach them these skills in order to get them into the economy.”

CIPE and other support groups like it provide direct assistance to entrepreneurs, work toward institutional reform, and cooperate with small business support centers and education institutions in order to encourage and instruct these individuals.

“We’ve been working since 1990 with different programs in the Balkans,” adds Wilson. “We have focused on the development of small and medium enterprises (SMEs) as a priority for the region, because most agree that the old socialist enterprises are not going to cut it.”

**First, Educate**

In light of the formidable obstacles facing these entrepreneurs, a strong foundation in business education has become not just important, but vital. In addition to the management skills required by anyone who starts a business, entrepreneurs in Central and Eastern Europe also must develop coping skills to work around obstacles unheard of in most Western countries.

“Under the old regime, entrepreneurs often derived their opportunities from imperfections in the ‘system,’” says Stefan Kwiatkowski, a professor of entrepreneurship at the Leon Kozminski Academy of Entrepreneurship and Management in Warsaw, Poland. “Those efforts to ‘beat the system,’ whether through opportunistic or parasitic behavior, were a response to working under an essentially omnipotent government.”

That habit of exploitation has led to a lack of understanding of how a capitalist economy operates, perhaps one of the biggest obstacles facing these entrepreneurs. Where communist economies worked under perpetual shortages of goods, putting control of the market in the hands of the sellers, Western economies are based on an abundance of choice. The consumer holds the upper hand, and the market determines, in large part, what a seller must do to survive.

“Local companies are struggling to understand the cyclical nature of a market economy. The early 1990s, for example, was a time of rapid development and easy money,” says Diedring of the Baltic Management Institute. “But when the Russian Crisis occurred in the mid-1990s, it forced companies in this region to turn away from their traditional markets and improve their products for the markets of Western Europe.

“At this time, many inexperienced entrepreneurs were unable to manage the transition and lost their businesses,” he points out. “But those who survived are learning to compete in the Western markets, where quality, service, and speed often count as much as or more than price.”

A dearth of good managers is at the top of the list of woes for many parts of the region, and is at the top of the list of priorities for local business schools. Because the importance of
developing creative management practices and effective coping strategies is now widely acknowledged, management education institutions promise to play an increasingly vital role in putting Central and Eastern Europe on a more even footing with the West.

But the entrepreneurs aren’t the only ones following a learning curve. Management education institutions operating locally must match their services to the changing needs of a rapidly evolving region, in which old world perceptions and new economy necessities still co-exist and often come into conflict. At times, teaching business and coping skills in such an environment, while keeping on top of world trends, can be a daunting task.

At schools such as the Kozminski Academy of Entrepreneurship and Management, emphasis is placed on fundamentals. “We must teach the very basics, from math and history to accounting, economics, and law, to business ethics and philosophy,” stresses Kwiatkowski. “We must teach concrete skills on dealing with the market, but we also teach the art of learning to learn. For example, knowing ‘what’ to do is not as important as know-how, know-who, and know-when.”

And perhaps most important, he adds, business schools must make learning and teaching attractive to each upcoming cohort of students. In this way, schools can ensure that the cycle of management training continues.

**A Sense of Community**

In the West, communications technologies have created an environment in which sharing information is seen as almost essential to building a healthy economy. This tendency to network, almost taken for granted elsewhere, is not as strong in Central and Eastern European countries, says Blair Kolasa, prorector of the Higher School of Business-National Louis University of Nowy Sacz, Poland. One of the stronger economies in Central Europe, even Poland faces challenges in this regard.

Kolasa explains that in the early years after communism, a strong individualistic streak was beneficial, if not crucial, for an entrepreneur’s survival. “The economic atmosphere for entrepreneurs in Poland was the most favorable in the early 1990s, when most barriers to individual effort in the new Commonwealth were seemingly diminished,” he says. “The sheer numbers of startups of small or medium size appeared to be more than the bureaucrats could, or perhaps wanted, to effectively control.”

However, while that streak is an advantage to an entrepreneur in getting a business started, it does not help in reforming systems that stymie even the most determined would-be business owner. “The Poles have always been individualistic, which helped them to adopt various ways to bypass the restrictions imposed by the government. Most of our entrepreneurs come from technical backgrounds, such as engineering, which help them cope with those types of problems,” continues Kolasa. “However, the downside to this individualism is that there is a reluctance to join together to lobby for better conditions. There has been some recent movement toward the development of trade associations, but the inclination to network is still at a low level.”

However, alliances have formed that are encouraging interaction and idea sharing between managers, organizations, and even countries. The Polish-American-Ukrainian Cooperation Initiative (PAUCI), an organization funded by the U.S. Agency for International Development, is one such effort to bring together countries at all stages of economic independence. PAUCI’s central purpose is to help the Ukraine learn from Poland’s successful transition so that it, too, can create a healthy national economy. In addition, the organization hopes that it will allow the two countries to share and learn from the other’s experience.

“There has been a recent warming of relations between Poland and the Ukraine, and to a lesser extent, between
people in their 20s and 30s are leaving countries such as Serbia for the West.

Poland and Russia,” Kolasa notes. “This is perceived as an opportunity for export from Poland to those countries, because, in the past, the business conditions in those countries were not favorable to the Poles.” Increasingly, says Kolasa, Poland is perceived as a “bridge to the East.”

As alliances build across the globe, Central and Eastern European countries are seeking partners in business and education, as well as other support systems to help the region build its infrastructure. Many believe that such partnership may prove to be a wise investment for foreign organizations as these countries become stronger economic forces.

**Investing in Intellectual Capital**
Perhaps the strongest indication that Central and Eastern European countries are on their way to a brighter economic future lies in the changing attitudes of the younger generation. Although many in the older generation may see business as “dirty,” as Diedring describes, many young people see it as something else: opportunity.

“Younger people are starting to see that business is not only materially profitable; it also can be intellectually stimulating and socially rewarding,” notes Diedring. The promise of intellectual reward is, in fact, drawing people with artistic and scientific backgrounds to apply their creative and analytical skills to the business arena. The trend toward “intellectual entrepreneurship” is so prominent that the phenomenon of new entrepreneurs and support is mandatory.

“Countries such as Poland and those in the former Soviet Union offer a very hospitable environment for intellectual entrepreneurship. The artists and scientists once were financially supported by the government. They had a very good life under socialism,” he explains. However, when that support vanished, these intellectuals needed to find a new means of support and a new outlet for their talents.

“You would be amazed at how many mathematicians and physicists are now in business,” Kwiatkowski says. “Because of their backgrounds, they have a talent for handling chaos, for working within it to make good decisions.”

In the last two decades, many management education institutions have opened in the region, much to the delight of those who wish to help these countries make successful transitions into the global economy. Educators have made it a priority to cultivate existing talent and to spark an interest in business among the young, whose outlook is decidedly different from their “old world” predecessors. And, ironically, while business schools have worked toward this goal, they also have had to adopt the same entrepreneurial practices that they must teach to their students.

Since the Baltic Management Institute opened its doors to executives in 2000, with the help of startup EU funding, the school has been an intellectual and entrepreneurial venture in every sense, says Diedring. “We like to think of ourselves as totally entrepreneurial in nature. We must keep close track of customer needs, price our services appropriately, and position ourselves as a center of excellence for this type of management training in the Baltic region.”

The Higher School of Business-National Louis University, says Kolasa, also realizes that its mission as a purveyor of management education is crucial for the region it serves. “We have a mandatory course in entrepreneurship at the bachelor’s and master’s level; in addition, we require students to participate in a short internship with a firm.” To assure the economic success of the region, he holds, “more education and support is mandatory.”

In addition to a lack of capital, these economies are also suffering from a gradual “brain drain,” says Wilson, as people in their 20s and 30s are leaving countries such as Serbia for the West. Wilson of CIPE hopes that local business programs may create more opportunities at home to retain that talent. “Medium and large enterprises really need the management skills right now,” he says. “If these companies are going to be competitive, they need to be able to train local managers. Therefore, we need to create good management programs in the region.”

