Patagonia’s Former CEO Brings Sustainable Strategies to Class

Michael Crooke

Innovative Techniques For Marketing The Business School

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Cover photo courtesy of Pepperdine University

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From the Editors

Market Like You Mean It

I’ve written for magazines for more than a decade, so it’s no surprise that I’m a certified magazine junkie. And as a reader of many publications, I’m more than aware that the ways we access the written word is changing. On paper, on the Internet, on tablets—it’s all up for grabs.

Last spring, five magazine publishers representing more than 100 titles banded together to address the trend toward electronic content. They embarked on a $90 million, seven-month campaign to highlight, in the words of their tagline, “The Power of Print.” The effort included a Web site at www.powerofmagazines.com, where CEOs of publishing powerhouses such as Hearst, Time Inc., and Condé Nast speak out. It also involved 1,400 pages of print ads that incorporated magazine covers and titles—in the style of a “Mad Libs” game—in statements about the continued prominence of magazines in public life.

I don’t think the objective of the campaign was to “beat” digital media, as much as it was to stem the electronic tide long enough for publishers to get ahead of the changes to come. But the ads have been collaborative and clever, engaging and eye-catching; they’ve gotten people talking. Magazine publishers may be facing a challenge, but they’re facing it head on.

The _sturm und drang_ in publishing seems similar to that in higher education, where business schools are experimenting with innovative marketing campaigns designed to position their programs in an evolving technological and sociological landscape. In this issue’s article “Marketing 2.0,” we learn about three online marketing campaigns launched by schools as diverse as IMD in Switzerland, Grenoble Ecole de Management in France, and the College of William & Mary in the U.S. In “The Medium, the Message, the Method,” we talk to marketing professionals who offer advice to schools that want their promotional efforts to tap into the mood of today’s educational consumer.

And in our cover interview, we talk to Michael Crooke, former CEO of eco-conscious clothing line Patagonia, now a professor at California’s Pepperdine University. He points out that today’s business students strive “to align themselves with organizations or other like-minded people who have values similar to theirs.” If that’s the case, business schools must reach students who share their programs’ values and want to learn nowhere else. Schools must craft campaigns that not only reflect their missions, but resonate with the social networking, globally aware individuals living in today’s tech-driven world.

Where I’m concerned, “The Power of Print” campaign is preaching to the choir. After I finish here, I’ll curl up with the latest issue of _House Beautiful_ and a cup of hot tea. But the campaign’s approach is noteworthy because, like magazine publishers, business schools must respond to an era in transition, a time when society is still wavering somewhere between tradition and technology. But to capture the public’s attention, they’ll have to tell their stories more creatively than ever before. 

RAQUITA HENDERSON
S. Robertson, dean of the Wharton School. “As part of the design, we are introducing a series of global modular courses that will be offered in eight countries this year, and we are combining that with the appointment of vice deans in global initiatives, social impact, and innovation.”

As part of the new program design, students can customize their learning by fulfilling required courses in six distinct content areas: finance and the global economy; ethical and legal responsibility; global enterprise management; customer understanding and service; corporate reporting and control; and management of operations, innovation, information, and decisions under uncertainty.

The school also plans to increase content in microeconomics and statistics, provide an integrated focus on ethical and legal responsibility in business, increase its focus on oral and written communication, and offer a two-year coaching experience to encourage self-analysis.

At the same time, Wharton is promising new MBA graduates that it will provide them with tuition-free executive education every seven years throughout their careers.

The enhanced curriculum will be partially rolled out in 2011 and fully implemented in 2012.

**Uptick in MBA Recruiting**

The future looks bright for MBAs, according to the Fall 2010 Recruiting Trends Survey released in early 2011 by the MBA Career Services Council. The association brings together business school career management offices and companies that hire MBA students. In the group’s latest survey, 81 percent of business schools predict they’ll see more internship opportunities for students in 2011 than they did in 2010.

In addition, 63 percent of respondents report an increase in on-campus recruiting for full-time jobs, and 70 percent report an increase in full-time job postings compared to last year. However, it’s not time to be wildly optimistic: 26 percent of respondents report overall recruiting opportunities are flat when compared with 2010.

Regarding fields that show the most improvement, respondents most frequently identify consulting, financial services, consumer products, technology, and the broad healthcare industry. The majority of respondents observe that recruiting activity has increased or stayed the same across most types of employers, including startup companies, family-owned businesses, small and mid-sized firms in the U.S., non-U.S. firms, and Fortune 500 companies.

Many respondents report that they are taking extra steps to help students get jobs. These efforts include ramping up their outreach efforts to employers and alumni both regionally and globally; improving students’ networking skills; offering students scholarships to attend national conferences; developing workshops on social networking; and working more closely with career-focused student clubs.

The survey was distributed last December through the online tool Zoomerang. Seventy-nine schools participated, of which 60 percent were public and 40 percent were private universities. More information is available at www.mbacsc.org.
A Survey of International Study

During the 2009-2010 academic year, the number of international students at colleges and universities in the United States increased by 3 percent to 690,923, according to the Open Doors report, published annually by the Institute of International Education with support from the U.S. Department of State’s Bureau of Educational and Cultural Affairs. This represents a record number of international students in the United States.

The growth was primarily driven by a 30 percent increase in Chinese student enrollment in the United States. China—which supplied 18 percent of America’s international student population, or nearly 128,000 students—sent the most students to the U.S. during that academic year.

Among the other nine countries that comprise the top ten exporters of international students to the U.S., only Saudi Arabia had a similar percentage increase—up 25 percent, for a total of 15,810 students. The number of international students from the
other eight countries either decreased or increased only slightly: India (which sent 105,000 students for an increase of 2 percent), South Korea (28,145, down 4 percent), Taiwan (26,685, down 5 percent), Japan (24,842, down 15 percent), Mexico (13,450, down 9 percent), Vietnam (13,112, up 2 percent), and Turkey (12,397, up 2 percent).

While the number of American students studying abroad dipped slightly in 2008–2009, the 2009–2010 numbers showed a rebound. The United Kingdom was the leading destination for Americans studying abroad, followed by Italy, Spain, France, China, Australia, Germany, Mexico, Ireland, and Costa Rica. But there were double digit increases in the numbers of students heading to Argentina, South Africa, Chile, the Netherlands, Denmark, Peru, and South Korea. In fact, according to Open Doors, there was a notable increase in the number of U.S. students choosing to study in less traditional locations. Fifteen of the top 25 destinations were outside of Western Europe and 19 were countries where English is not a primary language.

ICAM in NYC

Business school deans and faculty will join corporate leaders April 28 to 30 in New York City for AACSB’s International Conference and Annual Meeting (ICAM). More than a thousand attendees from dozens of countries will convene at the Hilton New York to learn, network, and discuss critical issues in management education.

