Ogilvy & Mather’s
Shelly Lazarus
All About the Brand

Measuring the Benefits of Assessment

The Honorable Business Student
Many schools have instituted honor codes to instill a sense of ethics in students. But how well do honor codes work? Four schools weigh in.

Gary Carini and John Jackson explore the many ways that the Prison Entrepreneurship Program benefits inmates, professors, and business students.

Ogilvy & Mather’s Shelly Lazarus believes every point of contact with the customer is an opportunity to promote the brand.

Assurance of learning standards are changing the way schools evaluate learning—and even how they teach.

The academic community adopts 360-degree assessment tools.
From the Editors

A Farewell to Anne Graham

We lost someone very special to us just as this issue was going to press. Anne Graham, the founder and executive editor of BizEd, passed away on January 20 after a valiant battle with cancer.

Both of us had our first encounters with Anne in 2001, when we interviewed to be co-editors of a publication for the management education community. The magazine did not yet have a name; but after only a few moments of conversation with Anne, we knew it had a vision, a personality, and a purpose. She wanted BizEd to be a voice and a forum for management education. Her enthusiasm for the magazine and its readership was contagious. Her goal was nothing less than for BizEd to be “the best magazine in the world.”

When it came to the magazine’s editorial content, she often told us that she wanted to be “delighted and surprised.” As you will read in our tribute to her in our upcoming May/June issue, Anne sought no less from life itself. She was an incredible person who enjoyed the surprises of life and its many adventures, whether she was traveling the world, studying art history, writing a novel, or painting in her home art studio.

Anne was a wonderful mentor, a supportive friend, a fascinating intellectual, and a creative force to be reckoned with. She also was a tough editor who never compromised her high standards of quality. If Anne was enthusiastic about an article idea, we knew it was a good one. If she praised a story we’d written, we knew we’d gotten it right.

While Anne had been a successful editor for a variety of other publications, we secretly believed that BizEd was the magazine closest to her heart. Perhaps that’s because she created it from scratch, overseeing every decision from choosing the title to picking the typeface. The magazine remains as her legacy to deans and business school faculty everywhere. We will strive to honor that legacy by making sure that each future issue is one that Anne would view with pride.

We are grateful that Anne saw something in us that she believed in, and we’re glad that she invited us to join her in the creation and publication of BizEd magazine. We have been the beneficiaries of a wonderful personality and presence, and we will miss her very much.

—

Lucia Bisney
Sharon Shinn
Minority Students Plan for B-School

Students of color in the “millennial” generation are increasingly focused on jobs in business, and they are particularly interested in stable and challenging careers. Those are some of the findings from a new report, *Serving those Poised for Success: Increasing Access to Business Education and Business Careers*, which surveyed students of color born between 1978 and 2000. The survey was conducted by the Diversity Pipeline Alliance, a network created by the Graduate Management Admission Council to increase the pool of students of color prepared for leadership and management.

Among those surveyed, 62 percent of African Americans, 54 percent of Hispanics, and 43 percent of Native Americans indicated they were interested in business careers. Eighty percent of all respondents expected to be better off than their parents both educationally and financially. This survey coincides with data from the National Center for Educational Statistics showing significant increases in students of color receiving business degrees at both the bachelor’s and master’s levels over the past five years.

According to Nicole Chestang, chief client officer for GMAC, this is a critical time for organizations and stakeholders to commit resources to diversity initiatives. “We must stay focused on this generation of students who are poised for success—they will need sustained support to succeed,” she says.

Responses were drawn from nearly 1,000 surveys completed online by Hispanic, African American, and Native American students attending high school and college. The survey was conducted by Widmeyer Research & Polling and sponsored by Deloitte & Touche. More information is available online at www.diversitypipeline.org.

Hamel to Speak in Hawaii

AACSB International has announced keynote speakers for its International Conference and Annual Meeting, which will be held April 13 through 15 at the Hilton Hawaiian Village in Honolulu.

Author and business guru Gary Hamel will be a plenary speaker on the topic of “The Ultimate Competitive Advantage.” Hamel is the chairman of Strategos, director of the Woodside Institute, and visiting professor of strategic and international management at the London Business School. In his ICAM presentation, Hamel will show business school administrators how to anticipate management challenges, manage for ongoing innovation, and become industry leaders.

Speaking on the topic of “Island Wisdom, Global Solutions” will be David Cole, CEO of Maui Land & Pineapple Company. Cole has led companies in a wide range of industries, from software to publishing to agriculture to hospitality, and he is now focusing on building holistic communities that integrate agriculture, new technologies, wise stewardship of natural resources, and sustainability.

The business honor society Beta Gamma Sigma also will recognize its international honoree at the conference in Hawaii. This year’s honoree, Chung Po-yang, is co-founder and chairman emeritus of DHL International. He will speak on “Redesigning Your Personal Brand for the Global Marketplace.” More information about the conference can be found online at www.aacsb.edu.
Greenwatch

New York University’s Stern School of Business has launched the Stern Campus Greening Initiative (SCGI), which will devise and implement sustainability initiatives at both the graduate and undergraduate levels. The group is led by MBA student R.J. Panda with the support of the Social Enterprise Association MBA club.

As part of the greening effort, Stern has revised or done away with many of the paper products handed out at orientation. Last fall, first-year MBAs received brochures printed on recycled paper, USB flash drives in place of handouts, and catered food served on paper goods made from sustainable products. The SCGI has also launched a Web site and offers a “Green Tip of the Week” on student and administrator intranets. In addition, the group is promoting motion sensor lighting in study rooms and a more aggressive recycling program. This spring will see the launch of a new course called “Leading Sustainable Enterprises,” which will focus on managing enterprises that facilitate sustainable development.

Gifts, Names, and Transformations

Three U.S. business schools have been renamed in honor of longtime benefactors or individuals who recently have presented the schools with large gifts.

- The College of Business and Economics at California State University in Fullerton has become the Steven G. Mihaylo College of Business and Economics after receiving $30 million from alum Mihaylo, the retired CEO of Inter-Tel Inc. It is the largest gift ever to the university. The gift will be used to support endowed chairs, faculty recruitment and retention, student scholarships, and programmatic initiatives, including expansion of the MBA program. Mihaylo previously donated $4.5 million to help finance the $87.5 million building currently under construction that will house the business school and bear Mihaylo’s name.

- The business school at Utah State University in Logan has been renamed the Jon M. Huntsman School of Business in recognition of a $26 million gift from Huntsman and his wife, Karen. It is the university’s largest donation to date. The majority of the gift, $25 million, will go to the business school, and the remainder will be used as scholarship support for students from Armenia. Huntsman previously funded Utah State’s Huntsman Environmental Research Center and the David B. Haight Alumni Center.

- Samford University in Birmingham, Alabama, has announced that it will name its school of business for longtime Samford trustee and Alabama banker Harry B. Brock Jr. The Brock School of Business name is effective immediately. Brock also announced his personal commitment to help the Brock School of Business build an endowment that will reach at least $100 million, which, among other goals, will allow the school to develop a world-class program in entrepreneurship.

EMBA Council Surveys Trends

Applications to EMBA programs are up, student salaries are higher, and both students and corporations are seeing a quicker payback on their investment in EMBA programs. These are among the trends reported in two annual research surveys conducted by the Executive MBA Council.

According to the 2007 Membership Program survey, which gathered data about more than 300 member programs, applications are up by about 25 percent from 2005 figures. Fifty-seven percent of respondents are considering expansion by increasing capacity or opening programs in new locations.

Schools are also implementing special outreach programs to attract specific groups, including ethnic minorities, entrepreneurs, and public sector audiences. Fifty-nine percent of respondents have added programs targeting women, who made up 27 percent of the EMBA programs in 2007.

Many other measures remain steady or show only slight variations from previous years. Program length averages 20.4 months, amount of typical work experience is 8.2 years, and the average age of participants is 36.3 years. Program costs have gone up slightly, to an average of $56,954.

More than 2,800 graduates responded to the EMBA Council’s second questionnaire, the Student Exit Benchmarking Survey. They reported that, for corporations funding an EMBA degree, the average payback on investment has decreased from 28 months in 2006 to 23 months in 2007. For students paying their own way, the ROI time decreased from 52 months to 45 months. Meanwhile, salaries rose 21 percent, from an average of $107,097 when they entered the program to $130,056 when they completed it.
The University of Toronto’s Joseph L. Rotman School of Management has received a $10 million gift from Marcel Desautels, president and CEO of the Canadian Credit Management Foundation, to support the ongoing initiatives of the Desautels Centre for Integrative Thinking. This donation brings his total gifts to the Rotman School to $31 million. In addition to allowing the Desautels Centre to hire new staff and support research projects and conferences, the gift will support the construction of a new building for the Rotman School.

Recent gifts to Miami University in Oxford, Ohio, will go toward enhancing the new building housing the Farmer School of Business. A $10 million gift from information technology entrepreneur Richard Forsythe and his wife, Sandra, will equip a library and student technology center in the new building. Part of the gift will also create a student commons area. Both spaces will be named for the donors. In addition, a $3 million gift from Richard Chaifetz and Jill Barclay Chaifetz will establish the Chaifetz Trading Center, which will allow students to participate in simulated financial market activity using real-time electronic feeds from Bloomberg and Reuters. Miami University’s entrepreneurship programs also have received a boost via a $1 million gift from David Herche, a trustee of the school, and his wife, Vicki.

Shahrokh M. Saudagaran has been named the Gary E. and James A. Milgard Endowed Dean at the Milgard School of Business, University of Washington, Tacoma. He has served as the Milgard Chair in Business and dean since 2004. This is the first endowed deanship at the school.

George S. Yip has been named the new Dean of RSM Erasmus University in Rotterdam, The Netherlands. He succeeds Han van Dissel, who became managing director of the European Centre for Executive Development in France. Previously, Yip was vice president and director of research and innovation at Capgemini Consulting. He served in this role while on leave of absence from London Business School, where he was professor of strategic and international management.

Business executive and academic Leonard Schlesinger has been named the 12th president of Babson College in Wellesley, Massachusetts. His appointment will begin on July 1. Schlesinger comes to Babson from Limited Brands, where he served most recently as vice chairman and chief operating officer, overseeing Express, Limited Stores, Victoria’s Secret Beauty, and other divisions. Previously, he spent 20 years at Harvard Business School, most recently as the George Fisher Baker Jr. Professor of Business Administration. Schlesinger replaces Brian Barefoot, who plans to step down.

Candida Brush has been elected as a member of the Board of Directors of the Center for Women’s Business Research. The three-year term began January 1. Brush is a full professor and the President’s Chair in Entrepreneurship at Babson College in Wellesley, Massachusetts.

Anders Aspling has been named the new dean at Vlerick Leuven Gent Management School in Belgium. Aspling was formerly president of the Swedish Institute of Management and senior vice president of SIAB, an international construction and real estate corporation. A member of the board of EFMD, Aspling headed that organization’s Global Responsibility Initiative and launched a partnership with the United Nations.

Elmore Alexander has been named dean of the School of Management at Marist College in Poughkeepsie, New York. He has served as interim dean since January 2007. Prior to joining Marist, Alexander was dean of the School of Business Administration at Philadelphia University in Pennsylvania, and he held a variety of other posts at Johns Hopkins University, American University, and the University of Memphis.

James T. Simpson has taken office as dean of the College of Business Administration at The University of Alabama in Huntsville. He also recently was named distinguished professor of marketing at the school, where he chaired the management and marketing department.

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University in Chicago. Marcuson, a longtime faculty member at the DePaul’s School of Accountancy and Management Information Systems, also has pledged to donate a selection of modern art prints and objects from his private art collection to the university’s museum.

HONORS AND AWARDS

Teachers from business and business-related schools were among the state winners in the U.S. Professors of the Year Awards Program sponsored by the Carnegie Endowment for the Advancement of Teaching and the Council for Advancement and Support of Higher Education. State winners include: Joe Hoyle, associate professor of accounting at the University of Richmond; Robert A. Strong, professor of Investment Education at the University of Maine; Osama M. Eljabiri, senior university lecturer of management information systems at the New Jersey Institute of Technology; and Mickey Hepner, associate professor of economics at the University of Central Oklahoma.

Leonard Greenhalgh has received the U.S. Department of Commerce’s Minority Business Development Agency lifetime achievement award for his work with America’s minority business owners. Greenhalgh is a professor at the Tuck School of Business at Dartmouth in Hanover, New Hampshire.

Bohar Biller has received one of the Presidential Early Career Awards for Scientists and Engineers. Biller is assistant professor of manufacturing and operations management at Carnegie Mellon’s Tepper School of Business in Pittsburgh, Pennsylvania. The Presidential Award is the highest honor given by the U.S. government to scientists and engineers who are beginning their careers.

Keith Ambachtsheer, an adjunct professor at the University of Toronto’s Rotman School of Management, has won the Outstanding Industry Contribution Award from Investments & Pensions Europe, a London-based magazine and Web site.

LoShone M. Gibson, senior associate director of the Institute for Global Enterprise in Indiana at the University of Evansville, has received the Dorothy Brickman Award for Outstanding New Professional from NAFSA: Association of International Educators. The award recognizes an individual who has been in the profession less than three years and has already made a significant contribution to her campus, to NAFSA, and to the field of international education. Gibson’s work focuses on the advancement of international business education for executives and international trade advocacy.

COLLABORATIONS

Indiana University’s Kelley School of Business in Bloomington has signed an agreement with Sungkyunkwan University (SKKU) in Seoul, South Korea, to establish undergraduate, graduate, and executive exchange programs. On the undergraduate level, students from SKKU’s global business

Collaborations

The University of Richmond has received a $6 million gift from an alumni couple to be used toward construction of an addition to the Robins School of Business building, as well as to support new programs and an enhanced finance curriculum. Paul B. Queally and Anne-Marie Flinn Queally made the contribution through their family foundation. The 33,000-square-foot building addition is expected to be completed by the end of 2010 and will be named Queally Hall.

The W.P Carey School of Business at Arizona State University in Tempe has recently received two gifts that will go toward supporting faculty. PetSmart Inc. has donated $2 million to establish the PetSmart Chair in Business Leadership. Dean Robert E. Mit telstaedt Jr. will choose the new chair from the school’s faculty. In addition, the Evans Charitable Foundation has donated $1 million to establish the Stephen O. Evans Professorship and to support the global real estate initiative. The holder of the new professorship will be selected annually from among the school’s faculty.

Ron Marcuson has earmarked $1 million from his estate to endow a professorship in the Master of Science in Taxation program at DePaul University.

The University of Chicago. Marcuson, a longtime faculty member at the DePaul’s School of Accountancy and Management Information Systems, also has pledged to donate a selection of modern art prints and objects from his private art collection to the university’s museum.

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program will receive degrees from both universities after they take 75 credits at SKKU and 45 credits at the Kelley School. At the MBA level, a dual-degree program allows students to spend two semesters at each school. The executive education degree, which will be taught mostly in Seoul and partly in Bloomington, will be launched as a semi-customized program for Samsung.

HEC of Paris and liquor company Pernod Ricard are working together to create a chair for management of prestigious brands. Pernod Ricard will fund the chair for five years. Academic responsibility for the chair will lie with Jean-Noël Kapferer, a marketing professor at HEC.

The Simon Graduate School of Business at the University of Rochester in New York is partnering with the Professional Pricing Society to advance the field through the newly created Center for Pricing at Simon. Through the center, students will learn about the latest strategies, emerging trends, and technologies involved in pricing.

Babson College in Wellesley, Massachusetts, and EM Lyon in France have signed a wide-ranging agreement to cooperate on student programs, curriculum development, entrepreneurial hatcheries, executive education programs, faculty exchanges, and research projects. Among other projects, the two schools will develop a global Master of Science program with Zhejiang Business School in China.

Grenoble Graduate School of Business and the Canadian Association of Management Consultants have partnered to offer Canadian Certified Management Consultants fast-track access to the Diploma in Management Consulting. The partnership aims to train Canadian consultants in international best practices, including how to leverage their business in Canada and abroad. It also offers them the opportunity to network with consultants from the European Union and around the world.

DePaul University in Chicago and Rush University Medical Center have formed an educational alliance to offer students an MBA from DePaul’s Kellstadt Graduate School of Business and an MS in health systems management from Rush’s Department of Health Systems Management. Students will spend two years at Rush’s College of Health Sciences and one year at DePaul.

NEW PROGRAMS

Royal Roads University’s Faculty of Tourism and Hotel Management in Victoria, British Columbia, is launching a program designed to help tourism-based organizations stay competitive. This January, the school launches a six-month graduate certificate in Destination Development for professionals in the tourism and hospitality sectors, as well as for urban planners and government employees. The program will use a case study approach to examine how to transform communities into sustainable tourism destinations, how to target niche markets, and how to create successful tourism partnerships with local governments, businesses, and other stakeholders.