Although the West is looking at Central and Eastern European countries with great interest in terms of what they might add to the global economy, the interaction, for now, is somewhat one-sided, Wilson says. That is, the global economy can survive without Central and Eastern Europe; but that region cannot survive without help, he believes. The transformation will start with quality education programs that focus on business building and the nature of competition, as well as investment of talent and capital from global organizations.

The greatest challenge, concludes Diedring, is “to create well-trained middle to senior managers who understand how business works in a market economy.” As management education becomes more accessible to the general population, so, too, will the opportunity to prosper locally and globally. The next generation of well-trained entrepreneurs may be the catalyst for sweeping change in these emerging markets, putting them on their way to a healthy and thriving economy.
The pedagogical pendulum is swinging again, toward teaching across disciplines. As the demand for “big-picture” graduates intensifies, business schools experiment with ways to make integrated curricula work.

by Tricia Bisoux

illustration by Dave Cutler
n 1994, when Professor Richard Conway approached dean John Elliott of Cornell University in Ithaca, New York, about a semester-long, cross-disciplinary spring course in manufacturing, both knew it would be a logistical challenge. Coordinating multiple faculty members and visiting speakers, arranging site visits to more than 20 companies, and maintaining a level of intense contact with students would require a decidedly innovative approach to education—and a great deal of effort.

There weren’t a lot of volunteers, says Conway. “In the ‘Semester in Manufacturing,’ a professor’s teaching load is concentrated in the spring, while the fall semester is spent planning activities,” he explains. “You have eight months of research time and four months of very intense teaching. A lot of my colleagues thought it was good for the school, but they didn’t want to do it themselves.”

Conway, however, jumped in wholeheartedly as the coordinator of the new program. Since 1994, the “Semester in Manufacturing” has been an unmitigated success, producing students who are often the first to be hired by corporate recruiters. As of today, the integrated program has inspired four other “Semester in…” courses, covering brand management, corporate finance, investment banking, and e-business. Students participate in site visits, during which they ask questions, explore problems, and offer advice. Fewer than 20 classes during the semester consist of traditional lecturing. Instead, students work in teams to develop business plans and solve real-life business problems.

Integrated education programs in schools across the country are catching the attention of high-level recruiters looking for graduates who have experience in putting the pieces of complex business puzzles together and presenting effective, insightful solutions. Unlike traditional lecture formats, cross-disciplinary presentations of material allow students to see how various departments in a corporation work together, and how one discipline fits into another.

They start as “tourists,” says Conway, “but after 25 site visits, they have seen many different ways of solving the same problems and have heard many managers say that theirs was the only path to truth. By the end of the semester, these students are consultants.”

The corporate call for the “new worker” of the 21st century—one who is well-versed in teamwork and connective thought processes—has compelled business schools to rethink the way they deliver education. Integrated methods are difficult to organize, require almost unrelenting attention from faculty, and can be costly. However, as the demand for such programs increases, one thing is clear: For students to think across disciplines, they must be taught across disciplines. As a result, the familiar image of a lone professor lecturing authoritatively to a passive group of students may soon be the exception rather than the rule.

Breaking Down Barriers

The new demand for students educated across disciplines is just one outcome of e-mail, the Internet, and wireless capabilities. The more companies adopt these technologies, the more employees with traditionally segregated specialties interact. And the more they interact, the more business schools may be forced to respond with curricula that answer the needs of corporations that are becoming increasingly collaborative.

Frances Engoron, a recruiter with New York City-based PriceWaterhouseCoopers, notes that she looks specifically for graduates with cross-disciplinary instruction in their backgrounds. Traditional “silo” courses may give students a grasp on a single specialty, she notes, but many corporations have outgrown the need for thorough, but narrow, knowledge of a single aspect of their operations. They require people who can look across many areas to “connect the dots,” so to speak, and create a complete picture of a problem.

“Leaders have pushed different ways of thinking,” says Engoron. “From a business and social organizational standpoint, we’ve started to break down some of the traditional barriers. Very rigid hierarchical organizations have, frankly, gone out of vogue. People didn’t particularly want to work in those organizations anymore.”

Many of the dot-coms and the successful technology-based companies started with different organizational structures, observes Engoron. The need for graduates with broad knowledge is one result of that influence.

In the late ’90s, Internet start-ups changed the way people work together, from the rank-and-file to an intellectual free-for-all in which group interaction made work almost fun. And in spite of the tech crash of March 2000, the many now-defunct dot-coms, which espoused casual, collaborative, creative working atmospheres, have indeed left their mark.
These companies, in fact, very well may have started, or at least intensified, the collaborative trends that are now so clearly painting a different landscape in business, one in which the separate colors on the palette are considered less effective than they are when blended on the canvas.

**It Takes a Village**

Integrated courses, such as the “Semester in…” programs offered at Cornell University, have counterparts throughout the world. Other programs, such as the integrated EMBA program at Villanova University in Villanova, Pennsylvania, and the integrated BBA program offered at the Chinese University of Hong Kong, are based on a similar tenet: It truly does take a village of professors and business leaders to raise a business school graduate.

But better yet, in an integrated approach, students often develop the skills and insight to “raise” themselves, says Professor Jim Bradley, who succeeded Professor Conway in Cornell’s program. “It is amazing that, even with an experienced faculty, students will come up with perspectives or approaches to a problem that the faculty haven’t thought of before,” he observes.

And not only are faculty members learning from students; they also are learning more from each other than is customary in a silo-segregated atmosphere. The more disciplines are delivered in concert with one another, the more faculty members must work together to make that delivery as seamless as possible, benefiting from their colleagues’ expertise in the process, says Japhet S. Law, dean of the business school at the Chinese University of Hong Kong.

In 1987, CUHK systematically converted its BBA curriculum from one devoted to “functional areas” to one adopting an integrated approach, Law explains. Once CUHK’s integrated program was in place, it offered a chance for faculty to work together as they never had before. This new cooperative teaching and organizational approach resulted in increased communication, more efficient administration, and, after the daunting task of planning and scheduling was complete, a reduced teaching load.

“The integrated approach has enhanced the internal communication among members of different departments. Administrative tasks, such as admission talks and course registration, can be centralized,” explains Law. “And, generally, the resources that the faculty have invested in the operation of the integrated BBA program have been reduced and are more efficiently used.”

Not that adopting such a system is easy, says Law. Occasional faculty meetings turn into full-fledged team-teaching sessions under an integrated system, which in turn take a great deal of planning and teamwork on the part of participating faculty members. Many faculty members were overwhelmed by the planning and interaction that an integrated approach requires. In the end, some faculty will be eager to change, some will be reluctant to change, and some may refuse to change at all.

But once an integrated curriculum is in place, says Law, its advantages are two-fold. Not only does it encourage students to think across boundaries, it also enhances their problem-solving abilities. “The change better reflects our teaching philosophy that we are not simply teaching our undergraduates technical skills,” Law concludes. “Rather, we are training them in conceptual and analytical skills that will help them make better business decisions.”

To be sure, corporations require employees who can solve “complex, cross-functional problems,” maintain professors Stephen A. Stumpf and Walter G. Tymon Jr. In a paper about Villanova University’s integrated approach to its EMBA program, Stumpf and Tymon contend that workers must be able to use a diverse range of communication technologies and understand a variety of knowledge to be effective in the marketplace.

Villanova’s EMBA program revolves around five “modules,” which center on themes such as integrating business processes, decision-making, management, leadership, and strategies for a changing environment. Students learn tradi-
tional subject matter—such as ethics, negotiations, and accounting—as they relate to the whole of the business model of a fictitious company called Foodcorp. In the next decade, the ability to relate the parts of a problem or issue to a whole business or industry will be an increasingly essential component to an employee’s resume, especially for executives, says Stumpf.

“Yes, some employers want MBA students who have concentrated on a set of focused courses, but rarely in the EMBA market,” says Stumpf. “EMBA sponsors tend to want the university to broaden their employees, not specialize them.”

A Big-Picture Perspective
The benefits of an integrated educational program are clear, say its champions. However, the costs to a business school are considerable. The cost-versus-benefit ratio of integration is one that administrators are studying with a cautious eye.

 decades of tradition have instilled in educators a high level of comfort with a “functional” approach, in which each discipline functions within a world of its own, rather than as a part of an integrated whole. Employer-driven forces for an integrated, cross-functional approach to learning are gaining momentum, however, especially in EMBA programs.