ICAM 2011 is co-chaired by John Elliott of Baruch College and Andrew Policano of the University of California, Irvine. Policano is also chair of AACSB’s Board of Directors. The event’s five plenary sessions will cover topics ranging from financial reform to behavioral economics:

- In Plenary I, members of AACSB’s Blue Ribbon Committee on Accreditation Quality will discuss what lessons the association has learned since adopting its 2003 standards and what its strategy should be going forward. Moderated by AACSB’s president and CEO, John Fernandes, the panel will also include Policano; Thierry Grange of Grenoble Ecole de Management; and Rich Sorensen of Virginia Tech.

- In Plenary II, Columbia Business School’s Glenn Hubbard will lead a debate on financial reform and its effects on business education. Panelists will include Frank Edwards of Columbia; Mark Gallogly of Centerbridge Partners and the President’s Economic Recovery Advisory Board; and Diana Taylor, former New York State superintendent of banks, current Citi board member, and managing director at Wolfensohn.

- Beta Gamma Sigma’s International Honoree for 2011 will speak at Plenary III. Joseph J. Plumeri, chairman and CEO of Willis Group Holdings, has spent the last decade arguing for greater transparency, integrity, client service, and innovation in the insurance industry.

- In Plenary IV, Duke University’s Dan Ariely, author of *The Upside of Irrationality*, will explore how behavioral economics can transform the way business schools teach management and public policy. He will discuss why people often fail to act in their best interests and present ways they can live more sensible lives.

- Plenary V, an open discussion on business and accounting accreditation, will be moderated by Linda Livingstone of Pepperdine University. Other panelists include Jon Davis of the University of Wisconsin-Madison, Robert O’Keefe of the University of Surrey, Michael Page of Bentley University, Robert Reid of James Madison University, and Jerry Trapnell of AACSB International.

For additional information about ICAM and a complete list of program topics, visit www.aacsb.edu/conferences_seminars/conferences and follow the link to ICAM.
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NEW APPOINTMENTS

François Julien has started his new term as dean of the Telfer School of Management at the University of Ottawa in Ontario, Canada. He has held many positions at the Telfer School, including faculty member, associate dean of programs, and vice dean. In that final role, he oversaw the creation of the school’s MSc degrees in management and health systems, led a curriculum overhaul, and helped develop the Personal and Leadership Development Program. He has been acting dean of the school since last July.

Bill C. Hardgrave has been appointed dean and Wells Fargo Professor in the College of Business at Auburn University in Alabama. He previously held the Edwin and Karlee Bradberry Chair in Information Systems in the Sam M. Walton College of Business at the University of Arkansas in Fayetteville, and he also served as the executive director of the Information Technology Research Institute. A specialist in the field of radio frequency identification (RFID), he founded the Radio Frequency Identification Research Center in 2005.

Carol Reeves, associate professor of management in the Sam M. Walton College of Business at the University of Arkansas in Fayetteville, has joined the university office of research and economic development across the state of Arkansas. She will work with faculty and students in all colleges at the University of Arkansas to encourage the creation of new companies based on university research. Reeves holds the Cecil and Gwen Cupp Applied Professorship in Entrepreneurship.

Elizabeth Thornton, an adjunct lecturer of entrepreneurship at Babson College in Wellesley, Massachusetts, has been named to the Massachusetts Growth Capital Corporation Board of Directors. The Growth Capital Corporation serves as a one-stop resource for small Massachusetts businesses seeking working capital, loan guarantees, grants, and financial guidance.

Conrado (Bobby) Gempesaw has been named provost and executive vice president for academic affairs at Miami University in Oxford, Ohio. He will assume his position on May 1. Gempesaw is currently dean of the Alfred Lerner College of Business and Economics at the University of Delaware.

STEPPING DOWN

In June, George Yip will be stepping down as dean of the Rotterdam School of Management, Erasmus University, in the Netherlands. Before joining RSM, he held positions with London Business School, Cambridge University, Harvard Business School, and UCLA, and he had been an executive and director of research at Capgemini Consulting. He became dean of the school in 2008.
Robert L. Vigeland has received the 2010 Outstanding Accounting Educator Award from the Texas Society of Certified Public Accountants. Vigeland is an accounting professor at the Neeley School of Business at Texas Christian University in Fort Worth. Vigeland is also the 2010 Neeley Alumni Professor of the Year.

Two business school leaders appeared on the 2010 list of Canada’s Most Powerful Women: Top 100, produced by the Women’s Executive Network. Among those in the Champions category was Barbara Orser, Deloitte Professor in the Management of Growth Enterprises at the Telfer School of Management at the University of Ottawa. Among the Trendsetters and Trailblazers was Carol Stephenson, dean of the Richard Ivey School of Business at the University of Western Ontario in London. The Top 100 Awards program recognizes Canada’s highest-achieving women in the private, public, and not-for-profit sectors.

The Professional Risk Managers’ International Association has chosen John Hull as the winner of its 2010 Higher Standard Award, which goes to an individual who has had a significant impact on the global practice of risk management. Hull is the Maple Financial Professor of Derivatives and Risk Management at the University of Toronto’s Rotman School of Management in Canada.

Henley Business School at the University of Reading in the U.K. has won the Gold Award from the Green Tourism Business Scheme. The school’s Greenlands Campus was recognized for its commitment to protecting the local and global environment. Greenlands now recycles half its waste and develops menus using local seasonal produce. The school also has created wetland scrapes—shallow, depressed land areas that fill with water—to encourage wildlife habitat.

Two students from the University of Tennessee, Knoxville, won $25,000 in the 2010 Movers & Changers competition, a national business pitch contest sponsored by mtvU and the New York Stock Exchange. Kaliv Parker, a business major, and Aeron Glover, an engineering major, won for their Web site, www.howsteliving.com, which helps college students learn more about student housing around the world. Glover and Parker, as well as two other teams, were followed in a documentary series called “Movers & Changers” that aired on MTV.

The Simon Graduate School of Business at the University of Rochester in New York has announced a 13-month, part-time master of science degree program with a concentration in finance. The lockstep program, designed for working professionals, will launch in March 2011. The bulk of the courses will be delivered over alternating weekends in New York City. In addition, one will be a weeklong session in Rochester, and another will be a weeklong session at a European location.

The Tuck School of Business at Dartmouth College in Hanover, New Hampshire, has joined with The Dartmouth Institute (TDI) for Health Policy and Clinical Practice to create a master of health care delivery science degree program. Aimed at working managers and professionals in the healthcare field, the interdisciplinary 18-month program will blend TDI’s research in healthcare practice, delivery innovation, and payment models with the Tuck School’s expertise in strategy and change management. The program will be delivered through a combination of residential and online coursework, as well as on-site projects.

IESE Business School of Madrid, Spain, recently launched its Program for Campaign Management, which is targeted to politicians and policy makers. Led by Steven Jarding, lecturer of Public Policy at the Harvard Kennedy School of Government, the executive course is designed to help campaign manag-
ers, political candidates, and election officials hone the management skills needed to run complex political campaigns.

This spring, the College of Business Administration at the University of Tennessee, Knoxville, will offer an entire semester abroad for 27 sophomores in its Global Leadership Scholars honors program. It is the first time any college at the school has delivered an entire semester of course content abroad. COBA students will travel and complete internships in England and Scotland while taking core business courses delivered by UT faculty. Each student will be required to prepare an internship journal, give a midterm report presentation, write a final paper, and give an on-campus presentation in fall 2011 to faculty and Global Leadership Scholar students taking the semester abroad in spring 2012.