This fall, Columbia Business School in New York will launch a new core curriculum divided into two parts: required and flexible. Required courses will cover functional areas such as finance, accounting, and leadership, while flexible courses will allow students to attain deeper knowledge in areas such as organizations, performance, and markets. To allow room for the flexible courses and the addition of another elective, some courses have been condensed into half a semester, resulting in a smaller, more customizable core.

OTHER NEWS

Lehigh University in Bethlehem, Pennsylvania, plans to enhance its “entrepreneurial ecosystem” through the work of its newly launched Entrepreneurship Implementation Team. With the goal of combining all of Lehigh’s entrepreneurial efforts under one umbrella, the team will explore enhanced initiatives for the school’s 20 programs related to entrepreneurship. It will also support greater community outreach, broader faculty teaching and research, and a more strategic Web presence. One of the school’s ongoing initiatives is the Thalheimer Student Entrepreneurs Competition, which awards more than $10,000 in prizes.
The Institute for the Economy and the Future, the regional think tank and economic development unit of Western Carolina University in Cullowhee, North Carolina, has become a unit of the College of Business. There, the institute and its staff will work closely with the college’s Small Business and Technology Development Center and the Center for Entrepreneurship and Innovation. Daniel Ostergaard, who has been affiliated with the institute since 2006, was named director of the center last fall. Ostergaard is former executive director of the U.S. Department of Homeland Security’s Advisory Council and president and founder of Pelorus Enterprises, an international business and governmental relations consulting firm.

To meet the demands of the growing number of family-owned businesses in the region, the Quinnipiac University School of Business in Hamden, Connecticut, is launching the Family Business Center. The center will serve as a resource for members of family-run and entrepreneurial businesses, offering forums on topics such as communication, conflict resolution, legal issues, wealth management and transfer, insurance, estate planning, and information technology.

CORRECTION

In “Teaching Business in a Web 2.0 World,” which appeared in BizEd’s January/February issue, Sherry Hoskinson, director of the McGuire Center for Entrepreneurship at the University of Arizona’s Eller College of Management, was mistakenly identified as Sharon.
A n old saying warns that “You never get a second chance to make a first impression.” Shelly Lazarus might amend that to say, “You should never miss a chance to make any positive impression.” Lazarus, CEO of the ad agency Ogilvy & Mather, is a fervent believer in the concept of 360-Degree Brand Stewardship, which holds that a company never stops thinking about the impact its brand makes on consumers.

“Anyone who owns a brand would be wise to think about every point of contact that brand will have,” Lazarus says. Web sites? Showrooms? Direct mail? Lazarus believes each one should be designed to reinforce the customer’s perception of the brand.

Brand management has been top of mind for Lazarus since she began working at O&M in 1971. After serving in various positions, including general manager for Ogilvy’s direct marketing unit in the U.S., she took the CEO role in 1996 and became chairman in 1997. Now she and the New York-based agency share their philosophy of 360-degree branding with their roster of high-profile international clients, including IBM, Dove, Kodak, and American Express. The agency recently signed on to handle the campaign for Johnson & Johnson’s sponsorship of the 2008 Olympics in Beijing.

Lazarus’s own brand identity is so strong that she is highly recognized—and highly honored—in the business community. In 1994, she was named the Woman of the Year by the Advertising Women of New York, and she has received a host of other awards from New York business organizations. She was also the first woman to receive the Distinguished Leadership in Business Award from Columbia Business School, where she earned her MBA in 1970.

While Lazarus serves on the boards of many charitable and corporate boards—including General Electric, Merck, the American Museum of Natural History, and the World Wildlife Fund—she also devotes much of her time to groups that promote women in business. She is a member of the Advertising Women of New York, the Committee of 200, and the Deloitte & Touche Council for the Advancement of Women. Since 1998, she has appeared without fail on Fortune magazine’s list of the 50 most powerful women in business in America.

“I never looked to be a role model, but I accept that I have become something of one,” she acknowledges. “When I’m asked to speak or meet with people, I do it willingly, because I think it’s important to young women to have someone who can help them sort through all their questions.”

In fact, she offers powerful advice to women and men who are leaving business school to pursue careers: Embrace change, love what you do, and prepare yourself for the fast-moving pace of today’s business world.
The most overlooked segment of potential brand building is the internal audience—all the employees of the company. They’re out in the world interacting with people every day.

You’ve spent most of your career with a single company, a feat that is increasingly rare in business. What made the fit so good between you and Ogilvy & Mather?

I think its culture—its values and way of working—was completely aligned with the way I saw the world. It also had a creative environment I enjoyed, and I loved working with the people. I didn’t think I could ever find better partners than the people who were here.

Many of today’s business students will take jobs in the field of advertising and marketing. What are the biggest challenges they’ll be facing?

They’ll be dealing with a market that is truly global, which was not true for most of history. For example, we just acquired a global account, Winovo, a Chinese company that has one headquarters site in Beijing and one in Raleigh, North Carolina. It has decided to move its marketing center to Bangalore, India. That’s the nature of business in the world today.

The rate of change has also accelerated. Just when you think you’ve figured out the industry, all of a sudden there is technological change, organizational change, new competitors from countries that weren’t previously in the field, and new ways of doing business that were unthinkable before.

How can schools prepare their students to work in such a fast-paced global market?

The most important thing is to embrace change, to enjoy it, and to remain completely open-minded. Some people find change frightening. They almost have to train themselves to say, “I’m not going to be frightened by it. I’m going to be exhilarated.”

You’re a passionate proponent of “360-degree branding.” How do you sell clients on this idea of integrated branding?

The idea of 360-degree branding springs from reality. I say to clients, “How do you think about a brand? How do you develop thoughts and feelings about any brand?” They can see for themselves that it’s not just a question of advertising, because the chances are they don’t remember the advertising. But their brand awareness is developed as they look at the cereal box every morning, or as they deal with the customer service department at the Lexus dealership, or as they remember how the coffee tasted the last time they were at Starbucks. They realize that brand awareness is built by a thousand different interactions over time, where each one slightly builds or weakens their impressions.

People used to believe that, to build a brand, they needed to run a series of ads. The big “aha!” moment came when they realized that advertising is one way to build a brand, but they have to pay attention to other things. Clients are afraid that it will be expensive to build the brand at every point of contact, but they’re paying for these things anyway. Car manufacturers might spend a fortune building dealerships. As long as they’re building one anyway, why not build it within the context of a brand? Any product has to have packaging. Why not make the package reflect the brand? Every time people pick up the package, they will get a communication about the product.

What parts of their branding message do clients most often fail to address?

The most overlooked segment of potential brand building is the internal audience—all the employees of the company. They’re out in the world interacting with people every day. It would be smart for Wal-Mart to make sure every one of its employees understands what Wal-Mart’s attitude is toward its merchandise and toward customer service. Every Wal-Mart employee should know what Wal-Mart stands for.

The company also needs to make sure its operators understand the brand. How should the phone be answered? How should complaints be dealt with? The company is going to train its customer service people anyway, so it should train them within the context of the brand.

Other overlooked points of contact are delivery trucks! Potentially, they are gorgeous moving billboards driving all over the world. People used to just paint them white, but they can be used to deliver a message about the brand.

Today’s business schools are more and more focused on building their own brands. If a business school had retained you to help it promote its brand, what kind of strategy would you advise?

The same one I’d advise for business clients: Look at every point of contact. I suspect that, given the age of the people applying to business school, most people derive their first impressions from the school’s Web site. If I were advising a business school, I’d make sure the Web site absolutely reflected what the school stood for and what its differentiation was. I’d make sure that it was inviting, that it brought people in, and that it gave them all the information they might need. If people don’t feel good about a school after visiting its Web site, they’re probably not going to continue looking at the school.
Speaking of Web sites, you’ve said that you expect interactive site design to become a bigger part of the package Ogilvy & Mather prepares for its clients. How does such interactive marketing change the relationship between the company and the client?

I think about my early days in direct marketing, when we were always trying to simulate a dialogue with customers. Now with all the interactive media, we can actually have an ongoing conversation with customers. This is nirvana! What I find troubling and frustrating and puzzling is that, even though we have the interactive technology, so many companies just put banner ads on the Internet. That’s like taking out small print ads. There’s no interactivity in them—they just give information about a product or service.

With interactive Web sites, companies gain the ability to ask customers questions, ask them to design products, ask them what they think. Some sites are better at that than others. For instance, Amazon.com tries to engage customers in a dialogue. As soon as you order a book on Amazon, you’re told, “People who ordered that book are interested in this other one.” More companies need to figure out how to have that kind of dialogue with clients.

Years ago, I designed a Web site for Jaguar, and what people loved most was that the site allowed them to design their own cars. People would stay on the site for 20 or 30 minutes picking their colors, their interiors, their wheels. From this, Jaguar could tell what options were most popular, so they used the site for market research. Asking customers questions and getting them to enter a dialogue—that’s what the Internet is all about.

The world of business has changed dramatically since you were earning your MBA in 1970. What do you think you learned in your business classes that most prepared you for your career?

People often ask me, “Do you need an MBA to work in marketing and advertising?” I always give the same answer, which is, “Business school gave me a way to think about a problem.” A client might ask me, “How do I build a brand?” or “How can I establish a communications program?” But I start farther back. I say, “Give me the business problem you’re trying to solve, and then we can talk about what marketing can do within the context of the problem.”

Business school gave me that broader context. I’m not the ad lady who comes in with a 30-second commercial. I like to think that what I put on the table is a solution to a client’s business problem or opportunity. And without business school, I never would have gotten that perspective.

What do you think is most essential that today’s MBA students learn before they go into the world?

The basics are the same. How do you read a financial statement? How do you assess a balance sheet? Students should learn the principles of marketing, such as how to get consumer insights and how to figure out the real value of their offerings. But the context they’re working in has changed. Because of the Internet, issues of reputation and brand are global and instantaneous. Everyone knows everything within the space of half an hour. That was never true before. You had time to gather your thoughts and figure out how you were going to communicate.

Today there are also the issues of ethics and governance. When I went to business school, there was a conversation about doing business ethically, but we didn’t have the situation everyone is dealing with now, where everything is scrutinized and there’s so much more regulation. There is a whole different set of factors that executives have to consider when they’re making a business decision today.

When you earned your MBA from Columbia Business School, you were one of four women in the class. Today women make up about 30 percent of most MBA classes, which is better than in the past but still hardly impressive. What do you think business schools need to do to attract more women?

My impression of organizations in general is that some are naturally diverse and others aren’t. And it doesn’t matter if they meet all the statistics of having this many women or this many people of color—some places don’t feel diverse and others do. And in those places that feel diverse, I don’t think anyone notices the percentages any more.

I think what business schools need to strive for is a diversity of cultures, and I don’t just mean paying constant attention to how many women they have, how many African Americans, or how many foreign students. I mean, they should welcome people with different points of view and different backgrounds—people who were literature majors or worked in theater. A business school should promote a sense of all peoples, views, and walks of life and make everyone welcome. Then the whole experience is richer.

When you speak with business students—men or women—about their upcoming careers, what advice do you give them?

I tell everyone that the real challenge is to find a career you love. If you don’t like what you’re doing professionally, your life will never be in balance.
I’ve also observed that you can fit into your life everything you love to do, and you have trouble fitting in anything you find frustrating, tedious, boring, or unfulfilling. The goal is to find a professional life that you look forward to every morning, and then get rid of all the stuff that’s meaningless. A friend of mine said to me years ago, “Dust has no emotional content.” There’s nothing fulfilling about cleaning your house or doing laundry, so give those things away. Fill your time with the things you love—and one of them should be your professional life.

You’ve been deeply involved with education, serving on various boards at Smith College, Columbia School of Business, and the Judge Business School at Cambridge University. How do your insights about branding fit into these educational settings?

I have discovered that, on any one of these boards, if I bring up the issue of the school’s brand and what it actually stands for, I can derail the conversation for three hours. Everyone has a point of view! But the conversation is a good way of getting board members to specify the values of the school and the choices they want to make.

For instance, Columbia Business School is known for being strong in finance. Is that what we want to stand for, or do we want to be broader? If we want to be known as a place that’s strong in marketing, what resources would we draw on and how would we communicate our brand?

With all these schools, I provide the outside-in perspective. I ask questions. How does the world see you? How do prospective students see you? How do prospective faculty see you? How does the rest of the university see you? Is the university proud of where you stand among business schools? What does Columbia University represent? What does Cambridge University represent? How much does the business school derive from the mother institution, and how much does it give back? It can be a great conversation.

You’ve had an impressive career so far. What are you proudest of?

The fact that I’ve taken a company founded 60 years ago by a man with a point of view about communication and advertising, and that I’ve managed to bring it into the 21st century while keeping the basic principles and values as strong as they’ve ever been.

Is there anything else you’d like to accomplish?

Figuring out the world! It changes every week!
For many business schools, assessment isn’t just an accreditation requirement; it’s a crucial component of higher education. It’s also widely misunderstood, say those in assessment circles. They note that some administrators view assessment as a task to check off for accreditation purposes, rather than an ongoing process of continuous improvement. Meanwhile, many faculty view assessment with apprehension—they fear the gathering of data will disrupt their schedules, add to their workloads, or even be used to critique their teaching.

Kathryn Martell is the associate dean of Montclair State University’s School of Business in New Jersey and a frequent presenter at AACSB International’s assessment seminars. Since AACSB put its assurance of learning (AoL) standards in place in 2003, the business school community has made great strides where assessment is concerned, Martell believes. “It’s on everybody’s radar screen,” she says. “When I first began working with AACSB in 2003, the language was new to everybody. Faculty said, ‘We do student surveys. We’re doing great.’ Now they know that those surveys are not appropriate evidence for the purpose of assessment.”

A long-time advocate for assessment, Douglas Eder now serves as the associate provost of institutional effectiveness at the University of North Florida in Jacksonville. He emphasizes that while assessment activities are now firmly in place, attitudes still need to change. “We must assure faculty that we’re not interested in assessment itself,” says Eder. “We’re interested in what it tells us about what our students are learning.”

Like many proponents of learning assessment, Martell and Eder believe that schools are doing many things right when it comes to assessment. For example, Martell has seen a dramatic shift in resources, citing that business schools have gone from spending an average of only $5,000 a year on assessment to spending $50,000. Now, schools must put that money to best use by making assessment an integral part of their programs and mindset, she says. More important, administrators and faculty must realize that assessment itself is not the ultimate goal, but a means to a more important end.

Closing the Loop
Although most business schools have begun assessment in earnest, say Martell and Eder, many have yet to take an all-important next-step: “closing the loop.” That is, they fail to use the data they collect to make tangible improvements. In fact, some have yet to finalize their assessment plans. According to AACSB’s new standards, schools were to have their assessment plans fully in place by 2007, but many have fallen behind that original timetable.

“Few industries are slower moving than academia. Many faculty believe they can debate learning goals for three years,” says Martell. “But they have to realize that they don’t have to approach assessment as they would a research study.
"Many faculty believe they can debate learning goals for three years. But they don’t have to approach assessment as they would a research study.

They don’t need a measure that’s been validated from here to Timbuktu. They just have to jump in, get started, and do their best.”

Last November, AACSB released its white paper, “AACSB Assurance of Learning Standards: An Interpretation,” to help schools through this process. It aims to provide guidance, answer frequently asked questions, and spark further dialogue about assessment.

Course-embedded assignments, capstone courses, and computer simulations provide a wide array of tools for business schools; software providers offer programs to help schools more easily gather and utilize data. Martell also points to standalone testing instruments such as the Major Field Tests in Business issued by ETS, headquartered in Princeton, New Jersey. She emphasizes that while the MFT alone isn’t a sufficient assessment measure, it offers business schools yet another tool for their larger assessment toolbox. “The results of standardized tests are difficult to use to improve the curriculum,” she says. “But if you need data quickly, the Major Field Test can be easily implemented.”

Some schools have already taken action to close the loop, Martell notes. For example, when business professors at Montclair State University discovered that their students weren’t retaining their skills in statistics, they decided to record mini-lectures on quantitative techniques. These files were then stored in an “online toolbox” that all students could access. What started as a plan to help students refresh their statistics skills will soon be expanded to include mini-lectures on other subject matter, such as technology and business communication.

At Temple University’s Fox School of Business in Philadelphia, faculty found that students needed to improve their ability to integrate information across disciplines. Rather than address this issue with a typical capstone course at the end of the program, faculty created a sophomore-level course built around the Capstone computer simulation from Capsim Management Simulations (formerly Management Simulations at Kennesaw State University’s Coles College of Business in Georgia, our seniors take a computer simulation to demonstrate their business knowledge after four years of coursework. In the simulation, we include a question that causes quite a stir. We ask, “If you’re having dinner with guests from India, Saudi Arabia, China, and Japan, what should you serve?” Their choices include roast pork, beef, and chicken with vegetables. The right choice is chicken with vegetables—it doesn’t conflict with any guest’s cultural or religious beliefs, and it offers options for vegetarians.