Regardless of how comfortable administrators, faculty, and students may be with the traditional functional silos, most recognize that an integrated approach to learning is more relevant to the challenges businesses now face. Adult learners, especially, now realize that business problems are complex and messy. They acknowledge that their business solutions must go beyond functional boundaries.

Employers also have become less tolerant of programs that they perceive to be rigorous, but that do not demonstrate practical, immediate relevance. The graduates they hire and the employees they fund for EMBA programs are likely to become their future corporate leaders, who must be able to go beyond handling neatly packaged projects. Employers seek educational programs that reflect the realities of their businesses.

As a result, business schools must carefully conceive their approaches to executive education. In the integrated EMBA program at Villanova University, the goal has been to develop and deliver a program based on a “business mastery wheel.” At the core are the students who must learn how to become adaptive problem solvers. Faculty must be willing to guide and mentor in terms of student needs for an integrated program, not in terms of the faculty member’s current research agenda or last year’s syllabus.

Perhaps the most overwhelming challenge of an integrated program is its organization. It must be structured so that each topic enhances rather than hinders understanding of other subjects. As Villanova's EMBA program has developed, so has its organizational structure. For example, the schedule of topics and timing of evaluations is driven by learning objectives, not faculty convenience. The curriculum must be thoroughly integrated and cross-functional, encompassing technology, ethics, social responsibility, communication, globalization, negotiations, team building, leadership, and learning through experience.

In spite of the best intentions of integrated programs, experience has taught us that integration cannot succeed unless everyone involved works toward this common goal. At Villanova, coordinators have established faculty Curriculum Integration Leaders (CILs) to assure that the vision of integra-
“There is a cost in terms of resources,” explains Bradley of Cornell. “It takes more faculty members to run these courses. In terms of our program, it takes time to set up 20 plant visits, organize buses, and arrange schedules.”

Resource allocation and curriculum flexibility are both downsides to an integrated approach, agrees Law of CUHK. Both must be addressed in the planning stages. “Here, the majority of funding allocated to departments is based on student numbers. Hence, departments are sometimes competing with each other for student numbers,” Law explains.

In addition, although students with cross-disciplinary experience often outperform their more specialized counterparts in competitions, and are readily hired after their education is complete, there is another piece of the puzzle to consider. Business schools are treading carefully, fearing that following the trend toward integration too completely may leave students’ understanding of individual topics lacking.

Before schools jump on the integrated bandwagon, they must consider whether a conversion to cross-disciplinary approaches, at the expense of functional specialization, may produce students big on perspective but small in their attention to detail. Students who follow a broad-based curriculum, and so, lack affiliation with a single department might suffer what Law terms “minor identity crises.”

In the end, teaching—and learning—across disciplines should not mean sacrificing specialized knowledge, believes Stumpf, but enhancing it. “Offering an ‘integrated’ program does not mean that specific topics are not covered. What it means to us is that when you cover a specific topic, you do it in such a way that it relates to what will follow and links to what has come before.”

“All of us face a marketplace in which students want to prepare for their careers effectively, and recruiters want to bring people into their organizations who pass the test,” observes Elliott of Cornell. “We all face this historic pendulum swing between an intellectual, academic approach to knowledge and an applied, practice-based approach to knowledge. We’re at a point where we would like to think we are effectively integrating the two.”

Addressing concerns and walking a tightrope between functional silos and cross-disciplinary methods are part and parcel of building an effective integrated program, one that produces the students that will meet the needs of employers. The next few years, administrators believe, will tell just how well business schools manage to prepare students for what promise to be wide-ranging careers in complex, ever-changing models of business.
The executive edge

EMBA programs have come on strong as win/win/win initiatives. Business schools, students, and...

Executive MBA programs have been around for close to 60 years, but they’ve only recently been recognized—formally and informally—as critically important school programs. Formally, both the Financial Times and BusinessWeek introduced rankings for EMBA programs in October 2001, using this set of rankings as one of several platforms to rate business schools and their strengths.

Informally, schools themselves have realized what big platforms these EMBA programs can be. With some schools charging upward of $100,000 for a two-year program, and most schools cementing their alliances with corporate stakeholders by grooming their executives for better positions, EMBA programs are sound investments, both financially and strategically. They represent an opportunity for schools to carve out a niche for themselves regionally, even if they’re competing against powerhouse international schools. And while they might not be entirely recession-proof, historically EMBA programs function well in a poor economy, as corporate workers strive to make themselves more valuable in their current positions—or more employable elsewhere.

The first surge of EMBA programs came in the ’70s and ’80s for U.S. programs and in the following decade for European schools, according to Maury Kalnitz, executive director of the EMBA Council (www.emba.org). But schools worldwide are still adding EMBA programs, albeit at a slower rate than in the past ten years. One reason for their sustained growth is that these programs can offer generous revenue streams; another is that EMBA programs, which depend so much on peer learning, clearly fit the concept of integrated curricula and a broader approach to management education.

“In the ’70s and ’80s, we focused on the silos of industry, finance, marketing, operations, and human resources,” says Kalnitz, who is based in Atlanta, Georgia. “I used to be in product development. At one point my vice president said, ‘Technically, you’re great, but you’re in a position now where you’ve got to communicate with VPs of marketing and CFOs. You don’t speak the same language, and they sure aren’t going to learn yours.’ An EMBA offers executives that chance to broaden their knowledge.
“In addition, as companies have flattened their organizations and gone to team-based concepts, they’ve recognized the value of learning to work in teams,” Kalnitz continues. “All EMBA programs have a strong team component, and that’s another reason the programs have grown.”

Joining the Team

In fact, team projects and peer learning are two of the hallmarks of EMBA programs. Most are lockstep cohort programs that require participants to interact with fellow students for lengthy projects and force them to understand the strengths and weakness of each team member. Even when they’re not working on projects, participants are thrown together through intensive study periods and residency stays that range from two days to a week. These residencies often kick off the program or occur at the beginning of middle semesters.

“We begin our program with a one-week residency,” says David Ravenscraft, associate dean of the executive MBA program, Kenan-Flagler Business School, University of North Carolina, Chapel Hill. “During that period we help the students bond as a class through outdoor challenge exercises, interactive class exercises, and social functions. We set the tone with regard to our expectations for the students and give them a foundation in both quantitative analysis and the case study method.”

The residency facilities are often high-comfort, high-tech centers that offer every amenity and are located right on campus. At Case Western Reserve’s Weatherhead School of Management in Cleveland, Ohio, there are no on-site facilities for the EMBA program, but residency stays are still important. Students check into top-quality hotels in Cleveland for short overnight stays, and in more exotic locales for longer residencies where less travel is involved. Isolated from distractions, students are obligated to interact with each other and focus on their material.

At the Graduate School of Business Administration Zurich in Switzerland, the approach to residencies is significantly different, and programs are not lockstep. “Our EMBA consists of six two-week, full-time modules—about 1,300 classroom
There are more than 10,000 employees. The average participant has ten percent of the group, and 33 percent come from a company with median age for participants is 37. Women represent 22 percent of our class already have corner-office titles. Participants bring a wide range of experience to the classroom—or at least that’s the goal of the administrators. Says Neil Sicherman, director of the new executive MBA program at Villanova University in Pennsylvania, “You don’t want to bring in a group of people who all come from the same background, who are all going to look the same, speak the same language, and have the same functional area of expertise, because they’re not going to learn from each other. I can fill a class with finance people, but that would be an incredibly bad thing to do.”

Diversifying the Approach
Despite the emphasis on diversity, participants tend to fit a certain profile. Figures compiled by the EMBA Council’s benchmarking survey of EMBA programs indicate that the median age for participants is 37. Women represent 22 percent of the group, and 33 percent come from a company with more than 10,000 employees. The average participant has ten years of management experience.