GRANTS AND DONATIONS

Yale University in New Haven, Connecticut, has received a $50 million commitment from a Yale College alumnus to support the construction of a new state-of-the-art campus for its School of Management. Edward P. Evans’ gift—the largest in the business school’s history—will be recognized with the naming of the new facility as Edward P. Evans Hall. The facility on the 4.25-acre campus will be constructed with green building materials and be situated at the northern gateway to the Yale campus. It will house classrooms, faculty offices, academic centers, and student and meeting spaces organized around a courtyard. Evans, now a private investor, was the chair and CEO of publishing house Macmillan Inc.

Financier Bennett S. LeBow has given $45 million to Drexel University’s LeBow College of Business in Philadelphia, Pennsylvania. The money will be used to construct a new academic center for the business school, which was named in LeBow’s honor in 1999. LeBow, an alumnus, has now committed a total of $55 million to the College of Business. His newest gift will support construction of a 12-story, $92 million academic center for the College of Business, which is scheduled to open in 2014. The new building will feature a finance trading lab, a 300-seat auditorium, a five-story atrium, special areas for experiential learning simulations and business consulting, rooms with videoconferencing capabilities,
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and a recording studio to support LeBow College’s online programs. The structure will be Green Globe certifiable, meeting worldwide sustainability standards.

**North Carolina State University** in Raleigh has received a $40 million gift from Lonnie and Carol Johnson Poole. The majority of the money, $37 million, will fund an endowment to support NC State’s College of Management, which has been renamed The Lonnie C. Poole Jr. College of Management. The school will use the money to support NC State’s College of Management, which has been renamed The Lonnie C. Poole Jr. College of Management. The school will use the money to create a center of excellence in sustainability, as well as to develop new programs, fund scholarships and fellowships, and support faculty research. The gift also includes $2.5 million to fund The Carol Johnson Poole Club House at the Lonnie C. Poole Jr. Golf Course on campus and $500,000 for the Carol Johnson Poole Endowment for Humanities and Social Sciences at NC State. Lonnie Poole, an alum, is the founder of Waste Industries USA Inc.

**Rollins College** in Winter Park, Florida, has received a pledge of $12.5 million from the Harold Alfond Foundation. The grant will be used in several ways: to construct the Alfond Inn at Rollins; to create a permanently endowed fund; and to establish the Alfond Scholars program, which will offer full scholarships and financial aid to top students. Net operating income from the inn will be directed to the fund over the next 25 years or until the endowment principal reaches $50 million, whichever comes later. The gift enables Rollins to be the owner of the inn, which will be located just a block from campus on property the college owns. The new inn will be just the second hotel to serve the area. Preliminary plans call for 110 guest rooms and 9,000 square feet of meeting space, which will enable the college to host events and attract professional conferences. Projected opening for the inn is summer 2013.

**The College of Business at Montana State University** in Bozeman has received more than $3 million from alum Jake Jabs, CEO of American Furniture Warehouse. Most of the gift will be earmarked for the newly renamed Jake Jabs Center for Entrepreneurship for the New West. A portion will be used immediately to host entrepreneurs in residence and provide coaching and mentoring services for students interested in entrepreneurship. In addition, a separate fund has been established to provide entrepreneurship scholarships. Since its creation in 2001, the Center for Entrepreneurship has enabled more than 400 students to provide approximately 12,000 hours of pro bono consulting services to businesses in Montana, as well as generate research and market plans for startup companies and university-based inventions.

**The West Virginia University** College of Business and Economics in Morgantown has received a $3 million gift from Fred T. Tattersall, chairman of investment management company 1607 Capital Partners. The gift, which will be paid over three years, will endow a faculty chair in the finance department. It is the largest single donation for an endowed faculty chair position in university history and the largest single donation to the business school. Tattersall is an alum who currently serves on the university’s board of directors.

**A recent $3 million gift from the estate of George R. and Martha Means will support ongoing entrepreneurship initiatives at the College of Business at Illinois State University in Normal, particularly through the newly renamed George R. and Martha Means Center for Entrepreneurial Studies. The center offers training in business plan writing, field studies, internships, and an annual business plan and creative idea competition to business students and other students on campus who are interested in entrepreneurship.**

**COLLABORATIONS**

**Irving Oil and the University of New Brunswick–Saint John** have announced their partnership in a joint EMBA program for Irving Oil employees. A class of 52 Irving Oil employees began the first semester of the two-year program with tuition costs fully covered by the company. Classes are tailored to the work schedules of employees, while case studies focus on areas of particular interest to the oil company executives.
Other News

Audencia Nantes School of Management in France has announced a fundraising campaign to encourage individual alumni to contribute to the school’s growth. Historically, French schools receive more money from corporations than individuals, so the school is attempting to help change the French perception of giving. Audencia’s goal is to raise €8 million (approximately USD10.5 million) by 2015 to boost development in three major areas: entrepreneurship, global responsibility, and student financial aid.

Second-year MBA students at Indiana University’s Kelley School of Business in Bloomington have suggested that the state could improve its economic development efforts by capitalizing on existing clusters of wind energy and automotive-related companies to foster a more sustainable and profitable business environment. The students made these recommendations as part of a competitive project for the Indiana Sustainability Alliance. The alliance partnered with Kelley’s Supply Chain and Global Management Academy to conduct a case competition with five teams of students who were tasked with determining the current state of sustainability and clean tech industries in Indiana and offering recommendations that could support growth. Students also suggested the state launch an energy audit pilot program, host a Green Indiana Expo, and build on existing strengths in transportation and wind energy. The Supply Chain Academy holds two case competitions each year that involve for-profit companies and projects; this was the first time students tackled sustainability as a statewide issue.

ESSEC Business School in France has created the Chair for Real Estate and Sustainable Development with financing from BNP Paribas Real Estate and Poste Immo. The supporting companies will help select research objectives and develop the curriculum, seminars, and internships. The chair will be held by Ingrid Nappi-Choulet.

As Haiti passed the one-year anniversary of its devastating earthquake, the University of the People announced that it will attempt to help the region rebuild by expanding its programs there and doubling its student population. The online university, based in Pasadena, California, admitted another 15 Haitian students in February, giving them access to the university’s courses and its peer-to-peer network as well as access to a local computer center that offers a satellite Internet connection. More information about UoPeople’s involvement in Haiti is available at www.uopeople.org/groups/haitiproject.