That single question has told us a great deal about our students’ global sensitivity. In fact, some students become angry that the question was included; they don’t understand why this is a business question. We explain that this question has everything to do with global business, because these are the kinds of cultural subtleties that they’ll need to know once they enter the global workforce.

More important, such questions in the simulation give us a mirror that we can hold up to our own teaching. When our students respond with uncertainty, we know that we’ve found an area in our curriculum that we need to improve. That mirror has been the true purpose—and benefit—of assessment.

The Right Mix

At Coles College, we combine course-embedded assessment and computer simulations in our BBA and MBA programs. We’ve found that effective assessment is the result not of a single tool, but of a mix of tools implemented throughout a number of courses and student projects.

For instance, throughout the semester, we require students to view online five different videos on particular business cases. After they watch each video, they write essays in response to a single question about that case. We also conduct peer evaluations and require oral presentations.

These tools give us good measurements of our students’ soft skills, but such pencil-and-paper exercises don’t

Lessons of Assessment

Simulations at Coles College of Business highlight just what students have learned.

by Gary B. Roberts
give us measurements on hard skills, such as ratio analysis and resource allocation. To better measure both qualitative and quantitative business skills, we added two technological components to our assessment plan. Three years ago, we added computer simulations—including the Foundation and Comp-XM Capstone simulations from Capsim Management Simulations. We also use Digital Measures software to record and track student performance.

Throughout the semester, students complete course-embedded assessments, quizzes, and major exams, as well as practice taking the Foundation simulation. At the end of the semester, students take the Capstone simulation, where they manage a business and answer questions posed by a virtual board of directors regarding their strategies and business knowledge. For instance, they are asked what they will do with the company’s inventory if interest rates rise? We want to make sure that students know that they need to reduce inventory to cut costs in this scenario.

Both simulations include 200 questions that our faculty developed and refined; each question is one we believe a business major should know how to answer. Our students’ performance gives us direct feedback on what our students know and what they may still need to learn.

Unexpected Benefits
When we first began our assessment and AoL efforts three years ago, they presented myriad challenges. Now, however, as we apply what we’ve learned to improve our programs, we also find that our efforts have produced unexpected benefits:

**An awareness of problems.** Our assessment efforts helped us improve our programs so that our students graduate with more integrated, higher-level decision-making skills. The data show where we are still teaching in silos that don’t encourage students to take what they’ve learned in one class and apply it in another.

**An opportunity for early intervention.** In the past, faculty members could struggle for years trying to improve student performance in their courses. Now, the data tell us immediately if and where there is a problem. If I see a junior faculty member having trouble early on, I can intervene in a way that’s helpful, not administrative or punitive.

**An open forum for discussion.** Assurance of learning has invited faculty into a continuous and all-inclusive conversation. After each simulation, we meet to discuss the results without an administrator present. We talk about what we’re doing right, what we’re doing wrong, and what we need to do to improve.

For instance, as a strategy professor, I’ve often been frustrated by the fact that, by the time my students come into my class, they have forgotten ratio analysis. They’ve been taught the skill, but it was not reinforced after they took the final exam. Or, we’ve also found that our management, marketing, and finance majors know accounting principles very well after they take their accounting courses as sophomores; but by the time they take the Capstone simulation as graduating seniors, they can no longer do the kind of accounting analysis that we think they should know. We plan to make changes based on that information, reinforcing this knowledge over multiple courses so students don’t lose some of their skills before they graduate.

**Culture of Change**
In the past, efforts to improve the curriculum often involved merely changing course titles or adding a new course here and there. Now, we can make changes based on hard data, not opinion. When the scores aren’t where they should be, we know our faculty won’t become defensive, but will react enthusiastically to make necessary improvements.

Our marketing department is now planning brown-bag lunch meetings with faculty about AoL. Our finance department will be running a training session for faculty, based on data we have collected. These are not drastic changes, but they are small steps that are making a big difference for our programs.

That’s not to say that we still don’t face obstacles. While many departments enjoy 100 percent faculty participation, others have tenured faculty who refuse to collect the data. Still, most of our faculty are taking ownership of this process, because they’ve worked together to develop the questions now included in our embedded assessments and simulations.

This has truly been an exciting time. It’s the first time in my 20 years of teaching that I’ve seen a consistent team effort across the faculty to improve the quality of what we teach and the depth of what our students learn.

Gary B. Roberts is a professor of management and entrepreneurship and a member of the assurance of learning program at Kennesaw State University’s Coles College of Administration in Marietta, Georgia.
Simulations Inc.) of Northfield, Illinois. Through the course and simulation, students now learn to integrate what they’re learning early in the curriculum.

When faculty at the Mays Business School at Texas A&M University in College Station examined their assessment data, they found that their students had strong technical skills but showed weaker performance in soft skills such as ethical reasoning, communication, and teamwork. Mays faculty created a course specifically designed to improve students’ soft skills. This fall, the new course will be required for all undergraduates.

That kind of swift action toward genuine improvement lies at the heart of effective AoL, Martell and Eder emphasize. And with so many tools and approaches available, the process invites experimentation and refinement over time. Before long, faculty can have a process that works smoothly and is in line with the school’s mission-based objectives.

“After a year or two, many schools find that assessment is an incredibly gratifying experience,” says Martell. “They love that it brings them back to talking about teaching and learning.”

Engaging Faculty
Assessment advocates emphasize that unless both faculty and administrators share an enthusiasm for assessment initiatives, there is a risk that their efforts will fall flat. In that case, programs won’t benefit from the curricular improvements that can arise from an effective AoL plan.

Faculty buy-in presents one of the biggest obstacles to assessment, says Matt Bartel, president of Digital Measures, an assessment software company headquartered in Milwaukee, Wisconsin. The most successful schools present AoL not as an externally driven requirement for accreditation, but as a plan that will benefit the faculty and the school, Bartel notes.

“Schools that offer an artificial purpose for pursuing assurance of learning get artificial buy-in,” he says. “One of the most important parts of the equation is communicating the true value of the information to everyone involved.”

Many assessment experts suggest that achieving genuine enthusiasm about assessment starts with faculty development. Most faculty are trained to explore their disciplines, not new modes of teaching, argues Eder of the University of North Florida. Therefore, an even bigger challenge, he says, is to ensure that faculty learn new pedagogies that will translate to better learning outcomes.

It will be up to business school administrators to support that kind of development, he says. He adds that if faculty aren’t encouraged to use assessment as a springboard

The Devil’s in the Data
At CSU, Chico, using STEPS to gather data streamlines learning assessment.

by Gail Corbitt, Steve Adams, and Ken Chapman

In 2002, the College of Business at California State University, Chico, began to develop a software prototype to help us meet the challenges of the new assurance of learning accreditation standards. We knew that the software would have to be flexible enough to monitor and control mountains of data related to student assignments and demographics, yet simple enough for students and faculty to use without a large investment of time or training.

Our software program, the Student Tracking, Evaluation, and Portfolio System (STEPS), is now in Version 4.0. It has evolved from a tool to support course-embedded assessment to a repository for all the school’s data and information related to assurance of learning. It affords us an easy way to get stakeholder input, track assignments, and monitor our progress.

More important, using STEPS, faculty aren’t burdened with gathering and analyzing data. Instead, they can use their time to help plan assessment activities, develop recommendations based on data analysis, and implement interventions to improve the quality of our program.

Setting Objectives
To maximize the use of the STEPS program, we first had to set the objectives our collected data would measure, as well as establish the flow of information into and out of the system. Chico’s College of Business has two undergraduate bachelor of science degree programs, one in business administration and one in business information systems. We set five general learning goals for each program; each individual program also has three to five program-specific learning goals.

For each goal, we created an Assurance of Learning Advisory Board made up of seven to eight interested faculty members and industry reviewers. Each board determines how and where to assess each learning goal and may also determine the specific attributes of particular learning objectives.

For each goal, we created an Assurance of Learning Advisory Board made up of seven to eight interested faculty members and industry reviewers. Each board determines how and where to assess each learning goal and may also determine the specific attributes of particular learning objectives.

For instance, our board for IT proficiency created a course-embedded assignment that requires students to take responsibility for the design and selection of the
computer architecture to support a company’s new Web site. In the assignment, the company’s marketing department knows the number of daily users for the site, but cannot provide detailed projections for site use. Students work independently to determine likely use patterns, choose architectural components to support that use, and justify their choices.

Before students begin the assignment, we tell them that it will be used for assessment. Students also are given the criteria that will be used to measure successful responses.

Sharing the assessment process with our students has had unexpected advantages. Students tell us that they appreciate knowing what is expected of them, not only in IT proficiency, but also in assignments for critical thinking and written and oral communication. Better yet, they note that this consistent feedback has helped them improve.

**Taming the Data**

As we fine-tune STEPS, we have developed greater flexibility in the way we collect, store, and access data that we generate in these assignments. Students can go online and follow posted instructions to upload their completed assignments into the STEPS system. Once assignments are in the system, a coordinator uses STEPS to select a random sample of work and assign it to evaluators for double-blind evaluation. In turn, evaluators receive e-mail notification that the work is ready to evaluate. Evaluators can assess their assigned work remotely and enter their assessments into the STEPS software. At the same time, the assessment coordinator uses STEPS to monitor the evaluators’ completion progress.

Concurrently, evaluators meet to calibrate their assessments and make sure they evaluate each student response using the same rubrics. For example, before industry reviewers review the assignment, they first do a sample assessment so that they can address any questions about the application of our chosen criteria.

We originally conceived STEPS as an assessment tool for oral and written assignments. It has become much more, helping us collect more than 1,000 assignments and control the countless moving parts in the assessment process. Eventually, the system will house all of our assessment data.

**Raising Awareness**

In “Assessing Student Learning: Are Business Schools Making the Grade!,” an article published recently in the _Journal of Education for Business_, Kathryn Martell notes that the weakest link in the assessment process is “closing the loop.” That is, many schools gather and even carefully analyze the data, but they then fail to take the last step: making improvements based on their analyses.

To address this issue, Chico is revising its curriculum development to incorporate more direct input from the assessment process. For example, based on the analysis of the assessment data, our board for IT proficiency found that we needed to provide students with a better example of IT architecture. Its industry members offered to restructure the assignment given to students to assess their proficiency in applying current technology to a case study.

We also take care to look at the data from different angles. For example, if we were only to combine data from all students and all evaluators, it might hide weaknesses and strengths in subsets of the data. So, we have found it useful to compare students by criteria such as chosen specialization and transfer status.

It was only by making such smaller comparisons that we found that accounting students were receiving lower assessments in written communication than MIS students, particularly in mechanics. This revelation came as a great surprise to the accounting faculty. With the hard data before them, they did not argue with the results; they focused on how to get more writing assignments added to the accounting classes to improve their students’ skills.

To improve writing proficiency, the advisory board recommended changes in the number of assignments and a wider distribution of handouts that cover the expectations of great writing and the common errors to avoid. The college also hired a writing tutor. Since making these interventions in spring 2007, we have seen significant improvement in our students’ sentence structure, paragraph structure, word choice, tone, and professional format.

Ironically, at the same time we actually recorded decreases in their scores in grammar, punctuation, and spelling. But we view these discoveries as part of the process—we’re still digesting these results and plan further interventions.

With STEPS, we’ve worked to make assessment as non-intrusive for our faculty as possible. In the process, more of our faculty have become aware of assessment and have become more interested in raising the quality of student learning in their courses. Such an environment only makes it easier to pursue better assessment methods—and greater learning outcomes for all of our students.

Gail Corbitt is a professor of accounting and MIS and the director of the Center for Information Systems Research at the College of Business at California State University, Chico; Steve Adams is a professor of accounting; and Ken Chapman is a professor of finance and marketing and the director of the school’s Assurance of Learning Initiative.
to inspire new approaches in the classroom, the data they gather will have no true purpose. “Schools have to protect faculty as they learn new ways to teach,” says Eder. “While faculty are learning new pedagogies, they won’t be submitting grant proposals or writing research papers. Business schools need to adopt new systems that reward faculty for more than their research.”

**Too Little, Too Late?**

Even with all their efforts so far, business schools in the U.S. may still face a bigger challenge than convincing faculty of the benefits of assessment, says Eder. “Higher education has had 20 years to get this right, and most institutions haven’t,” he says. “Now, the federal government is threatening to intervene.” If that happens, business schools may have to work hard to convince the federal government that their assessment efforts are working.

Already two major groups are advocating measures that could substantially influence assessment in public undergraduate education. In November, the National Association of State Universities and Land-Grant Colleges and the American Association of State Colleges and Universities together approved the Voluntary System of Accountability (VSA) initiative. Under the VSA, leaders from more than 70 four-year public institutions of higher education set standards for assurance of learning, creating a data-reporting template that could become a starting point for federal oversight.

AACSB adopted its new standards in 2003; the release of the Spellings Report in 2006 only increased the pressure on colleges and universities to set standards when it called for an overhaul of U.S. higher education. Some fear that the next step may be an act of Congress to make assessment mandatory for public higher education institutions.

Martell, however, believes that business schools still control their own destiny—if they act now. “The Spellings Report frightened a lot of people, because it called for some type of standardized assessment. That, of course, wasn’t welcomed because different schools have such different missions,” she says. “It’s important that organizations like AACSB educate Congress on the professional requirements that are already

### Assessment at a Distance

OU Business School’s assessment plan must satisfy government mandates, meet accreditation standards, and lead to innovation in its distance learning program.

**by Mark Fenton-O’Creevy**

The Open University’s OU Business School in Milton Keynes, United Kingdom, has a unique vantage point on learning assessment. First, we are subject to the U.K.’s Quality Assurance Agency (QAA), which requires us to set and publish learning outcomes for each course and program. Second, our business program is delivered exclusively via distance learning formats, including the Internet, telephone, print, multimedia, local face-to-face tutorials, and residential study.

Even with so many points of contact and a 1:16 tutor-to-student ratio, our students are less visible to faculty than they would be at a campus-based institution. Students, who study in course cohorts of up to 1,500, are not on campus and cannot drop in to see a tutor face-to-face.

As a university in the U.K., we must answer to the QAA. As an accredited business program, we must meet the standards of the AACSB and other accrediting bodies. But we must also maintain close relationships with, and ensure quality learning experiences for, all of our students—no matter how or when they connect to our programs. We must create robust, reliable assessment methods that work on a large scale, via multiple channels, across multiple student cohorts.

**Our Assessment Environment**

In the U.K. system, external examiners from other universities work with teams at our school to ensure that our programs meet QAA requirements. In addition, program committees at OU Business School review all learning outcomes and evidence of student achievement to ensure they fulfill the requirements set by the QAA, AACSB, and other accrediting bodies. We carry out annual reviews with the help of external advisors, and our
programs are subject to a quality review by the university every six years. Since 2005, we also have been part of an annual national student satisfaction survey conducted by the government, which examines students’ perceptions of teaching, learning, and student support.

This level of oversight makes it essential that we adopt a central, user-friendly course management system. We are now in the process of integrating all of our online learning and student support systems into a single virtual learning environment based on Moodle, a free, open-source CMS system. Using Moodle, students can access coursework, use the library, submit assignments, handle paperwork, and interact with tutors and peers.

The system keeps detailed records of every interaction we have with each student; we have protocols for information capture and data protection to supplement the relationships between students and tutors. By tracking the learning history of our students, we can identify how well they are achieving our learning objectives, and we can know when a student is struggling. If students are in trouble, we can intervene early to provide them the assistance they require to succeed.

**Enhancing Quality**

The QAA sets the following benchmark for MBA programs: “Graduates will have been able to ground their new knowledge within the base of their professional experience. They will be able to reflect on and learn from that prior experience and thus be able to integrate new knowledge with past experience and apply it to new situations.”

In 2006, we introduced a new MBA capstone course to help students accomplish this objective. After our course team and external examiner reviewed the assessment data from the course, we realized that many students were having difficulty applying what they had learned in their professional environments. As one team member noted, many students were applying theory to their practice, but they were doing so “as one applies a sticking plaster, rather than using it to effectively generate new insights.”

In response, OU Business School established a working group that collected information from faculty and students and ran a series of workshops that examined approaches to improving students’ “critical engagement.” These workshops have involved major figures in the field of learning, including Etienne Wenger, a leading California-based educational theorist and researcher in “communities of practice,” and Yrjo Engestrom, director of the Center for Activity Theory and Developmental Work Research at the University of Helsinki in Finland.

Our assessment system also has led us to refine our Professional Diploma in Management. The course includes online collaborative exercises designed to help first-year MBA students learn from other students about the practice of management in organizations different from their own. By the end of the course, we expect students to be able to put what they’ve learned to practical use in their workplaces.

However, a telephone survey of students in the course revealed that the workload in the course was higher than we had anticipated—so much so that our original learning goals were being lost. Based on this survey, we redesigned the course so that students had a more manageable workload and more time to apply their skills.