Program directors are acutely aware of these statistics, and many are working to change them. “Women are underrepresented in EMBA programs across the country, which is not surprising, considering they’re underrepresented at the senior executive level,” Sicherman. In his current EMBA class at Villanova, 30 percent are women. “I’m both proud of that number and disappointed by it,” he says. “We want to become known as an EMBA program that is very inclusive. We’re doing things like targeting professional groups, African American professional groups, and women-in-business groups. I talk the talk of diversity, and I really believe that’s where you learn; but I want to walk the walk. I want to really get the kind of group that would allow me to go out and say, ‘See! We really mean it.’”

Administrators also want a diverse ethnic mix, and Leonard notes hopeful signs at Goizueta. “Part of that is due to the fact that diversity programs in corporations over the past five years have pushed finding and promoting good minority candidates,” he says.

Diversity is equally important in terms of the nationality and background of the students participating. At New York City’s Columbia University, a new EMBA-Global program seems designed to draw a mixed group of students. Held in conjunction with the London Business School, this dual-degree program brings students together several days a month in concentrated blocks of time that alternate between New York and London. Thus, it appeals to executives from all over the world.

“This class is 50 percent non-U.S., as opposed to our local options, where classes are 25 percent to 30 percent non-U.S.,” says Dina Consolini, formerly associate dean for executive MBA programs at Columbia. “With a schedule like this, it’s easy for us to get people from Latin America, Europe, and Africa.”

Going Global
Columbia’s EMBA-Global program is new, but it’s part of a growing trend among schools all over the world. Kenan-Flagler has joined with four other institutions to create OneMBA, which will give EMBA participants a chance to study in Asia, Europe, South America, and North America. At GSBA Zurich, many modules are taught in both German and English; and a certain number of courses must be taken at GSBA’s partner school in America, the State University of New York in Albany. Case Western is planning to offer a Global EMBA program in the fall of this year as Weatherhead partners with several other schools internationally. “It won’t involve as many face-to-face meetings. Students will meet only so many times over the whole program, each time in a different location,” says Marilyn Chorman, senior program manager of the school. Other schools are joining in worldwide alliances that allow participants to take some of their EMBA courses on campus of the partner schools. Such schedules expose executives to a wide range of cultures and business practices, increasing their ability to conduct international business.

“I think nowadays people are really global managers,” says Consolini. “They’re not just doing a job out of New Jersey. They need to have exposure to global concepts in strategic management, in finance, in accounting. And it’s not just what they learn from their professors, whom they expect to have experience from around the world. They really want to be in a classroom with somebody who represents a global company.” EMBA program administrators also emphasize foreign
travel, whether or not part of their programs take place at alliance schools. For instance, Columbia’s EMBA students have gone to China and various parts of Europe. Case Western students visit two European countries, one with a solid economy and one that is in transition. Goizueta’s students have also traveled all over the world.

“We’re not married to any one particular place,” says Leonard. “I’ve said, ‘You guys pick the regions of the world, and I’ll pick the cities.’ I’ll say why I think a combination of Eastern Europe and Western Europe might be interesting. I’ll tell them what might be interesting if we went to Southeast Asia or South America.”

“Our goal is to explore and contrast the cultural, historical, political, and economic issues,” says Case Western’s Chorman. “We look at how history has shaped the practices of that region. So definitely they have to experience some of the culture of that country. That might include opera. It might include shopping.”

In their travels, students study everything about the way business is done, from hours of employment to paternity leave policies. Some students might meet with business executives and do factory tours, then write papers on how a particular company could improve its marketing. Programs vary, but each one is designed to get students to see that life—and business—is likely to be very different outside their own country’s borders.

**Spotlight on Sponsorship**

While the international trip often caps the EMBA experience, most students begin their pursuit of an EMBA by looking for help a little closer to home. Although some schools offer nighttime and weekend EMBA programs that don’t require a student to take time off from work, it’s more common for programs to meet on Fridays and Saturdays, or for weeklong sessions every month or two. Thus, program participants must have the blessing of their employers before they enroll. In fact, many corporations are partners in the EMBA process, not only selecting promising executives to push toward these classes, but sponsoring the students by paying all or part of the tuition.

While some students still make an individual commitment to come to Case Western and then secure the backing of their employers, Chorman envisions a day when that could change. “We hope to be able to go to companies and create partnerships with them so that we can say, ‘Okay, XYZ Company’s plan is to send us two people a year.’ We’d like to work with five or ten companies a year that way, so they include tuition in their development plans for their employees.”

The majority of employers do pay for some or all of the degree, though economic factors can affect those percent-ages. According to the EMBA Council’s 2001 benchmarking survey, 19 percent of students enrolled in EMBA programs received no reimbursement from employers. That was a big jump from 2000 survey results, in which only six percent did not receive any reimbursement. It was, however, more in line with figures from the 1999 survey. High sponsorship in the year 2000 may have been a response to a boom economy.

“Certainly when times are tough, companies cut back on training,” says Kalnitz of the EMBA Council. “We’re seeing more companies saying, ‘I can’t give you 100 percent. I’ll give you 80 percent,’ or using tuition reimbursement to support the programs.”

“About 75 percent of our executive MBA students receive some funding from their companies, but the level of support varies greatly,” says Ravenscraft of Kenan-Flagler. In addition, he says, “there has been a definite trend toward more company diversity in our program. We used to be dominated by executives of large companies. Increasingly, we are seeing executives from medium and small businesses, start-ups, government, and nonprofit organizations. This variety has greatly enhanced the classroom experience.” However, he adds, many of these smaller organizations cannot provide the sponsorship or tuition reimbursement benefits that larger corporations can afford.

**Seeking Out Students**

To fill their classrooms, program administrators court both corporations and individual students through a combination of open houses, advertising, corporate visits, and alumni networks. “We have a two-pronged approach,” says Sicherman of Villanova University. “We go to local companies and visit with high-level executives, often their CEO and senior human resources people, to find out what their needs are. We also have information sessions that target alumni and professors in the area.”
“We run ad campaigns on the radio and in the newspaper, and in certain kinds of weekly papers like *Crain's Cleveland Business,*” says Chorman of Case Western. “We also hold open houses, and we have a very active Web site.”

Members of the EMBA Council share recruiting brochures with each other. At conference workshops, they explain what marketing approaches worked for them and what didn’t. Attendees at regional conferences also may discuss other issues, such as layoffs at the financial institutions that provide most of the students to EMBA programs in their part of the country. Armed with this knowledge, administrators can fine-tune their marketing efforts.

Because EMBA students are working professionals who can’t stray far from other responsibilities, most programs tend to draw students locally and regionally. “Weekend EMBA programs tend to be regional markets, and evening programs tend to be local markets,” says Ravenscraft of Kenan-Flagler.

“We see the potential reach of our weekend program as any city in the Eastern or Central time zone with a direct flight to Raleigh-Durham.”

Other program directors estimate that most of their students come from within a 25-mile radius, though a two- or three-hour commute is not uncommon. Programs with extended blocks of instruction, like Columbia Business School’s EMBA-Global, can attract students from a greater distance because participants only have to travel once a month. Chorman is looking forward to a change in the current program, “from a weekly meeting to what will probably be a monthly meeting. This way we will be able to reach out to people outside a two- to three-hour drive time, and we will be shifting from a local to a regional program.”

For the most part, however, when students have to get to

### Council of Experts

**Continuous improvement is an ever-present goal for administrators in executive MBA programs, and many seek help by turning to their fellow members in the EMBA Council.** Composed of approximately 180 schools—including about 40 from outside the United States—the EMBA Council sponsors national and regional conferences that give administrators a chance to learn how to handle everything from budgeting to student counseling to special events.

The EMBA Council also offers a mentoring program for schools with new programs or new administrators. “We ask schools to tell us what kind of mentor they’re looking for,” says Catherine Molony, director of executive MBA admissions at Wharton School at the University of Pennsylvania in Philadelphia. She is also on the Board of Trustees for the EMBA Council with responsibility for the mentoring program. “Do they want to work with someone who has recently started a program? Someone who can offer tech support? Someone who can offer personal or professional support? We look at how we can best match them up.”