Correction

In “Learning from LEGO,” the Focus on Faculty article on page 58 of our January/February 2011 issue, two dates were incorrect. LEGO’s first financial loss occurred in 1998, not 1988. In addition, while David Robertson began his study of innovation in 2002, he did not focus on LEGO for his research until 2007.
The Eco-Friendly Academic

by Tricia Bisoux

Su stainability’s gone from fringe to mainstream, says Michael Crooke. As the former CEO of eco-driven outdoor apparel companies such as prAna and Patagonia, Crooke is now delighted to continue to be a part of that movement as an academic. Last summer, he joined the faculty of Pepperdine University’s Graziadio School of Business and Management in Los Angeles as a visiting professor. He helped to coordinate the launch of the school’s new Certificate in Socially, Environmentally and Ethically Responsible (SEER) Business Practice program and now teaches courses on strategy, leadership, and corporate social responsibility.

Crooke brings more than his years of corporate leadership to the classroom. The former Navy SEAL, who served four years with an underwater demolition team in the 1970s, also is an academically qualified professor with a doctorate degree in management from California’s Claremont Graduate University. In his doctoral dissertation, Crooke highlighted four primary values that companies must adopt to be successful for the long term: sustainable business practices, environmental ethics, a good product or service, and strong finances. If any one part of this model falters, he argues, the business will fail.
When asked what his experiences have taught him about business, he’s quick to answer: the importance of teamwork and team-based management. “I’ve learned that there’s very little you can do as an individual,” Crooke says. “What can be achieved through collective intelligence is so much more powerful than anything one can achieve alone.”

Graziadio’s SEER certificate program itself was a collective effort, says Crooke, brought about by the students who first requested such a program and by the educators who put it into place. By tapping into that shared energy and enthusiasm for social entrepreneurship, he adds, business schools can lay the foundation for more successful and sustainable enterprises.

You now teach in Graziadio’s SEER program. What do you think a program like this should achieve?
I want it to get students thinking about the long term. There was a time when businesses were passed on to future generations. When you were passing a business on to someone, you really had to take a long-term approach. But over time, we started thinking in shorter and shorter time spans. Today, we don’t even think in full years—we think in quarters! I think it’s important to get back to that long-term perspective.

What approach do you think that programs like SEER should avoid?
They shouldn’t be programs for people who only want to be sustainability managers or who only want to go into nonprofits. SEER is a mainstream program. Our students are going to Wall Street, they’re going to Main Street, they’re going into sustainability ventures. The whole idea of this business model is that any business in any domain or industry can use these principles to optimize its strategic plan.

You emphasize that successful businesses must integrate a great product or service with strong finances, sustainable practices, and environmental awareness. How do these aspects intersect?
I depict this model as four circles, all overlapping each other much like a regression equation. You can’t take any one of those away and still have a great business. That is, if a company has a great product or service, it also must have taken into account the environmental aspects of its operations. It also must demonstrate corporate social

As part of Graziadio’s certificate program in Socially, Environmentally, and Ethically Responsible Business Practice (SEER), students must complete three electives, or eight units, chosen from 17 courses. Topics range from social responsibility and ethical wealth management to ethical leadership, environmental law, and emerging markets. Students then must take a fourth course, a capstone that Michael Crooke teaches. Students in the SEER program also have the opportunity to take the course “Environmental Entrepreneurship Development,” which includes a one-week travel abroad experience to teach students about building sustainable businesses.

In 2010, SEER students traveled to Patagonia, Chile, where they collaborated with Conservacion Patagonica, a nonprofit dedicated to the protection of approximately 460,000 acres of wildland ecosystems in Patagonia.

Under Crooke’s leadership, the SEER program emphasizes that any successful business must link four areas of its operation: finances, a great product or service, social responsibility, and environmental stewardship.
You have to start with a strong product or service and have a unique, sustainable, competitive position. If you don’t start with that, it will be very difficult to be a great corporate citizen or environmental steward.

responsibility, which includes avoiding sweatshop labor, treating its employees well, and coexisting with the communities where it works.

Of course, if a company does those things correctly, it’s my belief that it will have strong finances. We’re teaching students that they need all four of these macrovalues in their strategic plans to succeed.

But even if the social component is missing, some companies can still go a fairly long time without repercussions. For example, Lehman Brothers was 150 years old before disaster struck.

Ah, but the model requires that there must be a great product or service! In Lehman’s case, it had turned to collateralized debt obligations, or CDOs, which did not meet the definition of a great product or service! Financial engineering is not a true product.

How do you think students today are different from when you were in business school?

I was very much an environmentalist when I was getting my MBA back in the late ’80s, but I was one of the few. Back then, I was considered a “tree hugger”—I was seen as being on the fringe. From what I’ve seen so far, values are very much front and center for today’s students. They want to align themselves with an organization or other like-minded people who have values similar to theirs. Sustainability isn’t a fringe movement anymore.

What do you think are students’ biggest misconceptions about business and social responsibility?

Students must understand that it doesn’t matter how eco-groovy you are, or how well you treat your people. If you don’t have a product that wins in the marketplace, your company is out of business. You have to look through the SEER lens—through all four values. You have to start with a strong product or service and have a unique, sustainable, competitive position. If you don’t start with that, it will be very difficult to be a great corporate citizen or environmental steward.

What companies do you point to in the classroom as examples that bring together the four aspects of a profitable and sustainable business?

I always start with the Patagonia case, of course, but there are a number of other really good ones. Ray Anderson and InterfaceFLOR is one of the best. GE also is doing amazing things right now.

Nike also is a great case study. It’s one of the real leaders in the sustainability movement. It had been a target for NGOs for a long time, but what Nike did was brilliant. It was among the first companies to make its CSR reports public. Its executives said, “Here is what’s going on in all of our factories.” They joined the Fair Labor Association, which made surprise visits at factories and put information on Web sites for the public to see. Nike invested in transparency, and it’s always been at the forefront of looking for ways to promote sustainability.

As you look back on your business career, what has been your most eye-opening experience?

I would say spending time with Yvon Chouinard, Patagonia’s founder. A couple years before I joined Patagonia, he had visited conventional cotton fields. He saw the toxic ponds filled with pesticides, and he saw that the farmer posted guys with shotguns around them because he didn’t want birds to land on them and be poisoned. He thought, “We can’t be a part of that.” Almost overnight Patagonia became one of the largest users of organic cotton in the world. Because of that its margins suffered, and the business had to completely change. But Yvon said, “If we go out of business, we go out of business.” Conventional cotton farming had crossed a line, and he couldn’t support it anymore.

Visionaries like him and Ray Anderson at InterfaceFLOR are people who really inspire me. They have taught me that you have to lead with your values.

What do you most want to accomplish in the years to come, either as a professor, business leader, or in some other role?

I would love to continue to be a part of this movement as it moves more into the mainstream. I’m still on a number of boards, but I think one of the ways that adds the most value to this movement is helping to train the leaders of tomorrow. I became a CEO at a young age, and I’ve had great mentors in my life who helped me through the learning curve very quickly. I would like to repay that.

It seems like you’ll have your chance to be a mentor as well, now that you’ve made the transition from business leader to academic.

It’s transformational to see these young people so hungry and so ready for this movement toward social and environmental responsibility. It’s been fascinating to see their enthusiasm. When they’re talking about their ideas and starting to bolt those ideas to the ground, their eyes just light up. There’s no better feeling than that, because they’re the future CEOs of our planet.
How do you use marketing and PR to brand your school, recruit students, and raise your profile? Media experts share their insights.