**First, Assessment. Next, Innovation.**

The oversight of the QAA—and now of AACSB—has encouraged us to take a more thoughtful approach to designing our students’ distance learning experiences and pay more explicit attention to external stakeholders. The danger, however, is that such audits of academic quality can become bureaucratic. Our concern is not just that the process absorbs resources, but that it can put a brake on innovation.

To this end, the business school has established a Teaching Innovation Group to support development in teaching, learning, and assessment. We also partner with the Centre for Practice-Based Professional Learning, one of four centers for excellence in teaching and learning at OU. Other support comes from the Institute for Educational Technology and the Knowledge Media Institute. These centers evaluate learning, support innovation, and develop technologies to enhance students’ experiences.

Although AACSB’s new AoL standards aligned well with our established assessment systems, they’ve also served as a useful reminder. They encourage us to use these systems in meaningful ways that lead to learning, program improvement, and a better student experience.

Mark Fenton-O’Creevy is the associate dean of programs and curriculum and professor of organizational behavior at Open University’s Business School in the United Kingdom.
in place. As long as Congress gets the message that we are pursuing assurance of learning voluntarily, we’ll be able to continue to police ourselves.”

**Reaching Beyond Assessment**

Since 2003, many business schools have been fine-tuning their assessment plans. Now that they’re seeing those plans translate into tangible, positive improvements to their programs, a growing number of faculty are joining Eder and Martell in their enthusiasm for assessment and its place in improving learning outcomes.

One of the key points for school administrators to remember, says Martell, is not to overdo it. “Some schools try to make this way too complicated. I’ve seen some schools that have set 100 learning objectives,” says Martell. “We don’t have to assess everything—AACSB only asks us to identify five or six goals that we think are important. Moreover, we don’t need to assess a huge number of students; assessing a representative sample is enough. The point is to generate data we can use.”

Coles College of Business at Kennesaw State University in Marietta, Georgia; the College of Business at California State University, Chico; and Open University’s OU Business School in the United Kingdom are three schools where assessment plans have come to fruition. Their stories are shared in “Lessons of Assessment” on page 24, “The Devil’s in the Data” on page 26, and “Assessment at a Distance” on page 28. Educators at these schools note that a majority of their faculty have embraced the process as an opportunity, rather than an added burden. Their experiences represent how far business schools have come where assessment is concerned. Yet, as many assessment experts argue, challenges still lie ahead.

So far, business schools have been trying and testing their approaches to find a system of accountability that works for their missions. By emphasizing streamlined systems and team involvement, many schools have found that effective assessment can be a strong catalyst for positive change. Once school faculty and administration realize the power of assessment data, say many experts, they become more excited about the prospect of improving their teaching, their programs, and their graduates. ²

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When a business school dean was in his third year at a Midwestern university, his provost asked him to undergo a 360-degree assessment. He was pleased to learn that his raters believed he had good technical skills, deftness at promoting the business school, an excellent knowledge of the market, and the resilience to recover from mistakes.

He wasn’t quite as prepared for the candor of the write-in comments, where people spoke up plainly about certain areas where they thought his behavior could improve. Some raters thought he was dictatorial and subject to temper tantrums. Others wanted him to take more action in some situations and project a stronger presence.

“After the shock wore off, I was able to put their comments in the context of the survey data and really make sense of what I was doing that they wanted done differently,” he says. With the help of a coach, the dean decided to focus on key issues such as building relationships, listening to others’ perspectives, and creating a more positive climate for the b-school faculty and staff. “Today it all seems obvious and simple,” he adds.

This Midwestern dean isn’t the only top manager who has turned to a 360-degree assessment to get honest feedback about how he’s performing and where he could improve. The corporate world has long relied on such assessments, in which individuals are rated on a variety of attributes by a cross-section of peers, direct reports, clients, and supervisors. What’s new is that the multisource assessment tool is working its way into the university setting. It’s becoming another method administrators can use to improve the way the b-school functions.

A 360-degree assessment tool helps deans determine what they’re doing right, where they could improve, and how to implement changes.

by Sharon Shinn

Academic Assessment

In a sense, the academic world has always engaged in forms of 360-degree assessment, says Stephen Stumpf, professor of management and Fred J. Springer Chair in Business Leadership at Villanova University in Pennsylvania. A student evaluation might be considered an assessment “from below” or “from the customer.” A peer review of an article written for publication could be seen as an assessment from a peer on the organizational chart. The 360-degree tool is different because it provides a snapshot of a dean’s performance competencies as viewed by a wide range of constituents, all consulted at the same time.

“Any C-suite leader—and that’s what a dean is—has many different stakeholders who all have different demands,” says Stumpf. “There may be little overlap between what faculty want from a dean, versus what students want, versus what the advisory council members or peers want. A 360 assessment gives all of the constituents a legitimate voice. In the absence of a 360 assessment, what you get is the squeaky wheel. Whoever is the most empowered or most angry is the one who speaks, and that person’s input is often more negative than positive.”

It’s not uncommon for senior-level leaders to get little feedback—until they’re fired, Stumpf posits. “There are really two main reasons why deans leave before..."
they’ve chosen to step down,” says Stumpf. “One is that a powerful senior person doesn’t like them or their performance. That could be the provost, a member of the board of trustees, or the president of the university. The other is the palace revolt, the faculty saying, ‘We don’t want him to represent us.’”

Deans who receive a 360-degree assessment, on the other hand, learn what all of their constituents see as their strengths and weaknesses—and they have a chance to leverage those strengths and shore up those weaknesses before the situation gets critical.

Gathering the Ratings
Here’s how it works: Deans first rate themselves on a 360-degree assessment instrument, and they also list the names and e-mail addresses of the people they think should rate them. This list might include some or all faculty; members of the advisory board; direct reports; peers from within the university or the professional field; top university leadership, such as the provost; the dean of students; the head of the alumni organization; and those deeply involved in student recruitment. In the case of the Midwestern dean, he asked about two-thirds of his faculty, two other deans, four senior administrators, and ten members of the b-school advisory board to participate.

To choose raters, says Stumpf, “deans should ask themselves, ‘From whom do I want to learn? How can I get as much consolidated information as possible so I can choose how to invest my time and energy?’”

Raters assess the dean on a number of leadership attributes, usually completing their evaluations electronically via Web-based instruments. Most instruments allow the raters to write in comments to give more depth to the data, and about two-thirds do so, says Stumpf. Once data is compiled, the feedback is returned privately to the dean, either as a document or via password-protected Web access.

For the uninitiated, analyzing 360-degree feedback is not a simple task, says James Smither, Lindback Chair of Human Resource Management and professor in the School of Business at La Salle University in Philadelphia, Pennsylvania. For instance, if an assessment survey has 40 items on it, and each one is rated by a pool of peers, supervisors, and direct reports, and the response from each group of raters is gathered into its own mean, that’s 120 data points. “Who can attend to that much data? How do you make sense of that?” Smither asks. “It helps to have someone skillful in facilitating data to help you work your way through it and show you underlying themes.”

A coach can help the subject understand the data and formulate a plan for how to improve, Smither says. Executive coaches can be hired from consulting firms, he says, but deans might find someone within the faculty who has the skill set to guide them through the data and help them make any necessary changes.

The Midwestern dean who underwent an assessment engaged an outside coach familiar with the business school industry. “It was very helpful to get another person’s views on the issues,” he says. “He showed me how my behaviors could lead to others’ perceptions of me.”

The dean also shared the results with his spouse, who had additional insights to offer. “She laughed at some of the comments that had gotten to me,” he says. “She helped me come to view the 360 as a discussion starter, not an answer.”

What the Data Show
According to these experts, feedback reports are most valuable when they’re used strictly on a developmental basis—but even so, they can paint a complex picture. Strengths and weaknesses can be perceived quite differently by different constituencies, leaving a dean to wonder how to respond to conflicting messages.

For instance, the instrument might ask how well the dean creates a shared vision. If a dean has decided to build the marketing department and the executive board is thoroughly enamored of the plan, board members might give him high marks for his vision. Finance and accounting faculty who are not thrilled with pouring so many resources into the marketing curriculum might rate him significantly lower.

“In response, he might spend some time with those departments, saying, ‘Here’s the funding, here’s the plan,’ and turning those people into ambassadors,” says Stumpf. “He may never have thought to do that on his own.”

Sometimes a dean might find out she is highly perceived within her own college, but that administrators of other colleges on campus don’t like her. That might make her reflect on her typical behavior. “When she goes to those university-level meetings, is she hanging around afterward
“Deans should ask themselves, ‘From whom do I want to learn? How can I get as much consolidated information as possible so I can choose how to invest my time and energy?’” —Stephen Stumpf, Villanova University

and chummying up with dean colleagues?” Stumpf asks. “Maybe she needs to have more conversations with her university peers. Or maybe she just needs to realize that she can’t win that battle. She can formulate different strategies for dealing with the data, but until she has objective feedback, she doesn’t even know what the dynamics of the situation are.”

After his assessment, the Midwestern dean realized he had to work to be more collaborative—and more patient. He says, “Now I share more information and wait for responses, even if it takes days instead of hours. I’ve started pausing after I hear something negative or distasteful, rather than reacting. The pause gives me time to reflect and ask myself what might have led this person to have that perspective.” The new attitude is making a big difference, he thinks. A few faculty members who were “on the outside” have become more agreeable to changes the dean wants to introduce to the business school. “This is much to the benefit of us all,” he says.

While the feedback report sometimes leads to minor changes, occasionally it can help top executives restructure their approach to management on a more fundamental level. “I’m working with someone who never micromanages and has an informal style that everyone likes, but he doesn’t have enough discipline to make sure his people hit deadlines,” says Smither. “He’s a very senior person who’s savvy enough

### 360 Degrees of Deanship

One option for deans who are interested in undergoing a 360-degree assessment is the new Academic Leadership Assessment (ALA) offered by AACSB’s Knowledge Services. Developed by Steve Stumpf of Villanova University and administered online by LearningBridge, this assessment tool comprises 30 dimensions of leadership in four distinct areas: foundations of leadership, interpersonal competencies, business acumen in decision making, and skill in heading the academic enterprise.

Research and conversations with colleagues led Stumpf to isolate these clusters of competencies—some typical of any top-level leader, some more specialized. The ones most unique to deans fall into the category called “head of the academic enterprise.” Raters are asked to assess how well the dean understands the academic leader’s role, promotes excellence, and promotes and represents the business school. They also assess whether the dean is accessible and does a good job advocating the academic enterprise.

The category revolving around business acumen essentially evaluates how adept the dean is at the very concepts he is teaching in the school. “If you’re the dean of a business school, you ought to know something about finance, economics, and accounting,” says Stumpf. “The instrument asks if the dean demonstrates the basic business competencies that we teach our students.”

Among other things, the area of interpersonal competencies looks at how well the dean connects to people in the external world, including alumni, business leaders, and recruiters. “A dean has prestige and status, but no formal authority over these people. How does he relate to people who are outside the institution’s boundaries?” says Stumpf. Leadership questions, drawn from current leadership literature, address the dean’s ability in such areas as empowering others, demonstrating multicultural awareness, speaking in public, and behaving responsibly.

AACSB’s Knowledge Services plans to administer the 360-degree deans’ assessment instrument several times a year, in waves of participants. During each four- to six-week period, the process will be open to anyone who signs up with AACSB so that participating deans have time to select their raters and raters have time to respond. After LearningBridge collects data, it will prepare a report for each participant; the report will be either mailed or posted on a Web site accessed with a pass code.

By doing the assessments in waves, Knowledge Services can provide comparative data to participants. “It’s not the most important part of the data, but people like to know. If I score 4.6 on a five-point scale, do I walk on water or am I average?” says Stumpf.

The ALA instrument “resonates with AACSB’s desire for outcomes assessment, because in many ways this is a form of outcomes assessment for academic leaders,” says Stumpf. “It gets the point of view of different stakeholders at the same point of time.”

More information about ALA can be found at www.aacsb.edu/knowledgeservices/ala.asp, and more information about LearningBridge and its surveys is available at LearningBridge.com. Stumpf can be reached at steve.stumpf@villanova.edu.
to realize that he’s probably never going to change, so he’s brought in an internal project person who will handle those areas. Smart managers realize they need to create a sense of balance by surrounding themselves with people who have the strengths they don’t possess.”

Influencing Factors
When assessments are used strictly for developmental purposes, and the feedback only goes to the person being rated, everyone can focus on what’s working well and what needs to be improved. Problems might arise when assessments are used for decision-making purposes, say these experts. Individuals might be more selective about whom they choose as raters. Raters might be less honest if they know their comments will be read by the person’s supervisor and have an effect on that person’s job.

“It’s good to keep in mind that, when people are completing ratings, accuracy is not their goal,” Smither says. “Their goal is to send a message to somebody. The question becomes, what message do I want to send and to whom do I want to send it? If the feedback is only going to one person, I only have one audience. But once the feedback is going to that person’s manager, I have two audiences. I might want to communicate two different things.”

For example, says Smither, individuals asked to rate a boss who is superb in every category but one—say, public speaking—might honestly discuss their boss’s weakness if they think he can use the information to improve his performance. But if they’re afraid their boss’s supervisor will interpret low marks in that category as a reason to withhold a raise or a promotion, they might be less forthcoming. Because the boss will not learn where his weakness lies, he won’t be motivated to work on it.

“We know from many studies that when people are rating others and know their ratings are likely to have important consequences, they tend to be more lenient,” Smither says.

Stumpf concurs. When assessments will be used for decision-making purposes, he says, “more biases tend to creep into the data,” he says. He acknowledges that old-fashioned ways of assessing a dean, such as soliciting faculty for comments, are also subject to biases, but he believes that with anonymously collected data, it is more difficult to weed out the personal prejudices that might be obvious in a face-to-face interview.

Thus, Stumpf and Smither both recommend that assessments be used primarily as developmental tools. Says Smith¬er, “I don’t think the provost should see the feedback on a dean’s assessment, but I don’t think it’s unreasonable to expect the dean to sit down with the provost or with faculty and say, ‘Here are a couple of things I saw in the feedback. I saw a message that people would like me to do XYZ more often and do ABC a little differently.’ I think it’s important for people to communicate the feedback to others, including their managers, but the managers don’t need to see the actual feedback.”

Smither thinks it’s equally important that subjects focus on what the data show they do well, so that they don’t just work on their weaknesses, but capitalize on their strengths. “If your only goal is to find out what’s not working and fix it, an assessment can become a bit disheartening,” he says. “You have to presume that most people got where they are because they have a lot of strengths in the first place.”

Responsive Raters
While Web-based assessment instruments have made it easier than ever to acquire multisource feedback, submitting to an evaluation isn’t always the first thing on a leader’s mind, Stumpf admits. “No one is going to wake up in the morning and ask, ‘Should I get a 360-degree assessment?’” he says.

According to Stumpf, university administrators can increase their chances that deans will participate in an assessment by providing the right motivation. For instance, an off-site retreat attended by all university deans creates a certain peer pressure for everyone to fill out the self-rater part of the instrument. Once deans are back on campus, they can increase the number of responses they get from raters by personally inviting each one to complete the form.

Typically, says Stumpf, raters are quite willing to participate because they’re eager to share their perceptions of the person in power. Normal response rates are between 70 percent and 80 percent, but that can be bumped up to 90 percent or better if the dean calls or e-mails his raters and asks for their input.

In the case of the Midwestern dean, he received responses from more than half of the faculty and two-thirds of the others he asked to be raters. If he were to do it over again, he says he might have asked more people to participate—and he definitely would have made a more direct appeal to those he did invite. “While the number of people who did respond was great, I wonder about the views of those who didn’t, or whom I didn’t ask,” he says.

Not surprisingly, the more areas there are to rate, the fewer responses a subject will get, but a brief questionnaire might not collect enough data to be useful. “The goal is to find a balance,” says Smither. “The question is, how much can we cover in terms of the skills and competencies we want to focus on and still get people to respond?”

“I’ve started pausing after I hear something negative or distasteful, rather than reacting. The pause gives me time to reflect and ask myself what might have led this person to have that perspective.” —A Midwestern dean
Another question is how often to conduct 360-assessments. Smither doesn’t favor annual assessments; instead, he suggests having the dean look at his feedback and set three goals that he shares with all of his constituents. These goals will then form the basis of a more targeted follow-up survey that’s sent out a year later, asking raters to assess how much progress he’s made on a scale from -5 to +5. “Deans can ask, ‘Have you seen any change, and in what direction? Do you have any further suggestions?’ A follow-up survey only takes a minute or two, but it tells the dean exactly what he needs to know to see if he’s making progress,” says Smither.

Obstacles to Improvement
While 360-degree assessments can lead to positive change, they can have negative consequences as well if they’re not managed correctly, says Smither. Once a dean undergoes the evaluation and receives the feedback, expectations are heightened. If he then makes no changes, the raters who participated may become disgruntled or cynical, and they may privately decide it’s pointless to participate in a future survey. “If you’re not committed to analyzing the feedback and having a public conversation about what you’re going to do as a result, then you shouldn’t have the assessment,” Smither says.