The Council’s surveys allow member schools to see how they rate compared to other EMBA programs. The student satisfaction exit survey, which is conducted semi-annually, ranks the overall importance of factors such as quality of faculty, relevance of materials, and the impact of the program on the student’s career. Results are tabulated for public schools versus private institutions, by size, and by region.

Schools also can commission a comparison of their results against six anonymous peer schools.

Survey data also can be used to create loyalty indexes that tell individual schools how their graduates are likely to talk about their programs once they leave. Focus Group Imageworks Inc.—the Chapel Hill, North Carolina, market research firm employed by the Council—categorizes graduates as *apostles,* who evangelize about the program and bolster its reputation; *saboteurs,* who give the program low ratings and can actually hurt it; and *neutral* responders, who neither help nor hurt a program.

Recent surveys have revealed that the three key drivers of student satisfaction in EMBA programs are faculty, curriculum, and teaching methods. Another notable figure from the most recent survey shows that the average EMBA student earned an $85,000 annual salary upon entering the program and $103,000 upon leaving, demonstrating an excellent return on investment for participants. In another measure of impressive ROI, 55 percent of respondents noted that they had received a promotion or a job change because of enrollment in an EMBA program.

Small but significant shifts are occurring in other measures of student satisfaction, says George Bobinski, a member of the EMBA Council’s benchmarking task force and associate dean at the School of Management at Binghamton University, State University of New York. Factors such as classroom facilities, tuition payment options, and communication between the student and the administration “were ranked low in importance in previous years but are moving in the direction of becoming differentiators,” he says. In terms of teaching methods, students are focused on the quality and appropriate use of case studies.
I’ll give you 80 percent,’ or they’ll use tuition reimbursement."

class once a week, they choose a school nearby. Consequently, says Ravenscraft, “EMBA competition has not turned out to be a numbers game like the daytime MBA competition. Working executives have fewer choices. Thus they can perform careful due diligence on a few select schools. They can visit the school and talk to faculty, staff, current students, and alumni.”

Focus on the Future
With so many schools courting participants for existing EMBA programs, or adding new programs to their schedules, is there any danger that the market might become oversaturated? Industry observers have noted a slowdown in the creation of new programs, and they have given some thought to the effects of the September 11 events in the United States and the subsequent downturn in the economy. Nonetheless, they foresee a continuing need for degree executive education.

as well as the quality of guest speakers. “They’re looking beyond lectures and class discussions,” Bobinski says.

In addition, three years ago when the first satisfaction surveys were conducted, students ranked the quality of finance classes as a very important consideration. This year’s survey showed that students across the board were more interested in the quality of the management classes. Bobinski theorizes that EMBA students, who have a high degree of proficiency in their functional areas, have come to realize that they need to pay more attention to the so-called “soft skills” of people management.

In addition to looking at student satisfaction, the EMBA Council commissions a benchmarking survey that covers the vital statistics of running such a program. It asks program directors how many hours of classroom time are required, how many hours are devoted to particular subjects, how the budget is allocated, and dozens of other questions. Last year, 77 schools participated in this survey, helping the council compile industry standards that lead to best practices for all schools involved in such programs.

Such surveys give program administrators a mandate for effecting change in their own programs. “They provide food for thought to every program director who participates,” says Kate Livingston, chair of the Council’s benchmarking task force. “If the director is saying, ‘We should change this about our program,’ it gives him concrete measurable data. He can say, ‘All these other public schools are getting a seven in this area, we’re getting a four.’ Or, ‘We’re doing great in this area, we need to keep it up.’ The ammunition is based on quantifiable data, not anecdotal evidence.”

“Business school enrollment sometimes tends to run counter to the economy,” says Kalnitz of the EMBA Council. “In good times, people say, ‘Why do I need a degree? See how successful I am.’ When times get a little rough, people begin to think, ‘I have to add to my portfolio. I have to add value to myself.’ And they view an MBA as a way of doing that.”

However, the recent terrorist attacks and resulting economic woes don’t translate into your average run-of-the-mill recession. “We’re wondering if people are going to feel the economy is so awful and the world is so uncertain they just don’t know if they want to commit to a year-and-a-half or two-year program,” says Kate Livingston, a member of the Board of Trustees of the EMBA Council and chair of the committee’s benchmarking task force. Livingston, who is also director of the Executive MBA program at University of New Mexico in Albuquerque, is concerned that a bad economy might have a domino effect on schools offering EMBA degrees. Executives could be less interested in pursuing a degree if they’re worried about their company’s stability or its ability to reimburse them for tuition, Livingston says.

Terrorism also has led to fears about international travel, Kalnitz points out. He expects some schools that previously made travel mandatory will now make it optional, but he also expects that attitude to be short-lived. More damaging to some programs, he says, might be the fact that military reservists are being called up to serve in the armed forces. Whether the reservist is the EMBA student or the spouse, the result could mean students pulling out of programs.

Nonetheless, in the long haul, Kalnitz and others believe EMBA programs will thrive. “I expect them to improve as we all learn new ways of doing things,” Kalnitz says. “I expect curricula to adjust as they continually have adjusted to new things. I expect growth in international alliances. I also think that over time schools will be adding more elements with nonacademic value, like career planning. This doesn’t mean changing jobs—but teaching executives that it’s fine to have a career within the company. Schools should help students and companies recognize the value of what the student is learning, so that the company recognizes and utilizes all their knowledge.”

EMBA programs also will prosper because they offer schools so much: a chance to strengthen ties with local corporations; an opportunity to expand course offerings by appealing to a whole new set of students; and an avenue for improving their status within the business school community. EMBA programs also offer schools a chance to increase their name recognition worldwide when they partner with institutions across the globe. Even in an uncertain economy, these advantages add up to success. Z
One of the most potent advertising vehicles is word-of-mouth, the praise of satisfied customers. Word-of-mouth advertising works for retail shops, doctors, hair stylists, and hotels—and it’s becoming increasingly important for institutions like business schools, which rely on a continuing influx of new “customers” to keep themselves viable.

For most businesses, the key to generating positive word-of-mouth is satisfying customers with sales or service. For a business school, the key is providing a meaningful education that boosts a student’s career and provides practical knowledge. According to Kate Ferguson, associate vice provost and director of graduate student recruitment services at the State University of New York at Buffalo, “The No. 1 predictor of future recruitment success is the satisfaction of students who matriculate in a graduate program. Admissions and recruitment professionals are keenly aware of the importance of word-of-mouth—students telling their friends about how valuable their experience has been, or alumni speaking about how their training has helped to advance their careers.”

Because it is so important that alumni sell school programs after graduating, schools have begun to focus more tightly on satisfying current students—and measuring their level of satisfaction through surveys. These surveys help reveal not only what students want, but whether or not they feel they’ve received it during their time in school.

**From Analysis to Action**

Armed with survey figures that measure student satisfaction, administrators and program managers can pursue continuous improvements in their programs—and assure stakeholders that they know what they’re doing and where they’re going.

For instance, students at the Hankamer Business School at Baylor University, Waco, Texas, give and receive feedback about school programs every semester during a session called “Lunch with the Dean.” Explains associate dean Linda Livingstone, “The dean of the business school gives an update on issues related to the graduate programs. Students then can ask questions, express concerns, and provide their reactions to the program.”

On other occasions, the data can help schools administrators reallocate critical resources. Norm Blanchard, Director of Student Services at Boston University in Massachusetts, notes that, “Survey data confirmed something that my staff had suspected. Students were growing disgruntled with the amount of time they had to wait for...
advising appointments, especially during crucial times such as before registration. The first thing we did was go to a system of ‘all walk-ins, all the time’ during crunch periods, which allowed us to service many more students. Subsequent surveys confirmed that students were very happy with this change.”

The data also can fuel curriculum change. According to Blanchard at Boston University, “Students have made very specific requests regarding our curriculum. They wanted more courses focusing on entrepreneurship, e-commerce, and technology in general. In large part, this data drove our new course initiatives over the past few years, and the fact that we were able to go to the dean and provost with hard data made the decision-making process easier. Also, we found our students were clamoring for a minor in BU’s college of communication. Armed with the survey data, we’ve been working with the communication school over the past year to develop an advertising minor tailored specifically to the needs of our management students.”