The Medium, The Message, The Method

by Sharon Shinn

If marketing pro Andrea Fitting was retained by a business school with an unlimited budget, she knows exactly how she’d promote the client. The CEO of the Fitting Group of Pittsburgh, Pennsylvania, would have the school sponsor a worldwide business plan competition with multiple winners, who each would walk away with half a million dollars. She’d advise that the competition be judged by the school’s namesake, as well as university faculty, and she’d advertise it in every medium from television to print to the Internet.

“I’d love to work with that client. I’m waiting for the phone call,” she says with a laugh.

But the reality is that most business school administrators have to operate within much more limited budgets as they strive to distinguish their schools in today’s hypercompetitive market. And many of them are uncertain about the best way to develop a promotional plan that will establish their brands, raise their visibility, intrigue potential students, and satisfy alumni.

“A marketing campaign should give people a sense of affiliation with a brand they’ll own for the rest of their lives,” says Libby Morse, senior vice president and creative director at the Chicago, Illinois, office of marketing communications firm Lipman Hearne. “An MBA has to be more than a credential. It has to make a statement about the people who have earned it.”
These marketing professionals offer ten tips for deans and communications officers who want to pull together an integrated marketing plan that showcases their unique strengths and plays to every audience.

1. **Stop looking over your shoulder.** “Don’t worry about what the Ivy League schools are doing, and just do what you need to do,” says Fitting. “Figure out the kind of student who would thrive at your school and who would then go out into the world to do wonderful things. Figure out how to speak to that person.”

2. **Focus on what makes you unique.** “Put a stake in the ground. Pick something you’re really good at, and talk about it all the time,” says Fitting. Make sure you’re highlighting an area of expertise that suits your location, she adds. For instance, you will be better able to market your school’s focus on entrepreneurship if your region supports startups, has access to venture capital, and contains a large number of successful business owners who can mentor your students.

But it’s crucial to pick a brand strategy that actually differentiates you from your peers. “Too many schools make the same kinds of promises, using the same words, like ‘global’ or ‘ethics,’” says Morse. “Schools need to make sure they’re not just selling an MBA, but selling a distinctive experience. They need to articulate their own worldview or their particular perspective on business or markets.”

She points to one of the agency’s clients, Johns Hopkins University’s Carey Business School in Baltimore, Maryland, which positions itself as the school that “teaches business with humanity in mind.” Says Morse, “That statement says everything, both about the school’s academic quality and its worldview.”

Articulating that worldview—and promoting your school based on it—has another advantage, Fitting says. “It means that every school doesn’t compete with every

### Impressing the Press

While it’s important for schools to develop integrated marketing campaigns, it’s equally essential that they understand how to position themselves to receive media coverage in articles and broadcasts.

“Obviously, there’s value in any kind of attention you can get, whether it’s through traditional marketing means or media relations,” says Chris Stout, account executive at media relations firm Gehrung Associates. The company, based in Keene, New Hampshire, specializes in higher education and research institutions.

“If you’re really going to enhance your credibility and reputation, you need both.” The advantage of a news article over an ad is that the article is a third-party endorsement, he says. “It’s not you saying you’re great, it’s someone else saying it.”

He recommends five ways administrators and marketers can position their schools to attain that valuable media coverage.

1. **Take advantage of news opportunities.** Make sure marketing staffers thoroughly understand the institution and “have the flexibility to jump on news events that are happening right now,” says Stout. “You need to find ways to make your programs or professors fit stories in a timely manner. That means you must know the institution, know who’s available, and know what information they have. And that means you must talk to faculty, interview the staff, and talk to students—beat the bushes a little.”

He adds, “If I see an article that quotes deans from three of the top ten schools and then the dean of a school that’s not even ranked, I think, ‘How did that happen?’ Well, it happened through hard work on the part of the marketing department.”

But you also must make sure the journalist you’re contacting is likely to be interested. “Not every business reporter will care about a finance story or a career story. Pick up the phone and call the reporters and the editors. If you build a relationship with these people, you’ll know what they’re interested in. They’re more likely to open your emails because they know you’re
A great idea is one that is able to live in a lot of different media.

—Libby Morse, Lipman Hearne

other business school. It competes with a smaller set that has similar offerings or cultures.”

3. Define your marketing goals to determine your medium. Are you trying to establish yourself, change your brand, promote a specific program, attract potential students to an informational session?

“You need to think about why you’re marketing to determine where you should be marketing,” says Alexia Koelling, vice president of integrated marketing at Lipman Hearne. “For timely or succinct messages, like news about an informational session or an upcoming deadline, online marketing makes the most sense. But for a larger branding initiative, more often than not, I’d include print. A page in the New York Times carries a lot of weight.”

4. Choose your advertising vehicle. Look at the content of the medium, the audience it reaches, and how its image fits with the school’s message, and don’t limit yourself to obvious choices. For instance, a top-ranked school promoting its brand would certainly advertise in places like the Financial Times, says Morse. But it also could consider getting involved with the TED Conferences, which dedicate themselves to interesting ideas.

“Make sure your placement reflects your institution as well as the ads do,” says Minesh Parikh, associate vice president of Lipman Hearne. “The whole ‘the medium is the message’ idea is still true.”

At the same time, recognize that there are advertising vehicles where you might not belong. “If there’s a good school that hasn’t achieved high media rankings, should it advertise in Businessweek magazine’s Best Business Schools issue? That probably doesn’t make sense,” says Parikh. “An ad has to be reflective of who you are and the promises you make.”

And be aware that the campaign you launch needs to work in a number of different forums. “We don’t just think in terms of where we’ll place ads, we think in terms of what the big idea is, what the benefit is, and what the takeaway is,” adds Morse. “A great idea is one that is able to live in a lot of different media.”

not bothering them with information that doesn’t suit their audience.”

2. Develop expertise—but be flexible. It’s useful to have a subject matter specialty that makes you the go-to school when a certain kind of headline has made news, says Stout, but you don’t want to limit yourself by being known for only one thing.

“Don’t decide not to pursue an opportunity just because it doesn’t fit your marketing or branding position,” says Stout. “Whether you’re trying to reach prospective students or faculty, what’s really important is getting name recognition. If one of your marketing professors is doing something interesting, and you can get coverage, go for it. The more exposure you get, the better your reputation.”

3. Carefully choose where to pitch the story. Most well-known publications compete with each other, Stout points out; they’re less likely to run a story if they know you’ve sent it to everyone else on your media distribution list. “When you do things en masse, you limit how much coverage you might generate,” he says.

He tends to start with the top-tier publications first, then move to other outlets if they’re not interested. But if an article does appear in Bloomberg Businessweek or The Wall Street Journal, he says, it often trickles down to other media outlets, including online ones, ensuring a story gets maximum coverage.

4. Don’t forget the local angle. A top-ranked school will benefit from national or international coverage—but since it is likely to draw a sizable number of potential students from its region, local coverage is also important. “If a school is based in Illinois, we would target pitches to the Chicago Tribune and Crain’s Chicago Business, not just national publications,” Stout says. That kind of local coverage is also important, he notes, because many alumni still live near their alma maters, and they’re always interested in seeing their schools in the news.