Smither also cautions that it’s unrealistic to expect major change to result from a 360-degree assessment. He has recently published a meta-analysis of research on the topic, which found that, over time, the amount of change people generally achieve is positive but small. He notes that several studies have shown that, if people talk publicly about the feedback they’ve received and the goals they’ve set as a result, they are more likely to improve.

Other studies suggest that people who set clear goals and engage in tangible developmental activity also have a better chance of improving. Conversely, people who are skeptical about organizational change in general are less likely to improve.

“It would be naïve to think, ‘Everybody who gets 360-degree feedback will get better,’ because that’s not what the data say. But if you set goals and engage in developmental activities and talk to people about your plans, you have a heightened likelihood of succeeding. Motivation is really key.”

It’s not clear that 360-degree assessments will be as effective the world over, Smither adds, although such tools are used internationally. “In some cultures, great deference is given to the manager. In those cultures, it might be awkward to ask subordinates to participate in a 360-degree rating process. Their response might be to give managers perfect scores across the board, in which case the feedback is not going to be informative.”

In addition, different cultures might respond much differently to the part of the process that requires participants to first rate themselves. Self-rating scores tend to be lower in cultures that value modesty and higher in cultures that promote assertiveness. “There are a lot of things that could vary across cultures, and we don’t exactly know how to interpret them,” says Smither. “It’s an open question that could be very important.”

One Tool Among Many
Web-based multisource feedback instruments have, to a large degree, replaced the in-depth interviews a company used to commission to get a comprehensive view of a senior manager. To some extent, university leadership could use assessments to replace similar face-to-face interviews they conduct to determine how well a dean is doing.

“We’ve taken something that might involve a cumulative 80 or 100 hours of effort and reduced it to five or ten hours,” says Stumpf. “At the same time, we’ve eliminated many of the perceptual biases that creep in through interviews.”

Even so, he points out the assessment is just a tool. “You still have the administrator’s judgment about whether the data are worthwhile or biased,” he says. “It’s not like, if someone gets a 4.5 on a five-point scale, he’ll get promoted. An assessment becomes a quantitative measure of how a particular group feels about a person. The administrator still uses other data that helps create a global judgment.”

As with any tool, how an assessment report is used will determine how effective it will be. But as business schools aim for continuous improvement in the battle to stay competitive, multisource feedback tools offer one more way for deans and administrators to get the edge and outperform the competition.
Many business schools have instituted honor codes to encourage a shared ethical mindset among their students, faculty, and staff. Representatives from four schools with honor codes weigh in on their effects.

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B-school cheating was highlighted in a 2006 study by Donald McCabe of Rutgers University, Kenneth Butterfield of Washington State University, and Linda Treviño of Pennsylvania State University, in which they found that more students in MBA programs reported cheating than those in any other discipline. Many business schools have reacted by adopting formally written and distributed honor codes, establishing honor councils, and devising procedures to deal with cheaters in their ranks.

But how effective are these honor codes in deterring student cheating and bolstering student ethics? Four authors describe how honor codes have affected their own institutions. Ángel Cabrera, dean of the Thunderbird School of Global Management in Glendale, Arizona, shares its code and his vision for a professional code of conduct. Blair Sheppard, dean of Duke University’s Fuqua School of Business in Durham, North Carolina, describes the school’s response when a cheating scandal involving 34 Fuqua students was the center of media attention last spring. Beth Ingram, associate dean of the undergraduate program at the Tippie College of Business at the University of Iowa in Iowa City, argues that the effectiveness of an honor code is only as good as the community support behind it. And Dawn Morrow, an MBA student at the Kenan-Flagler School of Business at the University of North Carolina at Chapel Hill, shares her view as the attorney general of its Graduate Business School Honor Court.

While it is impossible to completely eradicate cheating among all students, these authors note two important effects of an honor code. It provides a shared vision to steer students in the right direction. More important, it promotes a culture of honor, where students and faculty agree that it’s not enough to avoid wrongdoing themselves. They must also speak out when they see others acting dishonorably.
It is now time for educators to take the next step and assume the responsibility that society expects from us and to articulate our professional ideology.

The Case for a Professional Code

by Ángel Cabrera

In 2005, we at the Thunderbird School of Global Management decided to adopt a formal code of professional conduct in all of our graduate programs. We made a pact with the student-led Honors Council: If they worked with alumni, students, and faculty to produce an honor code acceptable to our graduates, then we would try to incorporate the code into our curriculum and academic traditions.

After several months of debate, students, alumni, and faculty produced an honor code that made commitments in areas such as corruption, exploitation, human rights, and environmental sustainability. More important, it used language that underscored the status of management as an honorable profession. By the summer of 2006, the code had been unanimously endorsed by the faculty senate and formally adopted by the school’s board.

Why Stop There?

As we move forward with Thunderbird’s code, I now must consider a crucial question: Why does business not have a shared professional code of ethics? After all, most business educators agree that business ethics should be a part of the core business curriculum. But we have yet to agree on what that requirement should mean in practice.

As early as 1959, Robert Gordon and James Howell argued that management should accept the responsibilities that accompany any true professional discipline—specifically, to develop a scientific base of knowledge through academic scholarship and to prepare individuals to serve society. Business schools have been effective at building a scientific body of knowledge. Unfortunately, we have not been so eager to take on the second challenge. It took an Enron, an Arthur Andersen, and other dramatic failures in the early 2000s for our industry to react.

However, these failures could be a blessing in disguise. They compelled us to agree that ethics is a core component of the business curriculum. It is now time for educators to take the next step and assume the responsibility that society expects from us and to articulate our professional ideology. With a professional code, we make a commitment to serving the interests of society by educating professionals who can manage business corporations for the greater good.

Accepting Responsibility

For philosophical or practical reasons, skeptics have argued that management education should not be burdened with teaching ideology or values. But education without embedded values is an illusion. As Sumantra Ghoshal so powerfully argued, when we teach agency theory, we perpetuate a view of managers as self-serving opportunists, not as enlightened professionals at the service of society. When we teach the five-forces model of strategic decision making, we suggest that good managers exert control over customers and suppliers and create barriers to competition, rather than partner with customers and suppliers to create value in innovative ways. The question is not whether or not we should convey values through our teaching, but whether the values we now convey are good enough.

Management may be younger than medicine or law, but it is mature enough to have produced schools of business in universities around the world. It has established academic disciplines and journals; professional associations; and the MBA, a degree that is widely accepted as a professional qualification. We need to accept that, like medicine and law, management is a true profession that serves society. As management educators, we are responsible for perpetuating not just technical knowledge, but also the values and service attitudes that should be driving business.

Some skeptics also doubt that it’s possible to identify a set of universal principles for management practice, which has as many interpretations as there are human cultures. Yet, international organizations have shown that there are universal values that are acceptable to all cultures. Since 2000, the United Nations Global Compact has proposed ten principles...
of corporate citizenship covering human and labor rights, environmental protection, and anti-corruption.

These principles are rooted in universal declarations and international law that have been accepted by the immense majority of the world. For this reason, we used international initiatives such as the Global Compact and the World Economic Forum’s Global Citizenship Initiative as guides as we wrote the Thunderbird Professional Oath of Honor.

Transformational Effect
The creation of our oath of honor has had a transformational impact in the life and culture of Thunderbird. Our code is included in promotional materials; it’s recited at graduation ceremonies. Students now refer to our code in our classes and take pride in being part of a professional discipline that plays a central role in spreading prosperity.

A professional code of conduct could have that effect on the entire management profession. I believe that unless we agree on even a few principles of what is and what is not acceptable management practice, our graduates will be left to their own devices when it comes to making ethical decisions. Unless we commit to conveying those principles clearly and unambiguously to our students, their decisions may have grave business and social consequences.

It is true that one school alone can do little to change the world, but there is much we can and must do collectively as educators. There are signs that our industry may be at a tipping point, where it will choose to adopt a new attitude regarding our core responsibilities. Together, there is no doubt that we can change the world.

Ángel Cabrera is president of Thunderbird School of Global Management in Glendale, Arizona. He is presently a senior adviser to the UN Global Compact Office on Academic Affairs.

The Costs of Cheating Are Too High to Ignore

by Blair Sheppard

The temptation for people to cheat is remarkable today, whether they’re in sports, government, business, or education. Many athletes turn to steroids because they add dramatically to performance but are hard to detect. If caught, some athletes are stripped of their medals, are forced to forfeit past income, or even face jail; others enter the Hall of Fame. Some politicians think it’s a small matter to accept questionable donations from supporters because there’s a relatively small chance of being caught. Some go to jail; others are elected to high office.

In both of these cases, the consequences of wrongdoing may be vague, but the costs to society are clear. Suddenly our children don’t know whom to respect—how can they know whether today’s honored athlete might be exposed tomorrow for cheating? Voters don’t know whom to elect—how can they know who is trustworthy? Their faith in the political process is shaken.

The consequences of cheating in business are similarly vague—and the costs equally sinister. An executive may view the legal risk of committing fraud as inconsequential when compared to the astronomical amounts of money involved in many business transactions. But trust in contracts, trust in the capital markets, and trust in packaging are at the heart of efficient business. Just imagine if the corruption now found in the world’s least efficient economies was prevalent in business everywhere. The entire system of enterprise would break down.

We must keep these realities in mind as we weigh the risks of cheating in our business school programs. Students know that their grades can determine which of them will work for the elite banks, pharmaceutical companies, and consulting firms, and which of them will have to find other options. Papers are easy to buy on the Web, and cheating is easy to do on take-home exams. Given that cheating is pervasive in academia, many students may ask, “Why not cheat?” The likelihood of getting caught is so small and a serious penalty so unlikely.

These students don’t realize the huge costs of such behavior to society. Cheating in business school threatens the essence of learning—and the essence of business.

Learning from Experience
Tragically, we at The Fuqua School of Business experienced the fallout of cheating when we found that 34 students had violated our honor code: They had inappropriately collaborated on a take-home examination and/or case assignments. In response, students were punished based on the severity of their transgressions, according to the requirements of our honor code.

As the incoming dean, I was not involved in these decisions, but I am proud of the actions taken. We reinforced
It is unacceptable when schools do not require students to grapple with their own sense of integrity before they leave.

the important principles of our honor code by which each student pledges to abide upon enrolling at Fuqua. Alumni, fellow deans, recruiters, and trustees told me that they were pleased to hear that a business school was willing to enforce honor among its students.

But this acknowledgment rings hollow to me. The sad fact is that 34 of our students did cheat, and people believe that this behavior is rampant within business schools around the world. It illustrates the need for action that goes beyond addressing honor violations in our schools as they occur. It is simply unconscionable that business schools graduate students who do not understand the fundamental necessity of honor in business. It is unacceptable when schools do not require students to grapple with their own sense of integrity before they leave.

Worth the Effort

In the Duke MBA program, we want to develop a more complete approach to engendering a sense of professionalism and honor in our students. Although we still have much more to do, we have in place four central principles that are continuing to evolve:

1. We must encourage our students to take primary responsibility for the culture of their school. Since this event occurred, I have been most proud of how our students have taken responsibility to create a culture of honor, courage, candor, and care. They realize they must sustain this culture not only by their own honorable actions, but also by their courage to call out a classmate who fails to acknowledge his or her role in sustaining Fuqua’s integrity.

2. We must make a commitment to instilling a shared sense of honor among our diverse student body. The notion of honor translates across all cultures, but its meaning has subtle, yet significant, differences around the world. It is our task to be sure that the specific meaning of honor is clear within our own community.

3. We must make a sustained effort to engender a sense of honor in our students from admission to graduation and beyond. We must understand that honor is not a course, but a motif that pervades everything we teach and all that we do.

4. Finally, it’s not enough for us, as teachers and leaders, to be honorable; we also must consciously and intentionally model honorable behavior. Too few of us, as educators, tell our students directly why we consider such behavior essential.

Given the pervasiveness of dishonesty, I cannot guarantee that we will always make the effort. And when we fail, we as a community will learn and get a little better every time.

Blair Sheppard is the dean of Duke University’s Fuqua School of Management in Durham, North Carolina.

Committed to Integrity

by Beth Ingram

Last fall, as a relatively new associate dean, I received a call from a professor in a large lecture course who had found that a group of students had cheated on a homework assignment. The students were given zeros on the assignment, and most received lower final grades as a result. Most students simply accepted the penalty, but a few chose to appeal.

Under our honor code’s appeals process, members of a student judicial board investigate the incident and forward their investigative report to a committee of students and faculty members. That committee decides whether to uphold the faculty member’s sanction or to support the student’s appeal. If the appeal fails, a student can make a further appeal to the associate dean.

In this particular case, none of the students won their appeals; the evidence was overwhelming. One student pursued a subsequent appeal to me. I also heard from the student’s father, who was sure that his child was not a cheater. This appeal was also denied, but at a price. The student’s younger sibling rejected our offer of admission in favor of another university.

What is important to note is that, in this case, the students and the faculty member supported the honor code and its procedures. The students followed the path of the appeal; and, with one exception, all parties were willing to accept the committee’s decision. Moreover, because the faculty member trusted the system we have in place, he was willing to issue and enforce sanctions against a significant number of students, despite the time, effort, and documentation involved.

Neither the angry parent nor student was given a second hearing. Administrators supported the judicial committee’s findings and stood behind the honor code and its procedures.
I believe this degree of cooperation stems in large part from the way in which our honor code was created and incorporated into the culture of Tippie College.

**A Shared Vision**

Writing the honor code for the Tippie College of Business was a student-driven, team-building experience. Initially, open forums were held for students, faculty, and staff. Taking their input into account, students wrote the honor code, borrowing elements from other successful codes and modifying them to fit our academic environment. The student leadership council and elected faculty council then voted to adopt the code. Tippie’s honor code presented a unique opportunity for the undergraduate, graduate, and MBA students to work together to define a code of ethics.

As Donald McCabe, Ken Butterfield, and Linda Treviño noted in “Cheating in Academic Institutions: A Decade of Research,” the most effective codes are those created by students and faculty and reflect the individual culture of the institution. I couldn’t agree more. We would not have resolved the incident last fall so successfully if our code had not been communally written to create a culture with a shared vision of integrity.

**Challenges and Change**

With our code in place, we now face two main issues. First and foremost, most of our students transfer to the Tippie College from the College of Liberal Arts and Sciences as juniors. Although arts and sciences faculty enforce a code of student behavior that prohibits cheating, the college has no explicit honor code. This means that we begin communicating with students about our honor code relatively late in their academic lives.

Our second challenge is that our courses have increasingly been taught by adjuncts and lecturers. Because many of these adjuncts cycle in and out of teaching courses in the college, they may not be fully aware of the principles and requirements of our code.

In the future, we want to be more effective in communicating our fundamental dedication to academic integrity. For example, as we move to earlier admissions, we plan to create a more explicit signing ceremony for new admits that presents the honor code as a defining element of being a member of the Tippie community. In addition, we must emphasize our commitment to our honor code to our contingent faculty. We must make sure that our code is not hidden on a lengthy list of required policies, but made a fundamental part of the conversation with all students and faculty.

Our honor code is a living document. It is not perfect, and it requires constant revisiting. Yet, our nascent honor code has been very successful. I believe this is attributable to its origin. It was created as the collaborative effort of students, faculty, and staff from three different degree programs. It’s hard to imagine a code imposed more distantly would have had the same effect.

Beth Ingram is associate dean of the undergraduate program and professor of economics at the University of Iowa’s Tippie College of Business in Iowa City. Nancy Hauserman, professor of management and organizations, also contributed to this article.

**Don’t Lie, Don’t Cheat, Don’t Steal**

Integrity. Honor. Ethics. These concepts are found in nearly every business school’s core values. However, a study last year found that 56 percent of graduate business students self-reported they had cheated at least once. This study demonstrates that we are not living up to the standards that should form the foundation of our business education. The question, then, is what we can do about it?

One answer—establishing a shared code of ethics for management—is too often dismissed. Many argue that business is too diverse to adhere to one set of principles. But integrity cuts across all disciplines and all professions. Every business discipline shares basic core values: Don’t lie. Don’t cheat. Don’t steal.

These principles form the foundation of the Honor Court at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. As an MBA student and the Graduate Business School Honor Court’s first attorney general, I truly appreciate that the Court isn’t just about punishment; it’s also about education. Our business students come from different cultures and backgrounds. Not everyone knows how to cite a reference in a paper, and not everyone has been well-schooled in the definition of academic integrity. As attorney general, I work to close these gaps in students’ ethical frameworks and help students
carry their ethical behavior from our school into their professional lives.

The Case for a Court
In place since January 2007, Kenan-Flagler’s Graduate Honor Court operates under the umbrella of UNC’s 120-year-old honor code. Most professional disciplines at the university—including pharmacy, medicine, nursing, and law—have their own honor courts, which meet their particular needs. We realized that business, like these other disciplines, has unique ethical issues to address and that our school required a graduate honor court that would face these issues head on.