After reviewing their first year’s undergraduate student satisfaction data, Alison Barber, senior associate dean at Michigan State University in East Lansing, says, “We thought that we should be doing as well as the schools with which we were comparing ourselves, but we weren’t.”

To improve the student experience, Michigan State administrators changed the requirements for admission into the business school, looking at a broader range of criteria and decreasing the number of students admitted from 1,800 to 1,200. They also used a gift from the Lear Corporation to open the Lear Corporate Career Services Center, designed to give guidance to business students and other students seeking a career in business. In addition, they restructured programs so that business majors and nonbusiness majors would take different tracks and even different courses.

“One outcome of this,” says Barber, “was the creation of smaller courses in the senior year. And over the past four years of this change, our student satisfaction scores have reflected the improved quality of the student experience.”

Fixing the Problems
Besides being a catalyst for change, student satisfaction metrics can provide feedback on whether major changes in an academic environment are affecting the core mission—education. Sacred Heart University in Fairfield, Connecticut, for example, has undertaken several dramatic changes over the past five years: restructuring the university, hiring a new dean, and applying for AACSB accreditation.

According to Ed Gore, director of academic affairs for

“\textit{When your students are rating the instruction in one discipline low relative to the instruction in other disciplines at your college, low in comparison to other schools you are benchmarking against, and low in comparison to all schools participating in a survey—}“

Predicting Student Satisfaction

To help schools measure student satisfaction, AACSB International, St. Louis, Missouri, and Educational Benchmarking Inc., Springfield, Missouri, have launched a series of industrywide benchmarking surveys that provide comprehensive data about what students want. Recent survey results can help schools determine the important criteria for six separate groups. In each of the following groups, two top predictors of student satisfaction have emerged:

\textbf{Undergraduate business students} at the time of graduation:

\begin{itemize}
  \item The quality and instruction for courses required for the major.
  \item The quality of the placement and career services.
\end{itemize}

\textbf{Undergraduate alumni} one, two, and three years after graduation:

\begin{itemize}
  \item The extent to which students acquire the knowledge and skills necessary to succeed.
  \item The extent to which they develop the ability to think analytically, critically, creatively, and strategically.
\end{itemize}

\textbf{Full-time MBA students} at the time of graduation:

\begin{itemize}
  \item The quality of faculty and instruction for required courses.
  \item Satisfaction with career services and career placement.
\end{itemize}

\textbf{Alumni of MBA programs} one, two, and three years after graduation:

\begin{itemize}
  \item Whether the program effectively has developed the students’ abilities to think analytically, critically, creatively, and strategically.
  \item Whether or not the MBA degree has furthered their careers.
\end{itemize}

\textbf{Students in part-time MBA programs} at the time of graduation:

\begin{itemize}
  \item Quality of faculty and instruction for required courses.
  \item A high level of satisfaction with fellow students (based on their quality, camaraderie, and work experience).
\end{itemize}

\textbf{Alumni of part-time MBA programs} one, two, and three years after graduation:

\begin{itemize}
  \item Whether the program developed their ability to think analytically, critically, creatively, and strategically.
  \item Whether the program gave them the knowledge and skills necessary to succeed.
\end{itemize}
undergraduate programs, the school made three other key changes. It replaced half its faculty as professors retired or took positions elsewhere; introduced systems to help adjuncts achieve greater consistency in teaching multiple-section courses; and placed more emphasis on research, while maintaining the teaching emphasis of the university. Steadily rising student satisfaction scores have been among the results of these changes. Says Gore, “The scores are not what set us on the road to change. But the scores confirmed that we were going in the right direction.”

Similarly, Dennis Hanno, director of undergraduate students at the University of Massachusetts Amherst, observes, “Student satisfaction is not the only measure. But it can certainly tell us where to look.” If the feedback from the survey reflects problems with one area of instruction, for example, UMA administrators can look into the teaching in a course or discipline. “When your students are rating the instruction in one discipline low relative to the instruction in other disciplines at your college, low in comparison to other schools you are benchmarking against, and low in comparison to all schools participating in a survey—well, you know it’s something to investigate.” Once they corrected such a problem, student satisfaction and learning improved.

“We also use student feedback to monitor the delivery of student services,” says Hanno. “Although our student satisfaction with placement was acceptable across the college, in one area the levels were significantly lower. We investigated that further, and brainstormed solutions. Now we offer additional internship opportunities to students in that major. Our scores have improved, along with student field experiences.”

**Point of Reference**
The trend toward studying satisfaction is clearly growing, and this is true not only in management education programs, but in other professional programs such as engineering, nursing, and education. Furthermore, with each year, schools become more confident in using the information they receive as a way to help manage change and strive for continuous improvement.

Knowledge is power; and power can be used to improve and to strengthen a program’s position, in itself and vis-à-vis its competition. Like any business, business schools need to deliver value. One measure of that value is the feedback from a major stakeholder group—students.

Scott Buechler is Management Education Project Manager for Educational Benchmarking Inc. Darlena Jones is head of Research and Development at Educational Benchmarking Inc.

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**Student Statistics**

Analysis of hundreds of student satisfaction surveys yields an interesting array of facts about today’s business school students, their study habits in school, and their salaries after graduation. Some of the latest numbers from another survey from AACSB International and Educational Benchmarking Inc. indicate that:

- **In undergraduate business programs**, 50 percent of men and 42 percent of women study ten or fewer hours per week.
- **Forty-five percent of those who do not work** an outside job study fewer than ten hours per week. That figure rises to 52 percent for students who work more than 40 hours a week.
- **Nineteen percent of accounting majors** study more than 20 hours per week. Only 11 percent of marketing majors study for that many hours.
- **Twenty-three percent of those with a GPA of 3.75 or higher** study more than 20 hours per week. Of students with a GPA of 2.25 or lower, only eight percent study more than 20 hours per week.
- **Sixteen percent of undergraduate business alumni** earn more than $70,000 per year. Seven percent earn more than $90,000.
- **Sixty-three percent of alumni from part-time programs** report earning more than $70,000 per year. Thirty-nine percent report earning more than $90,000.
- **Sixty-six percent of full-time MBA alumni** report earning more than $70,000 per year. Forty-three percent earn more than $90,000.
- **Eighteen percent of first-year full-time MBA students** expect to receive $80,000 per year or more upon graduation. In fact, only 35 percent of MBA graduates in 2001 actually did receive $80,000 or more per year upon graduation.
- **Eleven percent of alumni who were undergraduates** report that they donate annually to their business school. Twelve percent of alumni who were part-time MBA students and 23 percent of alumni who were full-time MBA students report that they donate annually to their business school.
The Power of Portals

Online portals, which are centralized, customizable areas on the Internet, are quickly becoming a premier method for managing vast amounts of information easily and efficiently. Portals already have been adopted by corporations such as Ford Motor Company, Staples, and Charles Schwab. Now, schools such as Pepperdine University Graziadio School of Business in Culver City, California, are following the corporate lead in building an online information portal for their campus communities.

In an age when it’s easy to suffer from information overload, customizable online “portals” have emerged as the next wave of information management, says Charla Griffy-Brown, director of the Center for Innovative Resources. “We must become more responsible for teaching people how to navigate the information deluge that technology creates. A portal is an effective tool to help them manage that information,” she says.

Consumers have long used Internet portals such as MyYahoo and MyExcite, explains Griffy-Brown. Now software companies are creating products for businesses and business schools to use to make the power of portals work for them. They are creating private portals, or “intranets,” which are password-protected online areas. Such intranets are inaccessible to outside visitors, but allow authorized users to pass freely from intranet to Internet.

The Graziadio School of Business launched GraziadioNet last year after two years of intense preparation. Once the decision was made to adopt the portal technology, its deployment went incredibly quickly, says Griffy-Brown. After interviewing a number of vendors who responded to its request for proposal, the school finally turned to Spectria, a technology consulting firm based in California, to help direct its efforts.

Portal software from Plumtree, a corporate portal software provider in San Francisco, eventually was selected for the project.

“We chose Plumtree software because it is already used by so many corporations. Organizations such as Ford Motor Company and the U.S. Air Force use Plumtree for their corporate portals,” explains Griffy-Brown. “It made sense to choose a product that was completely conversant with the marketplace and that would grow and evolve with it.”