5. Promote your school by promoting your coverage. Once a piece about your school has appeared somewhere, make sure all your stakeholders are aware of it. Post about it on blogs, include links to online versions of the article, and talk it up every chance you get.

“The social media really play a role in getting the word out after a story has been published,” says Stout. “That’s when the school can go online and say, ‘Hey, look at us, we’re in the Washington Post.’”
5. Give special attention to digital media. “Social media is hugely important, especially when you’re recruiting, because students live on social media networks and they’re influenced by their friends in these networks,” says Fitting. To create a strong online presence, notes Parikh, the first step is to perfect your Web site. “Make sure it reflects who you are and allows people to find the information they’re looking for,” he says. “Students are the primary audience for the Web site, but there are other audiences—such as corporate recruiters and business leaders—so make sure the site communicates to all of them.”

Second, realize that people are accessing digital media through a variety of devices, including their smartphones. “If someone is looking at your Web site through an iPhone, is it still conveying all your key points?” asks Koelling.

Third, participate in the social media channels that make sense for you, from Facebook to Twitter to YouTube—and monitor all online conversations about your school. Those conversations are going to take place whether you chime in or not, but some of them can harm you if you don’t respond to them quickly.

“It’s key to have a very focused and clear sense of self so that, no matter who is talking about the university, you’re still putting out a consistent message,” says Koelling. “But you also must react to any negativity. You’re never going to stop people from having a bad experience and posting about it. But if you just let those negative comments sit there, they can be very damaging.”

Schools need to assign a staff member the job of reading online posts, then finding the appropriate person at the university who can respond. “That person can either say, ‘I can help you, here’s a solution to your problem’ or ‘That’s not correct. Here’s where you can go for more information,’” Koelling says. “He or she can guide the online conversations.”

6. Exploit the power of video. “It’s very, very effective, because it’s evocative, engaging, memorable, and fun,” says Fitting. “That’s especially true if it includes music, because music appeals to our really basic, primitive human natures.”

The best videos are short and relatively unpolished, says Fitting. “This generation has grown up with do-it-yourself filming, so they don’t mind funny camera angles. In fact, the whole documentary-style approach works really well for these students.”

Video is also a powerful medium because it can be accessed in so many ways, she says. Even if it “lives” on YouTube, schools can use Web site links, banner ads, and URLs in printed materials to drive students to the video. And because smartphones allow users to watch videos online, they’re now wholly mobile.

7. Join like-minded communities online. In addition to creating videos and establishing your own digital personality, make sure you’re a presence on other sites that are consistent with your brand. For instance, a school that’s positioned itself as a leader in sustainability should encourage its professors to join conversations and post useful information on sites that discuss green business.

“Showcase your school’s MBA to these communities,” says Koelling. This strategy might take a long time to pay off if you’re primarily focused on increasing enrollment, she notes, but if you’re trying to build a brand, “this is a great way to create broad word of mouth in communities you care about.”

8. Export your worldview. Don’t just join communities that share your perspective; create events that capitalize on it. For instance, the University of Chicago Booth School of Business in Illinois holds an annual management conference in which some of its top professors discuss what’s ahead for business. “The Booth School is all about taking ideas apart and putting them back together, and these conferences are a great example of a school identifying its brand and translating it into an event,” says Morse.

But the impact of the conferences lingers long after the debates are over. Videos of the events are posted online, and the school also posts interviews with the dean and the conference moderator, analyzing their reactions to the discus-
9. **Always remember those alumni—and other stakeholders, too.** Alumni have a huge stake in the ongoing success of their alma maters, so it’s important to factor them into most marketing decisions. When alumni are pleased with how the school is doing, they donate funds, mentor students, and offer jobs to graduates. “Alumni should never feel as if you have walked away from their experience, even if you are seeking ways to reach new audiences,” says Morse.

And don’t forget that other external stakeholders are also deeply interested in your messages. “Other people, from HR managers to recruiters, notice the brand, so it has to resonate across audiences,” says Parikh.

Adds Fitting, “The brand message should remain the same no matter what. But the submessages—the ones aimed at different audiences—have to vary according to the audience’s perspective and desires. Students, parents, faculty, and recruiters are all looking for different experiences. But to create the message, you have to remember who you are.”

10. **Make sure that message focuses on the experience.** “Most schools talk about their features—their curriculum, their campus, their history. They fail to engage emotionally with students,” says Fitting. “Instead, concentrate on the total experience.”

In fact, you should turn your entire promotional campaign into an invitation. “Higher education in general falls into the trap of promoting itself by saying, ‘We’re the institution that...’” says Morse. “Instead, a school should say, ‘You’re the kind of person who...’ That doesn’t contradict the idea that you should have a distinct worldview. You need to say, ‘We believe this, and if you think that way too, you should come join us.’ You have to extend an invitation to people by appealing to the way they perceive themselves. You do this by offering both a window to yourself and a mirror to other people to let them know they belong with you.”

And hold that mirror up for as long as alumni want to look. “Any institution of higher education should feel like the mother ship, the place all its graduates belong,” says Morse. “If business schools don’t create that feeling, it’s easy for an MBA degree to become a commodity.”

But if they do articulate their vision, export it to people who share it, and make sure all their marketing messages nurture their relationships, they’ll be well on their way to creating places where students will want to belong for life.
Business schools connect with potential students by taking advantage of this generation’s obsession with technology and social media.

The Branding Game

Any marketing campaign needs two essential ingredients: a defined message and a way to deliver it to the intended audience. At IMD in Lausanne, Switzerland, those elements were combined in an interactive online contest called “Go Beyond What You Think Is Possible” that ran from October 2010 to February 2011.
Any marketing campaign needs a defined message and a way to deliver it to the intended audience.

Before launching the branding and recruiting initiative, IMD first needed to define the brand it wanted to promote. So it held lengthy discussions with internal and external stakeholders and ultimately identified three adjectives that described the school’s core values: open, collaborative, and pioneering.

“Being open means being open to the world and developing an understanding of diversity that spans geographic, cultural, and functional boundaries. It also means expanding clients’ horizons to develop a borderless global view,” says Dominique Turpin, president of IMD. “Being collaborative means listening carefully to our clients, then working with them to develop programs and services together. Being pioneering means pushing back the frontiers of executive education to promote more impactful leadership development.”

Those three values were on full display in the online contest, which was developed jointly by the marketing and communications teams. The contest was first launched with a video, still available at tv.imd.org, and played in three stages. Because anyone in the world could participate, the contest fit the “open” concept; the first stage of the game also opened players’ eyes by posing counter-intuitive multiple-choice questions. In the second stage, the game required collaboration, because players needed to leverage their social networks to accumulate points by asking their friends to vote for them. In the pioneering section, players had to match inventors with their creations. After completing each stage, players could see how many points they earned and compare their performances to those of other players.