Our court handles cases of academic dishonesty and dishonorable conduct in a way similar to that of judicial courts. Students at Kenan-Flagler apply to participate in the Honor Court, either as defense counsels, investigators, or court panelists. Students are chosen for the Honor Court by the court officers, which include the attorney general and the honor court chair, and are approved by the standing committee. Once chosen, students are trained to fulfill their roles through mock trials, group discussions, and study of the UNC honor code.

When individuals are suspected of violating the code, they first meet with me. As the attorney general, I explain their rights, present the evidence against them, and invite them to tell their side of the story. If I find a preponderance of evidence—that is, if I believe there is at least a 50 percent chance that the violation occurred—I make a formal charge. I then send the case into our Honor Court system.

Once a case is in the system, I assign a defense counsel to represent the student and an investigator to present the complainant’s case. Meanwhile, the chair of our Honor Court chooses a panel from a pool of eligible students to hear the case. If the panel finds a student guilty of the charge, it imposes sanctions that have been laid out clearly in UNC’s honor code. For a first offense, students receive a failing grade on the assignment or in the course and at least a semester of probation or suspension. For a second offense, students receive at least a two-semester suspension.

The court may also require students to write educational materials or complete community service. Our goal is to make sure that students who come before our court truly understand why their actions were an ethical violation and why they cannot commit that violation again. Moreover, we not only want to engage them in their own ethical educations, but also enlist them in helping others learn the same lessons.

A Common Ethical Vocabulary
Kenan-Flagler has developed a shared professional code and a systematic response to ethical violations—something I would like to see happen in business as a whole. When I look at the practice of management today, I become concerned that its approach to honor and ethics is haphazard at best. If business schools worked with industry to establish a common honor code for management education and the management profession, they would provide students and professionals with a more consistent and common vocabulary to discuss the ethical implications of their business practices. They also would help students maintain a consistent foundation for identifying and considering ethical issues, both in school and after graduation.

Before students even enter their degree programs, business schools should expose them to the professional code of honor. All applicants should write essays in which they analyze ethical situations; any prior ethical violations should be scrutinized. Their interviews should include questions about ethical dilemmas they faced and how they responded.

During orientation, all students should read the honor code and discuss its content. Students should be taught how to use proper citations when borrowing ideas from other sources. On the first day of every class, they should be informed how the honor code applies to that class, reminded of the consequences of code violations, and encouraged to ask questions if they are unsure of the boundaries. Ethics classes should provide students with a framework to work through ethical issues. Courses throughout the curriculum should engage students in hard questions and challenge them to think critically about real-world ethical issues.

Finally, if and when students violate the code, these incidents should be met swiftly and forcefully with a fair and fast hearing. Regular reports on honor code violations should be released internally so that students are aware of their performance as a group and are reminded that there are real consequences to their actions.

Through such requirements, management programs would develop professionals with a more concrete and comprehensive framework to help them work through ethical problems. Most important, these professionals would have a strong sense of integrity and understanding of their ethical responsibilities, which at their heart are pretty basic: Don’t lie. Don’t cheat. Don’t steal.

Dawn Morrow is the attorney general of the Kenan-Flagler Business School Graduate Honor Court and a member of its MBA class of 2008.
When MBA students hear that their professor is going to prison, they’re usually incredulous. They’re even more astonished when he asks them to join him. Yet their attitudes change when they learn about the Prison Entrepreneurship Program, in which volunteer business consultants teach inmates the skills they’ll need to run their own businesses once they’re released from prison. In our own experience with PEP, we have found that both students and inmates emerge from the program immensely changed for the better.

PEP was founded in 2004 by Catherine Rohr, then a young Wall Street investor. After she and her husband offered to help a former inmate hone his business skills, she realized that hundreds of prisoners could benefit from similar one-on-one time with businesspeople. Since that time, PEP has worked with more than 300 inmates and graduated its seventh “class” in December 2007.

To participate in PEP, prisoners must fill out a 23-page application, take four tests, and undergo 11 peer and staff interviews. Only 56 percent of applicants are accepted into the program, and 70 percent graduate. Each class includes a group of about 50 prisoners who move through a four-month business curriculum that culminates in a business plan competition. According to Rohr, the employment rate among the PEP graduates exceeds 93 percent, a far cry from the 11 percent average for former inmates. Moreover, the recidivism rate is less than 5 percent, compared to the national average of 70 percent.

Rohr has recruited approximately 800 executives to act as consultants for the inmates as they develop their business plans. She has also established PEP partnerships with 12 MBA programs, including Harvard, Stanford, Wharton, MIT, the University of California at Berkeley, the University of Texas at Austin, Rice University, Texas A&M, the University of Dallas, Baylor University, University of Oregon, and the University of Maryland.

We believe that participating in PEP gives business students a chance to apply their newly learned skills to real business situations, while simultaneously giving back to society. It also allows individuals such as the two of us—a professor and a CEO—to share our knowledge and bring some tangible good into the world by doing more than simply writing a check.
Prisoners who participate in PEP have already demonstrated key entrepreneurial skills—strategic vision, marketing, leadership, innovation, an understanding of financial viability, and the ability to network—but in the past they applied these skills to unlawful ventures. When prisoners are ready to redirect their formidable abilities to legal ventures, outside business consultants can have a profound impact on helping them achieve their dreams.

Rohr emphasizes that impact when she regularly visits college campuses to describe PEP to students and faculty in a heartfelt and emotional presentation. “If you died today, what would you have to show for your life?” she usually asks. “Would you have made a difference in the world?” Often, the audience is so impressed that a handful of students and faculty sign up on the spot, and more join the program in the following weeks as their friends and colleagues talk about the experience.

When students sign up for PEP, their job is to help inmates prepare the business plans they will be entering in the next business plan competition. Students from all over the country come to Texas to participate. Until recently, most of the entrepreneurship programs have been held at the Hamilton unit in Bryan, but PEP has recently expanded operations and moved to a unit in Cleveland, near Houston. During their first visits to the prison, students listen to the 30-second “elevator pitch” that each prisoner has developed.

In a recent class, prisoners presented a wide array of business plans, including those that focused on running errands for busy professionals; mobile, quick-response addiction counseling; carpet cleaning and restoration; custom desktop computer building; IT staffing and recruiting; auto registry services for dealers who sell to auctions; lawn care; and dog obedience, boarding, and breeding.

Hearing the elevator pitches can be deeply moving for students. Drew Byrd, an MBA student at Baylor’s Hankamer School of Business, was especially impressed by the courage that the men showed. He says, “As they introduced themselves to us for the first time, we noticed that some were very excited and others were scared to death. Multiple men forgot their business slogans mid-sentence, and the motivating roar of applause from the crowd would push them through their words.”

After the plans are pitched, the prisoners form groups and wait their turns to talk to MBA students about their plans. They receive at least two 25-minute sessions with students, and each student handles four consulting sessions over the course of the day. Sometimes prisoners who have already finished their consulting sessions share what they’ve learned with other prisoners still waiting in line.

The Mentoring Challenge

When the group consulting sessions are over, students can choose to sponsor an inmate to give him even more help getting his plan in shape. Over the next nine weeks, those students will receive a weekly e-mail from PEP detailing a new part of the prisoners’ plans; students review the plans and e-mail their comments to the inmates before the week is up. Students can also choose to participate in an on-site mentoring visit that takes place over a weekend a few weeks before the competition.

In their e-mails and on-site consulting sessions, mentors help the prisoners fine-tune their personal statements, mission statements, product offering descriptions, pricing and promotion plans, marketing research parameters, marketing plans, and leadership. Some recommendations might focus on basic business tools and strategies. For instance, Baylor student Chad Grief offered advice about supply chain management and inventory control to the inmate he was mentoring. Grief told the inmate to focus on one market at a time and expand only after developing a solid infrastructure. He also suggested that the new businessman join a local trade organization for its networking advantages and get immediate experience by taking a job in another company’s planning, purchasing, or inventory departments.

Other times, students find themselves doing industry-specific research on behalf of their inmates, as was the case when Laksh Ranganathan worked with a prisoner who wanted to enter the tree-care business. “Most of my help for him was in the form of research about the tree-care businesses in Houston, his target city. I found forums that advised new...
entrants in this business about key challenges people have faced when starting a tree-care business, as well as fatal flaws to avoid. I also obtained information about memberships to accredited local and national tree care associations that could provide help and support for the business.”

Ranganathan also offered input on various deliverables of the business plan itself. “I recently took a class on entrepreneurial finance, where we learned what to look for in a business plan and how to get funding. I used that knowledge to help the business plan stand out.”

Choosing an inmate to mentor can be an agonizing task because so many prisoners need help. “I picked a 47-year-old man who had not been in the outside world for more than 19 years,” says Byrd. The prisoner wanted to launch a business to manufacture handbags and accessories in the Houston area. Says Byrd, “I am convinced he will develop a sound business plan that will help him launch a successful business.”

**Friendly Competition**

While MBA students may come to the prison to watch the business plan competition that caps the program, only faculty and executives serve as judges. Both of us have acted as judges in the past, taking two days to review the first and second rounds of the competition.

In one competition, prisoners laid out plans for small businesses that ranged from a scuba diving operation to a brick laying enterprise to a golf club manufacturing business. One inmate had an idea that would require him to file a patent once his product had been developed. Each prisoner drew on existing business skills to come up with his plan.

To judge the business plans, the executives and faculty form four-person teams that provide feedback on the content of the plans and the inmates’ presentation styles. In our experience, without exception, the prisoners humbly hear constructive feedback and beam with pride when they are sincerely complimented for their sound business thinking. Those who are not selected to go on to the next round show unwavering support for their fellow prisoners.

The winner doesn’t actually walk off with a prize. According to PEP administrator Kami Recla, “We tell the participants that they are all winners for taking this opportunity to better themselves. There is a strong sense of brotherhood within the class, and we want to make sure the competition does not affect that dynamic.”

When the competition is over, the prisoners participate in a graduation ceremony. Many have never before put on a cap and gown. While some have family members in attendance, others rely on their fellow PEP members for appreciation. At this moment, it is unmistakable how valuable the program has been to all the participants.

**Extraordinary Rewards**

It is clear to us that PEP doesn’t just benefit prisoners; it brings extraordinary rewards to the business consultants who participate. For executives and faculty like us, the program reinforces the idea that success is not about how much money we make or what positions we have, but about what we do with the opportunities we are given. Having watched prisoners pursue their dreams with so much passion and determination, both of us feel we have learned as much from them as the inmates have learned from us. For us, the program illustrates the truth of the George Eliot quote: “It is never too late to be what you might have been.”

The benefits to the students are just as powerful. First, as students work through the issues of each prisoner’s business plan, they are exposed to disciplines such as marketing, strategy, finance, accounting, and organizational behavior. In addition, because students are working with so many different types of proposals, they see how those disciplines can be integrated in a variety of ways. The students teach others, and in so doing, they learn.

In a sense, students who work with prisoners see what it’s like to have a “direct report” in the business world. As the MBA students supervise plan development, they learn how
to encourage prisoners by praising the parts of their plans that are strong. As they discuss the parts of the plan that still need improvement, they learn how to gently but effectively communicate their criticism of substandard work. Students learn how to lead, motivate, interact, and serve, which are all valuable lifelong skills.

In addition, students receive hands-on experience in writing and perfecting a business plan that requires complexity and rigor. If they come to the prison during the business plan competition, they are exposed to multiple ideas and multiple ways of thinking. Most of the prisoners write plans for small businesses that can scale over time. This approach helps students think about the various ways they could start and grow a business on very little capital.

Most important, PEP exposes students to the idea that they should use their business skills to contribute to society instead of taking from it. When she participated in PEP, Baylor MBA student Catherine Gruetzner found the program’s mission both exciting and gratifying. “I was amazed at the creativity of the inmates,” she says. “I was inspired by their sincerity and their passion about their ideas.”

**Business and Society**

The PEP program brings together a great blend of talent—senior executives, MBA students, business faculty, and aspiring entrepreneurs. The opportunity for us to interact with this diverse group has been wonderful, and we believe the inmates we have met will become productive citizens, fathers, sons, and leaders. We are excited every time we go to prison. We never know whom we will meet or what we will learn. We truly believe we have received more from this program than we have given.

Not only does PEP offer inmates aid with business plan development, but it helps them with reintegration services such as work readiness and executive mentoring; PEP also helps them find financing. We expect that, in the future, the program will only expand on all counts: It will draw more prisoners who have a strong desire to change, it will attract more executives and professors who see the potential of the program, and it will raise even more financial support to ensure the success of PEP graduates.

The state of California estimates that, within the next five years, it will spend more on the prison system than on education. Programs like PEP can alter that equation. When business executives, business faculty, and business students all work together, they can change the world.

Gary Carini is associate dean for graduate programs and professor of management at Baylor University’s Hankamer School of Business in Waco, Texas. John Jackson is director of Exterran Holdings & Seitel Inc. in Houston, Texas. Additional details about PEP can be found online at prisonentrepreneurship.org.
Building Trust In the Virtual World

Now that companies are scoping out the promotional and community-building potential of the Internet, they’re faced with the question of how to make the most of an online presence. Research from marketing professors Constance Porter and Naveen Danthu suggest that these companies should pay special attention to one thing: building trust.

On the Web, too many companies emphasize style over substance, say Porter of the University of Notre Dame’s Mendoza College of Business in Indiana and Danthu of Georgia State University’s Robinson College of Business in Atlanta. To forge a bond with customers, firms must make sure that customers feel that they are part of the company and have some influence over its products and services.

For their study, Porter and Danthu conducted a 12-minute online survey of individuals who reported they were current or past members of company-sponsored virtual communities. Participants were asked to rate the site’s content and interactivity, as well as their overall trust in the marketer. The researchers received responses from 663 individuals from more than 60 different virtual communities.

The researchers found that if consumers perceive a virtual community as well-designed and trustworthy, they’ll be more likely to reciprocate by sharing personal information, cooperating in new product development, and demonstrating loyalty to the company.

To achieve a sense of trust, companies need to do two things, say the researchers. First, they must provide customers with access to information that is timely, relevant, and important to the company’s plans. Second, the information must be credible and transparent. “Consumers have become skeptical of marketer-controlled communications,” says Porter. “Our findings suggest that consumers will tolerate a certain degree of opportunistic behavior from firms as long as they are perceived as trustworthy in how they provide value via the virtual community.”

Porter and Danthu note that, while many studies have demonstrated the value of virtual communities to consumers, theirs focused on their value to firms. In the future, the researchers plan to look more closely at how a consumer’s gender may affect the trust-building process in a firm-sponsored virtual community. Danthu hopes that the results of this study will “encourage firms to be proactive in their role as sponsors of virtual communities, rather than remain passive actors in the virtual community environment.”

Their paper, “Cultivating Trust and Harvesting Value in Virtual Communities,” was published in the January issue of Management Science.

CFOs Pay Up

Chief financial officers of public companies are under increased pressure as part of the fallout from corporate scandals. Not only that, their compensation is increasingly tied to their success in promoting corporate accountability, according to a study by Rani Hoitash, accounting professor at Bentley College in Waltham, Massachusetts; Karla Johnstone, accounting professor at the University of Wisconsin-Madison; and Udi Hoitash, a doctoral student at Rutgers University in Newark, New Jersey.

The study looked specifically at 635 CFOs in 2005. The researchers found that CFOs are now as accountable as CEOs when it comes to certifying financial reports. The CFOs in this study who reported ineffective internal controls received a reduction in their bonuses. Five percent of this group had prior experience as audit firm partners. This group received higher...
“EVEN IF AN INEFFECTIVE LEADER EXHIBITS DEMOTIVATING BEHAVIOR, CONSENSUS AMONG THE WORK GROUP HELPS BUFFER THE LEADER’S NEGATIVE IMPACT. EMPLOYEES CAN BOND OVER IT AND LAUGH ABOUT IT.”

—Michael Cole, Texas Christian University, Fort Worth

salaries, highlighting the value of their internal control expertise; but they also received even greater bonus reductions if mistakes were made. The same held true for CFOs who were also members of a company’s board of directors.

“Anecdotal evidence suggests that in the wake of Sarbanes-Oxley, companies are looking for CFOs with more technical experience in accounting and auditing,” says Rani Hoitash. “We found that companies are holding higher expectations for those CFOs and punishing them when material weakness disclosures are made. The same held true for CFOs who were also members of a company’s board of directors.

The complete study, “The Effects of Internal Control Quality, CFO Characteristics, and Board of Director Strength on CFO Annual Compensation,” can be found on www.ssrn.com.

Consistent Leadership, Content Employees

A recent study finds that, under certain conditions, employees who share similar perceptions of their organization’s leadership are happier overall, whether they see their leaders as effective, ineffective, or even terrible. The study was conducted by management professors Michael Cole of the Neeley School of Business at Texas Christian University in Fort Worth and Arthur Bedeian of Louisiana State University’s Ourso College of Business in Baton Rouge.