As its needs change, the school can add to the portal what Plumtree calls “gadgets,” modules with different functionalities. For example, the school added “eRoom,” which allows employees to gather online to complete projects. It has become “a virtual classroom, where students and faculty can share documents, meet online, and alert each other about deadlines or project changes,” explains Griffy-Brown.

In addition, GraziadioNet allows users to access e-mail and course information, create to-do lists, keep personal calendars and contact lists, add favorite links, conduct intranet and Internet searches, and create storage areas to receive user-specified news and information. In addition, many administrative tasks, such as grading and scheduling, now have been moved to the portal.

Making the transition from the school’s traditional systems to GraziadioNet was not a simple endeavor, says Griffy-Brown. “It took a great deal of advance planning. We began communicating with
WE MUST BECOME MORE RESPONSIBLE FOR TEACHING PEOPLE
HOW TO NAVIGATE THE INFORMATION DELUGE THAT TECHNOLOGY CREATES.

faculty, staff, and students about the change a year in advance. We knew that some would be reluctant to make the change, so very early we started to explain what a portal is, what it does, and how to use it.”

Implementing such a large technological change involves some risk, explains Griffy-Brown. A school must not only allocate the upfront financial costs, but also rethink online security and administrative procedures, retrain faculty and staff, and assign personnel to maintain and develop the site. The site itself requires a full-time portal administrator who maintains and updates the portal’s content. In all, six full-time staff members are required to maintain the portal, manage the hardware and software, arrange use of virtual classrooms, and oversee the portal’s deployment and development.

However, she notes that the return on investment promises to be high. For the initial $1 million set aside for the project, the school already is enjoying returns in added efficiency and capabilities.

In the future, the school hopes to expand the portal to include alumni and corporations. For example, Graziadio School of Business delivers an MBA program onsite for Boeing, a company that also uses Plumtree software. “We would like to connect our portal with Boeing in some way. Eventually, we would like to belong to a federation of portals, in which information is shared,” says Griffy-Brown.

“Companies are becoming more multinational and beginning to integrate across different boundaries,” she says. Joining portals together in a larger community, she observes, “is a step many companies are considering.”

A City That’s Wired for Wireless

The wireless network capabilities that many universities already enjoy are now being applied to an entire city. Manchester City, England, debuted the world’s first urban wireless network last fall, according to Europemedia.net.

The University of Manchester Institute of Science and Technology is currently a test site for the network. In addition, Manchester Business School is currently considering implementing the network on its campus, says Janet Cusworth, the school’s press and information officer.

The wireless network, supported by the UK-based company Netario and Swedish company Blu2Space, is called Speedwave. It uses “bluetooth” technology, a short-wave radio technology that allows wireless interaction between networked devices. Users with devices with wireless capabilities, such as laptops, PDAs, cell phones, and pagers, can access the Internet and other devices using the new system.

Speedwave is set to be expanded to 70 networked “hotspots” throughout the city.

Largest Employee Portal

Last November, General Motors launched one of the largest employee intranets in the world. Called mySocrates, the portal will serve 180,000 employees. The portal offers employees access to company-specific information, as well as general Internet access and cable service for $3 to $5 per month. However, GM’s portal still doesn’t approach the size of the largest intranet in the world. That distinction belongs to the United States Army, whose portal connects more than 1 million individuals worldwide.

INSEAD Takes Exec Ed Program Online

Last fall, INSEAD of Fontainebleau, France, launched INSEAD Online, a site designed to provide lifelong learning opportunities for executives. Initially, the site will offer seven online courses, to be expanded to 13 early this year.

The courses can be taken individually or as part of a larger degree program. More important, notes Jane Sommers-Kelly, director of INSEAD Online, students can direct their own learning in the online environment.

“INSEAD has more than two decades of experience in computer-based learning techniques that simulate complex business challenges facing managers in large corporations today,” she says.

Through INSEAD Online, she adds, “we believe we have a market-leading offering for companies who wish to provide busy managers a more flexible way of accessing the best business school education.”

The new online source is an extension of INSEAD’s efforts to expand its offerings and reach a global market, says Soumitra Dutta, Dean of Technology and e-Learning at INSEAD. “The launch of INSEAD Online marks the next stage in INSEAD’s evolution into a leading source of global business knowledge and education for major corporations. We opened up the Asia Campus in 2000 and now we have further extended the breadth and depth of our offering with the addition of e-learning capability.”
As more and more business schools and multinational corporations turn their attention to China, now seems like a perfect time to study the mindset of the Chinese people. In *Inside Chinese Business*, Ming-Jer Chen has already done some of the work. The author painstakingly and persuasively demonstrates how “modern-day Chinese business structures have their origins in ancient Chinese culture and philosophy.” In addition, he gives Westerners and other readers a solid grounding in how that culture and philosophy work.

Ming-Jer Chen examines, for example, the place of the family in Chinese society and its connection to business. He explains how a complicated network of family members can be more important than the names on an organizational chart. He describes the concept of guanxi, the extended web of friends and family members who are bound to each other by obligations and generations of trust, and how guanxi often invisibly governs business decisions. He discusses familiar concepts—such as the Chinese desire to “save face”—but puts them in a business context that makes certain behavior patterns more understandable.

Chen fills his pages with comparative charts, brief case studies, and statistics. His prose is clear, readable, and full of insights on a culture that often seems diametrically opposed to the Western worldview. Indeed, many of the charts offer an analysis of the Chinese way as compared to the Western way, in everything from negotiating a deal to understanding the flow of time.

Chen makes a clear distinction between Chinese nationals living on the mainland and Chinese living overseas—noting that the latter “constitute the third-largest economy in the world, trailing only the United States and Japan in total assets.” His other statistics are equally impressive; and though most people are familiar with the fact that about one-fifth of the world’s population lives on mainland China, it’s still a number that has great power. As an emerging market, the country offers enormous potential, both for business and for study. Any foreigner attempting to do business on Chinese soil would do well to study the country’s history first, and *Inside Chinese Business* would be an excellent place to start.

*B-School Survival Guide* is a truly helpful handbook for candidates considering whether to enroll in business school—and wondering what they might face when they graduate. Produced by the editors of MBA Jungle and John Housman, co-founder of Jungle Interactive Media, the book is an up-to-the-minute look at the business school environment. (Perseus Press, trade paperback, 258 pages, $17)

Efficient Solutions
How do you manage the knowledge worker? Which is better, effectiveness or efficiency? What happens when a bad manager doesn’t know how to handle talented, self-motivated employees? Even if you know the
right answers, you’ll be surprised by some of the models offered in Tom DeMarco’s *Slack: Getting Past Burnout, Busywork, and the Myth of Total Efficiency* (Broadway Books, hardcover, 226 pages, $23).

His primary premise is that companies that are 100 percent efficient—that is, companies whose employees are busy every minute of the day, and even into the day’s overtime—are at risk of self-destruction. They have no flexibility, so they cannot respond to change, and they cannot reinvent themselves when necessary. Since he also argues that change is essential for growth and survival, it’s clear he believes that these companies are in trouble.

To some extent, the book reads like the treatise every disgruntled employee hopes his boss will someday see. DeMarco rails against personnel cuts, the elimination of support staff, and codified processes and standards. His simple “rules of bad management” will make almost any reader laugh in recognition. And his descriptions of poor management decisions and working within a “culture of fear” will sound familiar to anyone with any real-world work experience.

Yet there’s more here than a list of how company managers make mistakes. The book also suggests ways to set realistic schedules, manage risk, and create the right environment for learning. DeMarco also makes a point of distributing the blame. In one interesting chapter, he notes the popularity of the “Dilbert” cartoon, but points out that Dilbert himself is somewhat at fault for what goes wrong in his company because he, too, has the power to effect change. It’s an intriguing viewpoint and one that, like many of the others in this book, will make the reader pause, think—and perhaps change.