Once the contest ended in February, nine winners were randomly selected from among the top-scoring players. The grand prize winner received a seat at IMD’s executive education program, “Orchestrating Winning Performance.” The second place winner earned IMD’s World Competitiveness Package, which included the school’s annual World Competitiveness Yearbook that analyzes and ranks the competitiveness of nations. All winners received iPads. The total value of prizes awarded was $20,000.

The game took time to play, which meant many executives spent hours with the contest, engaging with IMD. Turpin acknowledges that the time commitment might have dissuaded the participation of some. However, by early December, nearly 4,000 people had played “Go Beyond,” which can still be accessed at www.imd.org/contest. Overall, school officials were pleased with how the game reinforced IMD’s values, even among those who didn’t play, as well as with how it offered those who did play the chance to experience IMD’s brand in an interactive way.

Other schools that want to try something similar should, first of all, set clear objectives and metrics, says Turpin. Second, they should ensure that the contest is fun—not just for the players, but for the staff members who design and implement it. In fact, IMD launched an internal competition similar to the external one, to help create excitement. “This has been very important in building community and reinforcing the spirit of partnership,” says Turpin.

While IMD did not consider the competition a recruiting strategy per se, it did introduce the school to executives who might be interested in its program offerings. But the true goal of the exercise was simple, says Turpin: “Our hope is that more and more people will be aware of IMD, our values, and our program offerings.”

Back to the Future

Last year, Grenoble Ecole de Management in France wanted to create a marketing campaign that simultaneously boosted student recruitment efforts and emphasized the school’s strengths in technology management and innovation. The communications team at Grenoble—Anne Fuy nel, Mary Zaccai, and Nathalie Belviso—worked with international digital agency Vanksen to determine ways to reach their target group of applicants: young adults who are highly accustomed to using new media.

Because the school was focused on recruiting applicants to the Master in Management program, it timed the campaign for the months potential applicants took and received results from their business school entrance exams, which began in May 2010 and closed in July. Says Fuy nel, “Depending on their results, applicants can be accepted to several schools. It is up to the schools to seduce and attract the best candidates.”

The school’s “Time to Anticipate” campaign emphasized Grenoble’s technological strengths by drawing on retro-futuristic imagery from 1950s-era science fiction movies and comic books. The images were used in a wide range of print and poster ads and featured heavily in promotional materials—such as T-shirts and welcome packages—created for applicants.
taking their entrance exams. But the most original and entertaining elements of the campaign were two digital applications designed for use on social media sites.

Says Fuynel, “We wanted not only to be present where students network on the Web, but also to show them that Grenoble Ecole de Management is the school of new technologies. Therefore, communicating through Facebook, a site that potential students use every day, was a natural choice for us.”

In the first digital application, Grenoble used its Web site to post clips from five ’50s-era films in their original Russian, Hungarian, and Czech languages. Visitors could adapt the films by writing their own subtitles and posting the results on Facebook. In the second application, visitors could download photos of their own faces and superimpose them over black-and-white pictures of old movie stars. Beneath the photos were names of extravagant and imaginary jobs, such as “submarine salesman” and “psychologist for post-apocalyptic disorders.” These pictures also could be saved and posted to Facebook.

During the three months of the campaign, more than 2,000 people accessed the applications—about half of the number who eventually applied for Grenoble’s Master in Management program. The videos tended to be more popular with users than the photos, Fuynel notes, perhaps because applicants enjoyed the extended interaction with the films as they wrote new dialogue. Although the campaign ended in July, says Fuynel, the sites are still open and about 100 users visit www.esc-grenoble.com/anticipate every month to view them.

If the school decides to mount a similar event in the future, one thing it will change is the timing. The 2010 campaign ran during exam season, when applicants were more focused on test-taking than amusement. “If we do it again, we’ll run the contest earlier, maybe in March or April when people are more relaxed,” says Fuynel.

Even so, administrators count the 2010 campaign a success. “We didn’t know what to expect from the campaign, so we were quite happy with the number of users,” says Fuynel. Outside experts also liked what they saw: In June, the school won a second-place award for the campaign from EUPRIO (an association of European Universities Public Relations and Information Officers).

“The ‘Time to Anticipate’ campaign is part of our strategy to reinforce our identity with regards to technology management and innovation. “We started out by identifying the values that represent our school,” says Fuynel.

**Speaking in Code**

A small school with a small budget has to be creative to compete with better-funded institutions, a fact that’s well understood at William & Mary’s Mason School of Business in Williamsburg, Virginia. Recent marketing campaigns have been designed to drive prospects to the Web site so that every cent spent on print materials can be used to reinforce the brand, not to simply list facts and figures about the school.

One way the school has accomplished this is by printing all promotional materials with QR codes, square patterns of dots and shapes that can be scanned by smartphones. The QR codes lead users to YouTube postings or Web sites—in Mason’s case, a series of videos about each of the school’s graduate programs.

“We’re using the QR codes to bridge the old technology of print and the new technology of digital,” says Andrea Sardone, chief marketing officer of the Mason School. As an added bonus, the digital technology allows the school to measure how many students have accessed the videos, so they can gauge the effectiveness of their promotional pieces.

For the 2010–2011 recruiting season, the school designed...
a brochure with a code that leads students to an online video called “Revolutionaries Welcome” (revolutionarieswelcome.com), a short inspirational piece that invites students to come to Mason and learn to “Lead, Innovate, Revolutionize.”

“Revolutionaries Welcome” builds on the idea that William & Mary has always been a home for America’s great minds,” says Amy Puff, an account executive at the Fitting Group, a branding and advertising agency based in Pittsburgh, Pennsylvania. The agency helped William & Mary develop the campaign, which plays off the school’s historical roots but offers a contemporary twist. “The school focuses on attracting passionate, forward-thinking leaders—modern revolutionaries,” says Puff.

The “Revolutionaries Welcome” campaign also features a full online advertising plan, which includes LinkedIn banners and text ads that are delivered to students based on their profile information. Says Puff, “Because we can target very directly based on title and industry, LinkedIn ad messages tie to MBA tracks in marketing, finance, real estate, and so on. We are also running a pay-per-click campaign using Google AdWords.”

But the current promotion doesn’t simply rely on electronic links to get people talking. The “Revolutionaries Welcome” brochure, which is handed out at MBA Tours and other recruiting events, is made of heavy cardstock paper and features text and photos about Mason’s new home, the Alan B. Miller Hall. It can also be folded into a bank shaped just like the new building—a subtle reminder that an MBA is a great investment.

“We wanted to have a giveaway that would allow us to talk about our building, talk about our program, and make sure prospects keep our school top of mind after the event,” says Sardone. “We wanted to do something different from other schools.”

The bank brochures are also unusual enough to be eye-catching at admissions fairs. “These events have very strict rules about what’s allowed on each school’s table,” says Andrea Fitting, CEO and president of the Fitting Group. “Admissions personnel can’t put up any tall posters that will obstruct the view of the room, so they usually don’t bring more than a stack of viewbooks, maybe an open laptop, and a banner with the school logo. We felt one way we could create some visual interest and buzz around the table was to display something other than a stack of viewbooks.”