The researchers surveyed 828 U.S. Air Force personnel across 27 occupational groups, asking questions related to four styles of leadership: transformational (leadership via motivation, intellectual stimulation, and other rewards); contingent-reward reinforcement (leadership via rewards and punishments); management by exception (leadership based on punishment and negative feedback); and laissez-faire (a leadership void with little guidance or support).

Cole and Bedeian found consensus among employees about transformational and laissez-faire leadership, which boosted work commitment and decreased the likelihood of burnout. Lack of consensus had the opposite effect. Consensus about contingent-reward reinforcement and management by exception, however, did not exhibit the same results and may warrant further study, says Cole.

“Certain leadership behaviors influence teams as a whole, which in turn influence each team member’s personal commitment to the organization,” says Cole. “Even if an ineffective leader exhibits demotivating behavior, consensus among the work group helps buffer the leader’s negative impact. Employees can bond over it and laugh about it.” That kind of support network keeps a bad situation from becoming even worse, he notes.

The researchers advise leaders to avoid adding or removing team members on well-functioning teams, to avoid creating unnecessary disruptions and conflict. In addition, when there is a change in leadership, the departing supervisor should discuss the team’s values and operating styles with the new leader early on.

Cole and Bedeian hope that their study helps business leaders recognize the importance of developing consistent leadership patterns, so that all employees perceive themselves as being on equal footing.

“There is value to leaders, organizations, and employees in creating consensus among group members about leadership behaviors,” says Cole. “It strengthens team stability and efficiency, and reduces conflict, stress, and anxiety.”

The study, “Leadership Consensus as a Cross-Level Contextual Moderator of the Emotional Exhaustion-Work Commitment Relationship,” was published in the October 2007 issue of The Leadership Quarterly.

Greater Health Literacy Reduces Hospital Visits

Research from the UCLA Anderson School of Management indicates that a little health literacy can go a long way toward reducing visits to the emergency room. Medical professionals who offer basic health care training to new parents can clear out their waiting rooms—and save Medicaid millions of dollars annually.

The study, “Ensuring Positive Health Outcomes in Head Start Children and Families,” was conducted by the Johnson & Johnson Health Care Institute at the Anderson School. It tracked 9,240 Head Start families enrolled in a health literacy program that impacts nearly 20,000 children in 35 states. Researchers found that visits to a hospital ER or clinic dropped by 58 percent and 42 percent, respectively, when parents opted to treat their children’s fevers, colds and earaches at home.

Moreover, parents who were better informed and able to handle their children’s health needs saw a 42 percent drop in missed workdays (from 6.7 to 3.8); their children missed 29 percent fewer school days, highlighting the value of their internal control expertise; but they also received even greater bonus reductions if mistakes were made. The same held true for CFOs who were also members of a company’s board of directors.

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Moreover, parents who were better informed and able to handle their children’s health needs saw a 42 percent drop in missed workdays (from 6.7 to 3.8); their children missed 29 percent fewer school days.
Research

Research days (from 13.3 to 9.5).

"Head Start parents want to be the first line of defense in their children’s health care, and our research leaves no doubt that they can be, once they have the tools to make the best choices," says Ariella Herman, research director of the Health Care Institute and author of the study.

Underwritten by Johnson & Johnson, the health literacy program carries a one-time cost of $60 per family on average, including previsits, training sessions, and follow-up. With a family paying, on average, $320 per ER visit and $80 per clinic visit, researchers estimate potential annual savings to Medicaid of $554 per family. That translates to about $5.1 million annually, if training were provided for the nearly one million families served by Head Start.

Last year, New Mexico adopted the Institute’s training program, with support from Pfizer, and began implementation late last year with 5,000 Head Start families. The institute’s goal is to serve 400,000 Head Start families by 2017.

For more information, including charts and podcasts, visit www.anderson.ucla.edu/hci.xml.

Stock Options and CEO Success Rates

CEOs whose compensation packages are heavy with stock options take more risks and reap fewer rewards, according to Donald Hambrick of Pennsylvania State University’s Smeal College of Business in University Park and W. Gerard Sanders of Brigham Young University in Provo, Utah.

The two researchers analyzed 950 companies selected at random from the Standard & Poor’s 500, Mid-Cap, and Small-Cap indices. For each company, they measured the proportion of CEO compensation paid in stock-option grants over three-year periods. They then examined each CEO’s company investments in the fourth year—looking specifically at funding for research and development, capital investments, and acquisitions. Finally, they examined how well the company’s finances performed in the fifth.

Hambrick and Sanders discovered that the higher the percentage of stock-option grants in a CEO’s compensation package, the higher the level of company investment spending. In addition, the more stock options a CEO received, the more extreme the firm’s financial performance—especially in the stock market. High investment spending alone did not account for such an extreme, the researchers say. Instead, high levels of CEO stock options coupled with high levels of investment produced what the authors call a “combustible combination.”

For example, of companies where stock-option grants constituted half or more of the CEO’s pay, 10.1 percent sustained shareholder losses, while only 6.8 percent realized gains. Moreover, 6.9 percent suffered extreme losses, while only 3.9 percent reaped extreme gains.

In contrast, no such disparity existed when stock options constituted less than 20 percent of CEO

ENVIRONMENTAL MAPPING

A new interactive Web site has been created by students and researchers at Dartmouth’s Tuck School of Business and Harvard Business School. The site, MapEcos, will monitor the environmental performance of more than 20,000 industrial facilities across the United States. Launched in December, MapEcos incorporates data on toxic pollution from the U.S. Environmental Protection Agency with survey results outlining steps plant managers are taking to protect the environment. MapEcos is a “natural experiment,” says Tuck professor Andrew King. He adds that it not only offers a view of the nation’s industrial environmental performance, but also provides a platform for companies to publicize their efforts.

THREE YEARS WITH XEROX

The North Carolina State University College of Management in Raleigh has begun a three-year collaborative project with Xerox Corporation to fund research to develop new courses in professional service management and innovation management. The new courses include the Service Innovation Lab, where graduate and undergraduate students will work with companies to develop new concepts. In addition, a new graduate-level service management course will be taught jointly with Indiana University, using emerging virtual world tools and technology. The project will encourage collaboration among faculty in business, engineering, textiles, and design to develop and deliver new academic programs and research through the college’s Service and Product Innovation Initiative and its Center for Innovation Management Studies.
Research

**RESEARCH & RECOGNITION**

- Gregory Fairchild, a professor at the University of Virginia’s Darden School of Business in Charlottesville, has been awarded an $850,000 grant from the John D. and Catherine T. MacArthur Foundation. The three-year grant will support Fairchild’s research into the business models and evolution of successful Community Development Financial Institutions. These organizations provide assistance to their communities, including financial products for people with low to moderate incomes, debt capital for housing and business development, and risk capital to entrepreneurs.

- The paper “Not For Lack Of Trying: American Entrepreneurship in Black and White” has received the 2007 best publication award from the Society of Friends of the German Institute for Economic Research. The paper was co-authored by Maria Minniti, a professor of economics and entrepreneurship at Babson College in Wellesley, Massachusetts, and Philipp Koellinger of the Institute. The paper argues that black Americans are twice as likely as white Americans to try to start a business and tend to exhibit more optimistic perceptions of their business environment than other racial groups. However, black entrepreneurs are more likely than white entrepreneurs to fail in the early stages of the entrepreneurial process.

- The paper “Brands Matter: An Empirical Demonstration of the Creation of Shareholder Value Through Branding,” recently won the Sheth Foundation Award for best paper published in the *Journal of the Academy of Marketing Science* in 2006. The paper was co-authored by Thomas J. Madden, professor of marketing at the University of South Carolina in Columbia; Susan Fournier, associate professor of marketing at Boston University in Massachusetts; and Frank Fehle of Barclay Global Investors. Their study builds on previous research to show that strong brands deliver greater returns to stockholders, with less risk, than weaker brands do.

- Christian Seelos and Johanna Mair, professors at IESE in Barcelona, Spain, won the Best Paper Prize for Practice Implications at the Strategic Management Society’s Annual International Conference in October. Their paper, “Profitable Business Models and Market Creation in the Context of Deep Poverty: A Strategic View,” suggests strategies that may help a company increase its chances for success when entering an underdeveloped market, such as partnering with social entrepreneurs already in the market and gathering feedback from diverse stakeholders. The award, says Mair, demonstrates that “social entrepreneurship is finally moving mainstream.”

- Zvi Bodie has received The Lifetime Achievement in Applied Retirement Research Award given by the Retirement Income Industry Association. Bodie is professor of finance and the Norman and Adele Barron Professor of Management at Boston University’s School of Management in Massachusetts.

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**Women and Absenteeism**

Gender stereotypes—particularly those involving the roles of men and women in the family—may explain in large part the level of women’s absenteeism in the working world. That’s a finding of a recent study by Eric Patton, an assistant professor of management at the Haub School of Business at Saint Joseph’s University in Philadelphia, Pennsylvania; and Gary Johns of the Molson School of Business at Concordia University in Montreal, Quebec.

To conduct the research, Patton and Johns examined 167 articles on this issue in *The New York Times*, out of nearly 3,000 articles published in the *Times* on work absenteeism over the last century. The authors explored expectations in pay; in fact, extreme shareholder gains outnumbered extreme losses.

“Option-loaded CEOs benefit from share price increases but lose nothing if share prices drop,” the authors write. It’s not surprising that CEOs may focus on potential gains while ignoring likely risks—or that they are likely to deliver big losses to their companies.

“These findings may help put the nail in the coffin of executive stock options,” Hambrick says. “Even if not, they certainly ought to give the corporate world pause in using them nearly as extensively or heavily as they have been used in the recent past.”

The researchers’ paper “Swinging for the Fences: The Effects of CEO Stock Options on Company Risk-Taking and Performance” appeared in the October/November 2007 issue of the *Academy of Management Journal*.
“THE PERCEPTION THAT IT IS MORE ACCEPTABLE FOR WOMEN TO BE ABSENT FROM WORK REPRESENTS A PLAUSIBLE EXPLANATION FOR WOMEN’S HIGHER RATE OF ABSENCE.”

—Eric Patton, Haub School of Business, Saint Joseph’s University, Philadelphia

these articles that surround women’s absenteeism from work. They say that perceptions of family roles are a major contributing factor in creating a separate absence culture for women in the United States.

When it comes to taking care of household emergencies, whether it’s a sick child or a malfunctioning appliance, they found that women are often expected to handle them. “The perception that it is more acceptable for women to be absent from work represents a plausible explanation for women’s higher rate of absence,” Patton concludes.

“Organizations need to understand how gender stereotypes influence social expectations to attend work and be aware of how this might perpetuate bias and discrimination against women workers,” he suggests. “If the norms concerning women’s absenteeism are built on stereotypes, their perpetuation may be detrimental to women in various aspects of employment.”

Green Companies Are More Transparent

The more open companies are about their environmental practices, the less likely they are to be involved in an environmental scandal in the future, according to new research. The study was conducted by Gordon Richardson and Yue Li of the University of Toronto’s Rotman School of Management in Canada; Peter Clarkson of the University of Queensland’s UQ Business School in Australia; and Florin Vasvari of London Business School in the United Kingdom.

continued on next page

UT DALLAS
Executive MBA

#1 in Texas!

—Financial Times

The Executive MBA program at UT Dallas can help you move to the top of your field with a cutting-edge curriculum and your own executive coach — just two of the reasons our alumni are so successful.
Research

The four researchers examined the environmental and social responsibility reports for 191 companies from the top five most polluting industries in the U.S. in 2003. They devised a scoring system that rated companies as “above industry norms” or “below industry norms” in their voluntary disclosure of their environmental practices in areas such as toxic emissions and treatment of toxic waste. The study included companies’ use of media such as Web sites and standalone environmental reports.

The researchers found that the more forthcoming a company was about its practices, the better its environmental performance. “Firms whose environmental legitimacy is threatened make soft claims to be committed to the environment,” the authors write. That stance may put these companies at a disadvantage as environmental regulations become more strict, Richardson points out. “If government limits become much more stringent—which they surely will—it’s the poorer compliers who will have the highest price tag to get their emissions in line,” he says.

However, the researchers also found that even the companies with the best disclosure practices still fell short of expectations set by the Global Reporting Initiative of 2002. These authors suggest that independent auditors be assigned to provide more comprehensive evidence of corporate environmental practices.

The study, “Revisiting the Relationship Between Environmental Performance and Environmental Disclosure: An Empirical Analysis,” can be read in full at www.rotman.utoronto.ca/greenaccounting.pdf.

STUDY BRIEFS

■ POPULARITY HAS ITS PRICE

The hottest gadget or trend may cool fast if it becomes too popular, according to research by Jonah Berger, assistant professor of marketing at The Wharton School at the University of Pennsylvania in Philadelphia, and Chip Heath, professor of organizational behavior at Stanford Business School in California.

Consumers often buy products to express their personal identities, but when more people or different social groups begin to buy those products, original consumers may shift their preferences to newer, less mainstream products. The authors found that consumers often made this switch in product categories that express identity, such as cell phones, handbags, cars, or hairstyles; this behavior was not as prevalent among products with no identity connection, such as dish soap. Their paper, “Who Drives Divergence? Identity Signaling, Outgroup Dissimilarity, and the Abandonment of Cultural Tastes,” will be published in a forthcoming issue of the Journal of Personality and Social Psychology.

■ THE NATURE OF BREAKTHROUGHS

According to Lee Fleming, an assistant professor of business administration at Harvard Business School in Cambridge, Massachusetts, too many companies ignore the wide range of factors that must be in place to foster true breakthroughs in business. In his paper “Breakthroughs and the ‘Long Tail’ of Innovation,” Fleming suggests that only a few innovations have any great value, while true breakthroughs are preceded by long periods of experimentation. Fleming notes three measures of a company’s success in fostering breakthroughs: its “shots on goal,” or its total number of inventions; its “average score,” or the mean value of all of its inventions; and its “maximum score,” the value of its breakthrough inventions. Fleming notes that other factors, such as whether inventors work independently or on teams, also play a role in a company’s innovative success. Once companies take account of these areas, says Fleming, they can better assess the effectiveness of their innovative processes and improve their ability to invent their next big breakthroughs. The paper was published in the fall 2007 issue of the MIT Sloan Management Review.

■ WHAT’S WORRYING CEOs

The Conference Board recently released its global report, “CEO Challenge 2007: Top 10 Challenges,” which highlights the issues that top the priority lists for many chief executives. The report asked 769 CEOs from 40 countries to choose their greatest concerns from among 121 different challenges. The top five are excellence of execution; sustained and steady top-line growth; consistent execution of strategy by top management; profit growth; and finding qualified, talented managers. The full report is available for purchase at www.conference-board.org/publications/reports.cfm.
Technology

Teaching Students to Ace the Virtual Interview

Personalized assessment is as important in career development as it is in academia. And in a world of 24/7 access to information, business students want more than daytime on-campus access to career development tools. They want help at any time, from any location—which means b-school career services are providing more tools on the Web.

The MBA Career Services office at Drexel University’s LeBow College of Business in Philadelphia, Pennsylvania, recently added InterviewStream, an interactive online interview tool. InterviewStream provides students instant, anytime feedback on their interview skills. InterviewStream is now part of LeBow’s MBA Career Services’ online Career Gateway, a portal that includes a resume assistant and manager; a calendar, contact, and correspondence manager; and salary and relocation tools.

Before InterviewStream was put in place, students who sought help with interviewing had to be on campus and visit the office during business hours. “Career Gateway offered a great deal of information and tips about interviewing, but no practice,” says Kay Ford, senior director of MBA Career Services. “Now, we can work with our students from a distance.”

InterviewStream requires that students use a computer equipped with a Web camera, computer microphone, and Internet connection. The student sits in front of the camera to record an interview with a computer-simulated questioner, who asks eight questions selected from a question database. Once the interview is completed, the student can upload the interview to share with a career counselor, as well as family and friends, for constructive criticism. When possible, the student can meet with a career counselor for a follow-up discussion.

For example, the program indicates when a student uses repetitive speech patterns, such as “like” and “um.” Counselors can also work with students to eliminate distracting body language or to increase eye contact. “It’s not uncommon, once they see themselves, for students to announce they wouldn’t hire themselves for a job,” says Marilyn Tietjen, associate director of MBA Career Services.

Through the use of online tools such as Career Gateway and InterviewStream, Ford and Tietjen note that their students’ job searches have become, on average, about 40 percent shorter. They can keep track of their contacts, build their resumes, and refine their interviewing skills in a way that helps them see their progress and keep themselves on track.

Recruiting in ‘Facebook Nation’

Now that business schools have used blogs and podcasts to recruit prospective students, some are taking the next steps to meet many students where they virtually live: the social networking site Facebook. On the popular networking site, individuals or organizations can create “groups” dedicated to a common interest, which users from around the world can join.