**Corporate Judo**

Everyone wants to beat the big guys, but few people really know how. That’s where *Judo Strategy* comes in. Subtitled “Turning Your Competitors’ Strength to Your Advantage,” the book shows how it’s done. Authors David B. Yoffie and Mary Kwak explain that “three principles should inform your thinking: movement, balance, leverage.” Naturally, they relate these theories to the judo strategy of martial arts, where a small, fast fighter can bring down a strong opponent; but it is in the dissection of powerful corporate giants and their strategic weaknesses that the book really shines.

Each of the principles of movement, balance, and leverage is broken down into understandable and sometimes humorous components. For instance, *movement* also translates into “don’t invite attack.” The authors routinely refer to this as “the puppy dog ploy”—i.e., making yourself seem so harmless and friendly that your rivals don’t feel the need to swat you down. In explaining how to “define the competitive space,” another component of movement, the authors quote former Netscape CEO Jim Barksdale: “In the fight between the bear and the alligator, the outcome is determined by the terrain.”

The book is filled with example after example of upstart companies that sized up fearsome rivals, turned their strengths into weaknesses, and successfully brought a new product to market. Longer chapters in the second half of the book examine the strategies of judo masters at three different companies: Jeff Hawkins and Donna Dubinsky of Palm Computing; Rob Glaser of RealNetworks; and Halsey Minor and Shelby Bonnie of CNET Networks. Lest upstarts get uppity, the authors also include a chapter on “How to Beat a Judo Master” with his own techniques. “When your competitor grips you, get a better grip; when your competitor finds a source of leverage, look for leverage of your own,” they advise.

It’s a fun read, but it’s also instructive. The case studies alone would make the book useful, as companies from Ireland’s Ryanair to online retailer eToys are put under the microscope. The underlying judo metaphor just helps the reader make sense of all the complicated maneuvering that leads to success or failure on the corporate battlefield.

(Chinese Business Press, hardcover, 239 pages, $29.95)
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I Playing the Rankings Game

The most recent rankings of U.S. business schools were published with a little less fanfare than usual, which might lead you to think that few people noticed them. You would be wrong. You can bet that the business schools noticed. You also can bet that prospective MBA students noticed, since the rankings mainly assess MBA programs. It’s a pretty good wager that corporate recruiters also noticed. In addition, you can be sure that the magazine publishers noticed, because the issue that ranks business schools frequently is their best-selling issue of the year.

Business school rankings have become very big business. They’re so big, in fact, that business schools now are caught in a brutal competition for the new symbol of academic success—a cherished high ranking by a business magazine. The ranking number has become a sound-bite index of program quality and reputation for prospective students, corporate recruiters, funding agencies, and other stakeholders.

Some see it as ironic that business schools, which teach competition in the economic arena, have found themselves as the players in a highly competitive game. Others find a certain poetic justice in the fact that business schools have been captured by the kind of system that they have long touted.

We recently conducted a study, published in Corporate Reputation Review, which examines the rankings from the perspective of 50 top B-school leaders. Our most compelling finding was that most of the deans or MBA program directors we interviewed characterized the ranking process as a “game”—a dynamic competition with changing rules, invented by outsiders in part to further their own ends. They also perceived it as a game with very serious consequences for business education, one with sometimes hidden or capricious criteria and no provision for rewriting apparently arbitrary rules.

Nearly all could recount stories of schools “gaming the system.” Not surprisingly, most also felt it was a game that was nearly impossible to win, for all except a few heavily endowed schools.

Can a game like this be good for the players or the spectators? Surprisingly enough, yes. The reason is right out of Economics 101: Competition improves the breed.

But there’s bad news, too. The growing prominence of media rankings has pushed business schools toward focusing on image management, often at the expense of substantive improvement. Because image has become the new currency in the academic realm, competition among business schools is creating a kind of beauty contest, with some ugly consequences for the contestants. For example, some of them are spending scarce resources on image-related features, rather than bona fide program enhancements.

In fact, the rankings tend to coerce changes that conform to the magazines’ selectively-chosen criteria, and those criteria are not necessarily the ones that produce high-quality business education. The magazines have a motive that is indifferent to substantive educational improvement. Simply put, they would like to sell more magazines. It’s not newsworthy if rankings are the same year after year, so the magazines are motivated to generate variation in the rankings artificially—usually by changing the rankings criteria. That means B-schools are perpetually playing a catch-up game.

Catching up by making substantive changes takes a long time, usually longer than a yearly news cycle.

Business schools, therefore, have learned the art of spin. Allocating resources mainly to rankings-driven criteria means that they often present an image of pseudo-change, rather
than instituting bona fide program changes. When that happens, the integrity of business education becomes compromised. And that’s not good news.

Our study suggests that academia, improperly managed, risks transforming itself into something of an illusory industry if that single ranking number becomes a substitute for more comprehensive measures of B-school quality. Although no quick fix is available, some straightforward actions by the players involved could level the playing field, improve the competition, and even make for a better game.

For instance, media organizations could—and should—take stock of the game’s unintended consequences, then choose their criteria more judiciously. These criteria should be published in advance and adhered to for a reasonable amount of time. Similarly, both schools and magazines could agree to have ranking data audited by an independent organization and made available publicly so that those using the information in their decision-making process could feel confident in their choices.

Last, business schools should stop complaining about the existence of the rankings. They are here to stay. It is a competitive world, after all.

Short of such changes, business schools soon will become as good at the image game as political parties are. Now that’s a scary thought, but one worth thinking about the next time you see a new set of B-school rankings.

Dennis Gioia is a professor and Kevin Corley is a doctoral candidate in the Department of Management and Organization in Pennsylvania State University’s Smeal College of Business Administration, University Park, Pennsylvania.
Lifelong Learning—Worldwide
Webster University, The School of Business and Technology
Webster Groves, Missouri

Webster University wants to make it easy for students to go to business school—no matter where they live or how often they move. Headquartered in the United States, in a suburb of St. Louis, Missouri, the school boasts an international network of campuses that includes 92 metropolitan and military centers in 17 American states, as well as campuses in Austria, Bermuda, China, England, the Netherlands, Switzerland, and Thailand.

“Webster’s family of campuses and online options makes it easy to transfer seamlessly within the vast extended network, so educational plans are not disrupted due to transfer, promotion, or temporary duty assignment,” notes the school’s dean Benjamin Ola. Akande.

Akande points with pride to several international milestones, some already achieved and some still in the works. Webster was the first school to launch an MBA program in mainland China, and Webster University in Leiden was ranked third in the Netherlands for MBA programs. The school also is planning to establish a joint MBA program with Universidad Autonoma de Guadalajara in Mexico and a joint program for the Masters of Science in Accounting and Finance with Berufs Akademie in Baden-Wurttemberg, Germany.

Other achievements are equally noteworthy. Black Issues in Higher Education has ranked the school No. 1 in the nation in total minority master’s degrees granted, and U.S. News and World Report has ranked it one of the top Midwest regional universities. The school also is moving quickly into the digital age, offering an online program in security management. This initiative is a collaboration between Webster and the American Society for Industrial Security.

“Our mission is to provide students with a well-rounded education that prepares them to be dynamic thinkers and leaders and to carry within themselves the seeds of lifelong transformation and change,” says Akande. “It is our core business to respond quickly to the changing dynamics of the marketplace with academic programs that are relevant, substantive, and distinctive.”

Webster offers graduate business education for military personnel at 35 installations and ten service centers in the U.S. Army, Navy, Air Force, and Marine Corps. The school’s alumni include more than 70 generals, including several in the Pentagon and with the Joint Chiefs of Staff.

Worldwide, more than 12,000 students attend Webster’s School of Business and Technology on the school’s extensive network of campuses, including this one in Thailand. About 3,000 students from the Thailand campus take classes on the school’s St. Louis campus. Eighty percent of students enrolled at the school’s international locations are foreign nationals.

The Leif J. Sverdrup building (left) houses Webster University’s School of Business and Technology, while Webster Hall is the centerpiece of the university’s main campus, where many other classes are held.

Webster maintains close ties with local businesses, such as Scottrade Inc., an online trading company based in St. Louis. Roger Riney, Scottrade’s CEO, recently awarded $120,000 to the business school to establish the Scottrade IT Scholarship Fund.

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