Last fall, the University of Toronto’s Rotman School of Management in Ontario, Canada, created its group, Rotman MBA Admissions, on Facebook. In November, Rotman attracted 73 participants to its Facebook MBA question-and-answer session, where Cheryl Millington, its director of MBA recruiting and admissions, chatted with prospective students. By January, the Rotman group had 158 members.

Joining Facebook to reach out to its community—particularly those interested in business education—promises to become a regular part of Rotman’s recruiting, says Richard Powers, assistant dean and executive director of MBA programs. He notes that social networking does not replace face-to-face meetings with prospective students at MBA Fairs around the world. Even so, Facebook helps the school connect to many more students than it could otherwise.

“It enables us to talk to candidates whom we are unable to reach through traditional methods,” Powers says. The school plans to hold another information session on Facebook this spring.
Most business programs are seeking ways to attract more women to their programs, but programs that target the technology industry are seeing particularly low numbers of women enrolling. A study from the Canadian Advanced Technology Alliance Women in Technology (CATA WIT) Forum and the University of Ottawa Telfer School of Management concludes that the gender discrepancy in the tech sector may be far worse than many realized. The study, “Gender Challenges for Women in the Canadian Advanced Technology Sector,” was authored by Telfer professors Barbara Orser and Allan Rid-
and “shortage of women mentors” came in close behind, with more than 40 percent of respondents ranking them as obstacles for women in IT.

Respondents also indicated a number of gender-based barriers, including the perception that they were somehow less qualified or less educated for jobs in technology, as well as a lack of social capital, networking opportunities, and a sense of belonging.

“For many Canadian women, the high-tech sector is still a man’s world,” says Orser. “We analyzed hundreds of statements about the career challenges women face in the sector. Most concerns were associated with gender, including dismissive attitudes about women’s career aspirations and feeling marginalized in an industry that honors technical and engineering roles—roles in which women are underrepresented.”

The study’s authors conclude that Canada’s competitiveness could depend on bringing more women into the IT fold. “The ongoing issue of women opting out of the tech sector is alarming,” says Stanley, who adds that companies are losing the potential and diversity that women bring to the industry. If Canada is to improve its global competitiveness and innovation, she says, it must “tap into the capabilities that women bring to the creation and management of knowledge-based companies.”

### New Help for ‘Cybrarians’

As librarians grapple with the ongoing challenges of data storage and management, they’ve inspired a new term to describe their role in preserving digital content: “cybrarians.” To help the “cybrarian community” meet these challenges, Sun Microsystems has formed the Sun Preservation and Archiving Special Interest Group (Sun PASIG).

Sun PASIG will bring together leaders in government, broadcasting, education, and library services at semiannual meetings to share best practices for digital archiving. Discussions will cover topics such as services-oriented architecture and software code, access and security, and storage. The goal will be to provide common case studies and solutions for digital archiving.

Founding members of Sun PASIG include Johns Hopkins University, the University of Oxford, Stanford University, the Texas Digital Library, the Alberta Library, and the British Library. For more information, visit sun-pasig.org.

### All-Access to E-Learning

Grenoble Ecole de Management in France recently announced that it would offer free access to all of its classes via its e-learning portal, Open Courseware in Management (OPENCIM). The portal follows in the footsteps of the Massachusetts Institute of Management (MIT), which introduced its own free online learning portal, OpenCourseWare, in 2002.

Grenoble’s launch of OPENCIM is in response to the growing global need for educational resources, say school representatives. Worldwide economic development will depend on the diffusion of knowledge. They point to the United Nations Educational, Scientific and Cultural Organization (UNESCO), which has developed initiatives to explore the benefits of open access to online educational resources.

Grenoble delivers several free online classes in management, consumer behavior, and decision making. The classes are developed by its faculty members and delivered via PowerPoint presentations, videos, and assignments. In the future, the school plans gradually to increase the number of free learning modules.

More than 1,000 students have already subscribed to OPENCIM, which is available at opencim.grenoble-em.com. Of these students, most live in French-speaking countries in Africa.
Bridge to Practice

One of the ongoing criticisms of today’s business schools is that they don’t successfully bridge the divide between theory and practice. Closing that gap is not just a good idea; business schools have an inherent mandate to do so. As professional schools, colleges of business are expected both to produce knowledge and to prepare people for practice. They are held to dual standards.

Many schools are already making huge efforts to bridge the divide between theory and practice. For example, at the University of Michigan’s Ross School of Business, one-quarter of the MBA curriculum is devoted to projects that students complete for participating organizations. As cross-disciplinary teams of Michigan faculty oversee these projects, they get a chance to see their ideas at work—and learn what succeeds and what doesn’t. At the University of Pennsylvania, the Wharton School supports a multifaceted research center structure in which companies and executives not only fund research, but also interact with faculty extensively. Such interactions allow practitioners to see the value of faculty research and help faculty see where that value falls short. And, of course, faculty at Harvard Business School maintain a close connection with the world of practice by writing case studies.

Indeed, faculty at virtually every business school do have incentives to live both sides of this divide. Their classrooms are full of students who are oriented toward practice; their larger school environment and profession value research. Faculty immersed in practice through active consulting have a pragmatic interest in the latest ideas as well. In their consulting, they have to sell their ideas on the open marketplace. As teachers in EMBA and executive education programs, they face ambitious managers hungry for knowledge. If these professors don’t have something new and relevant to say, they won’t be successful in either role.

If faculty have such real incentives to bridge the divide between theory and practice, what’s the missing piece? Administration. Deans and top administrators at business schools and universities must lead the way in creating a school culture that nurtures collaboration and rewards very different kinds of efforts.

If deans and administrators really want to construct bridges between academia and the real world, they should consider eight basic building blocks:

1. Welcome faculty who have diverse strengths. The business school has room for faculty who are interested in research, faculty who are interested in practice, and those who are adept at bridging the divide. For instance, Bob Quinn, a Michigan faculty member who focuses on leadership, is immersed in the world of practice. He writes more books than articles, is extensively involved in executive education, and works closely with companies. Yet he also teaches a transformative session for Michigan’s research-oriented Ph.D. students. Karl Weick, an academic’s academic, also teaches in Michigan’s executive education programs. Administrators who resist putting faculty into specific molds will help build diverse and exciting schools.

2. Recognize and encourage the career progression that most faculty follow. Many professors will focus on research early in their careers, and then branch out into more practical concerns after they’ve acquired experience and achieved tenure. Junior faculty straight out of Ph.D. programs may think they will never be interested in anything except research, but deans can subtly broaden their interests over time by structuring small opportunities for them to interact with the practical world.

One excellent approach is to have junior faculty take small roles in executive education programs. There, as they encounter practitioners with years of experience, they will get new ideas as well as access to data that they can develop into publishable material. It’s ideal if their time in the executive education program is part of their regular course load, not something tacked on to their other responsibilities.

3. Turn the EMBA program into an exchange forum. Like an executive education program, the EMBA attracts working professionals who are trying to solve real problems. Unlike the much shorter executive education programs, EMBA programs usually span one or two years, giving faculty more exposure to practitioners and a better chance to hone their own skills. If young research-oriented faculty are allowed to teach EMBA courses, they will have to think about the practical utility of their research—and if they are teaching the courses as part of their regular academic load, they’ll still have time to pursue that research.

4. Actively promote exchanges between professors in both camps—research and practice. Research-oriented faculty, as mentioned, might learn about new industry applications for theoretical knowledge if they participate in executive education programs. Practice-oriented faculty might find...
themselves delighted by well-crafted talks in which research-oriented professors present new ideas and make them accessible. If deans encourage such interactions, they can enrich the thinking of faculty on both sides, while improving the program for students.

5. Foster the notion of faculty development—for junior and senior professors. As I’ve said, many faculty don’t become interested in practice until late in their careers, but at that point, few business school administrators are thinking about ways to mentor them. Deans should consider long-term development strategies for all their faculty.

6. Look for translators. Sometimes it’s difficult for practitioners to understand the dense research produced by top faculty. The solution is for the school to find mechanisms for putting those thoughts into laymen’s terms. Some translators already exist. For instance, Tom Peters interprets the work of Weick, whose research would be mysterious to most practitioners otherwise. Malcolm Gladwell edits basic psychological research into forms that readers find understandable and attractive. There are other ways for schools to share academic knowledge with the interested public. For example, Wharton rewrites faculty research in laymen’s terms and posts the information online for 400,000 subscribers worldwide.

Bringing translators into the mix has two benefits. First, it allows faculty to produce knowledge while still creating an impact on practice. Second, it helps research-oriented academics see that their work really does make a difference in the corporate world.

7. Promote an interdisciplinary approach among faculty. Real-world problems are complex and multifaceted; they aren’t confined to disciplinary silos. Schools should encourage faculty to read outside their own literature and talk to colleagues in other disciplines. The University of Michigan’s openness among academic units is enhanced by joint appointments across departments, as well as by structured interactions that include having organizational scholars from 11 different schools and colleges come together for a weekly seminar.

Not only should academics interact more with practitioners, but they should also consider theories and findings from other disciplines. To encourage faculty to explore other areas, deans and administrators must recognize not only the importance of interdisciplinary work, but also the greater complexity it presents. They need to design a reward system for faculty engaged in the difficult work of interdisciplinary research.

8. Invent structures to bring theory and practice together. An outstanding example of a theory/practice collaboration is the Marketing Science Institute in Cambridge, Massachusetts. Launched in 1961, the institute brings together executives from about 70 corporations with researchers from more than 100 universities who determine which topics would be most fruitful for academic research. MSI solicits proposals on these topics and funds related research. The institute, established by a business school dean, is a model other deans can use to create synergies between academia and industry when they are networking in the broader business community.

Despite being portrayed as existing on either side of a theory/practice divide, today’s business schools actually offer an ideal venue for building bridges. Deans can lead this effort by taking a new approach to academic expertise and expanding their definition of what it means to be a successful academic. As more schools build cross-disciplinary bridges, more faculty leaders will be willing to cross those bridges. But administrators need to lead the way by creating a collaborative culture.

Deans have a real opportunity to promote the role of business schools today—within the university, the business world, and society. It’s also up to them to create the internal systems that will enable and reinforce a good balance of researchers and practitioners among faculty. Over time, such a balance will only make the school stronger and increase the pool and quality of knowledge for everyone, both in academia and in the corporate world.

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Bi兹Ed march/april 2008

includes a long disquisition on author Arthur Conan Doyle’s obsession with spiritualism. In another sense, Think Smart, Act Smart is the perfect business book, because it examines how misguided thinking patterns can cause business leaders to fail spectacularly, and Nightingale provides plenty of these relevant examples as well. Ultimately, Nightingale is intrigued with the process of decision making, which, he says, “is not an art, nor is it a science. It is a discipline.” By showing the kinds of traps leaders can fall into as they try to make decisions, Nightingale helps them hone that discipline into a fine skill. (Wiley, $27.95)

Many management books offer facile formulas for how to succeed in business, but in the end, every business relies on coming up with a plan and carrying it out. “Effective strategy consists of choosing to do the right things. Effective execution means doing those things right,” according to Mark Morgan, Raymond E. Levitt, and William Malek in Executing Your Strategy. It’s not quite that easy, of course. They identify six interlocking domains that executives must understand and align: the company’s identity, its nature, their vision for the company, their engagement with its projects, synthesis of those projects, and transition to a new level. They emphasize that unless the CEO knows which projects support the company’s overall strategic plans—and sometimes gets his hands dirty working on those initiatives—no one else can be certain that any project aligns with the long-term future of the organization. The book not only offers a way to gain clarity on organizational strategy,
“IT’S TIME TO MAKE BETTER USE OF OUR BRAIN POWER TO MANAGE THE ANXIETY THAT ACCOMPANIES CHANGE AND UNCERTAINTY. IT’S TIME TO Evolve.”

—Just Enough Anxiety

Robert H. Rosen has interesting advice about how to manage change: Evolve to embrace chaos. In Just Enough Anxiety, he explores the evolutionary reasons behind stress and fear, and the medical and psychological reasons humans tend to avoid both. And then he blasts them out the window. “It’s time to make better use of our brain power to manage the anxiety that accompanies change and uncertainty,” he writes. It’s time to evolve.”

The fast pace of change means we no longer have the luxury of mulling over new situations; the unrelenting barrage of new information means we have to learn to be comfortable with constant uncertainty. Rosen believes that anxiety can be turned from a sinkhole of churning worry to a source of positive energy. But it has to be managed carefully and it has to be understood. Rosen provides a roadmap for achieving both of those goals—and just enough motivational cheerleading to make the reader think they’re possible. (Portfolio, $24.95)

Can entrepreneurial capitalism save the Earth—literally? Fred Krupp and Miriam Horn think so, and they make the case with passion in Earth: The Sequel. Part business book, part science project, and part political screed, Earth minutely examines emerging technologies that could radically revamp the way energy is produced for the world’s consumption—but only if governmental policies are changed to allow free-market capitalism to level the playing field for all the entrepreneurs tinkering with sources for alternative energy. In particular, the authors favor cap-and-trade policies that will not only mandate reduced carbon emissions for everyone, but provide an incentive for companies to create and “sell” a surplus of their own reductions. “We can, in short, use the power of the market system to climb out of the hole created by flawed markets,” write Krupp and Horn. “We can channel the full range of human impulses—ingenuity, idealism, ambition—into undoing the damage and healing our planet.” Some of the densely written scientific material about solar power and biofuels makes for pretty slow reading, but tales of international inventors and venture capitalists are as engaging as those in any book about entrepreneurial spirit. Because so much of the technology is still in the nascent stages, there is a certain you-are-there immediacy; this is very much a book about an unfolding market, and everything in it is subject to change. Nonetheless, it makes for timely, powerful, and urgent reading. (W.W. Norton & Company, $24.95)

As the world grows more complex, interconnected, and subject to sweeping crises, it becomes increasingly clear that no one leader or organization can solve major problems. In Megacommunities, Mark Gerensser, Reginald Van Lee, Fernando Napolitano, and Christopher Kelly describe how business, government, and civil society must come together to deal with issues as diverse as bioterrorism, HIV/AIDS, rainforest depletion, and natural disasters. The private sector brings a resource base and skill in problem-solving; government brings stability and the rule of law; NGOs add accountability, credibility, and sensitivity to local culture and environmental issues. The more diverse the megacommunity, the broader the network will be, and the more kinds of expertise will be available to solve serious global problems. For instance, the Global Business Coalition on HIV/AIDS coalesced around “hard-core issues such as HIV/AIDS’s effect on India’s GDP and productivity rates for business.” While the problems described are dire, the book leaves the reader hopeful that coalitions can work together to solve them all. (Palgrave Macmillan, $27.95)
Making ‘Moo-lah’

A creatively conceived fund-raiser at the Tippie College of Business combines a bovine theme with an alumna’s school spirit.

With b-school budgets bursting at the seams to accommodate new programs, quality faculty, and top-notch facilities, it makes sense for a business school to get creative in its fund-raising efforts. The University of Iowa’s Tippie College of Business in Iowa City, for one, has tapped an unusual source for a fund-raising campaign: a cow named “Tippie.”

The idea for the campaign came about when Valerie Miller, a local artist and 2003 marketing graduate of the school, had an unusual idea: Search nearby pastures for the perfect cow, dub the cow “Tippie,” and use the bovine as the inspiration for art prints to be sold to benefit her alma mater. As the owner of Steel Cow Gallery in Waukon, Iowa, Miller uses cows as her primary inspiration, painting them individually in acrylic and setting them against brightly colored backgrounds.

The lighthearted campaign suits not only the school, but also its benefactor, says Curt Hunter, dean of the Tippie College. “Considering that Henry Tippie grew up on an Iowa dairy farm, it seems appropriate that we have this opportunity,” he says.

Miller created one of her “Mini Moo” seven-inch-square prints specifically for the campaign. “I wanted to give something back to the University of Iowa and the Tippie College,” says Miller, who is donating 50 percent of the sale price of 5,000 cow-inspired limited edition prints to the Tippie College. She is selling the limited editions through her gallery at www.steelcowgallery.com. Prints on paper sell for $39; prints on canvas sell for $59.

So far, more than 50 prints have sold. More valuable than the proceeds of the print may be the buzz the campaign has generated so far—publications such as the Des Moines Register and the Chronicle of Higher Education have covered the campaign on a local and national scale. Some may fear that such a whimsical campaign may have negative consequences for a business school, in that its programs may not be taken seriously. Hunter, however, isn’t worried. He believes that the Tippie College has already established itself and its programs. The “Tippie” campaign adds a sense of humor to that reputation.

Such a promotion also highlights the value of alumni support to a business school, Hunter adds. After all, he says, it’s the goal of every business school to have its alumni use the skills they acquired during their educations to succeed. It’s even better when those alumni want to apply that same savvy to give back to their schools. Z