Not that the William & Mary team members dislike viewbooks. A few years ago, Sardone worked with The Fitting Group to create a variation on the typical rectangular book that presents basic facts about an MBA program. They took three flip books, stacked them on top of each other, and offset them to create a single book in a hexagonal shape. Each individual flipbook told a story about a different William & Mary student.

“It was our first venture into trying to do something no other school does, to reinforce the idea that we are a different type of business school,” says Sardone. “There was no page in that viewbook about the core courses or prerequisites for the program. The idea was to drive people to the Web site, because they can find all that content online.” The strategy seems to be working: In the past five years, enrollment at the school has doubled.

“The whole concept of ‘revolutionary thinking’ is really baked into the bricks at William & Mary, and we want to make sure its communications reflect that brand,” says Fitting. “We’re always trying to think of ways to do something with the Mason School that’s unusual for higher education marketing.”

That, after all, is the purpose of advertising: to highlight an institution’s strengths in a manner so unusual or so intriguing that potential consumers like it, remember it, and follow up on it. For today’s business schools, that often means coming up with quirky ways to invite applicants online, where they can learn everything they need to know about a school—and decide they would love to attend.
A look at data from AACSB International’s 43rd annual salary survey, released in January, featured input from more than 1,200 institutional members, including 503 schools in the U.S., 12 in Asia, 19 in Europe, eight in Oceania, and six in South America. Their responses yielded salary data on 31,367 faculty members and 5,887 administrators. While these charts illustrate the differences among faculty salaries across a number of factors, they are meant to provide an overview of the field, rather than serve as a basis for decision making. Association members can acquire comparative data through an AACSB DataDirect enhanced benchmarking subscription. For more information, go to www.aacsb.edu/datadirect.
Salaries and Hiring Trends
by Jessica Brown

Salaries and hiring rates for business school faculty continue to hold at a slower pace as the economy enters its third year in a recession, but administrators are still finding room in the budget for small raises. In fact, the 2009–2010 academic year was a slight improvement over 2008–2009. Last year, the average full-time faculty nine-month salary across all ranks and fields increased 2.6 percent to $113,996 from $111,084, compared to a 1.7 percent in 2008–2009. The typical annual increase in average salary increase is 3 percent to 4 percent.

In other areas, the news wasn’t as good. A smaller number of schools reported hiring new faculty over the last two years than in past surveys. In addition, the percentage of full-time faculty classified as “new hires” also decreased. The percentage of schools with new hires peaked at 91.9 percent in 2007–2008, with the percentage of faculty reported as new hires hitting 8.4 percent. In 2008–2009, those numbers remained fairly steady, at 90.9 percent and 9.4 percent, respectively.

The past two years have been a different story. The percentage of schools reporting new hires decreased to 84.9 percent in 2009–2010, with only 7 percent of total faculty members reported as new. In 2010–2011, those numbers decreased to 83 percent and 6.7 percent respectively.

What does the future hold? According to AACSB Chief Knowledge Officer Dan LeClair, “Although we’ve seen an increase in doctoral degree production worldwide, increasing international recruitment and upcoming retirements, as well as pent-up demand, will likely return hiring and salary growth to pre-recession levels.”

Jessica Brown is a senior manager in the Knowledge Services area at AACSB International in Tampa, Florida.

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Salaries by Rank and Discipline

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*Faculty are reported as Academically Qualified (AQ) or Professionally Qualified (PQ). These percentages do not add up to 100 because chart does not display numbers for faculty reported as “Neither” or “Unknown.” For more information on how AQ/PQ is determined, visit www.aacsb.edu/accreditation/business/standards/.

**Similar and related disciplines have been combined into larger categories: Accounting includes taxation; economics includes managerial economics; finance includes banking, real estate, and insurance; management includes behavioral science, organizational behavior, international business, and strategic management; production includes operations management; and quantitative methods includes operations research and statistics. “Other” includes education, law, healthcare, hospitality, public administration, supply chain, communication, ethics, entrepreneurship, human resources, e-business, and general business.

*New doctorates are classified as newly hired faculty who have been hired in the most recent year and have received their doctoral degrees in the last three years. These are counted separately from other new hires.
These charts illustrate ranges in salary from the 25th to 75th percentile for full-time faculty by rank and discipline, including the median (►) and mean (●). Salaries are represented in U.S. dollars. The data included is for participants in the 2010–11 Salary Survey.

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Poor student writing can be dramatically improved when business professors devote small portions of class time to helping students learn to spot and eliminate common errors in composition.
Students are more likely to retain writing concepts if they learn them *in situ* within their majors.

Over the past few years, I have created intervention strategies for my required undergraduate classes that help me reduce student writing errors significantly. For example, in an upper-division course on organizational behavior, I’ve reduced surface errors by as much as 95 percent, intertwining management theory and writing practice so students can apply what they learn directly to their studies. In a team-based gateway class, the collaborative nature of the work means I have less success reducing mistakes in composition. However, I still achieve a success rate of about 85 percent.

I have found that, with some help, students can submit quality writing that is acceptable both academically and professionally. I have learned that if I—an admittedly untrained faculty member—make some effort initially, I will actually save myself work in the long run. If I address errors early in the semester, students are less likely to repeat those errors later on.

The Great Divide

At my school, as at many others, the department of English handles the prerequisite business communications courses, while business faculty teach business theories in context. The working assumption is that students are more likely to succeed when different groups of specialized faculty teach them broad skills in communications and deep subject matter in business.

However, there’s no proof that students recall and apply composition concepts once they’ve selected a major. In fact, I believe that students are more likely to retain writing concepts if they learn them *in situ* within their majors rather than through generalized training courses. But the business professor who attempts to teach writing faces many obstacles.

For one thing, even English writing instructors agree that no single handbook is sufficient to cover all types of professional communication. This makes it difficult for instructors to set expectations, design consistent writing deliverables, or evaluate written pieces—and makes it equally difficult for students to perform to standards. Adding to the problem is the fact that “global English” is constantly evolving due to the multinational nature of today’s business environment. At the same time, many business school classrooms include ELL students—“English Language Learners” who do not speak English as their native tongue.

Another issue revolves around assessment and the fact that so many people are teaching and assessing student writing that it’s nearly impossible come up with set standards. The situation is so complicated that many instructors simply give up. But there are two responses that are far more positive.

Taking the Challenge

First, business instructors can complement their existing business skills by acquiring new skills in communication. In my own quest to do so, I read more than 40 articles from peer-reviewed journals such as *College Composition and Communication* and the *Journal of Business Communication*. I subscribed to email listservs targeted to business communication faculty and writing center directors. I read two dozen books on the subject of composition, prose, and rhetoric. I reviewed many required and recommended books for freshman composition and sophomore business communication classes at my school. I also studied the supplemental readings written specifically by the English faculty.

I focused on language use, grammar instruction, learning styles, and instructional pedagogies at the beginning and intermediate levels. I balanced my reading materials by choosing some from the strict, prescriptive grammarian camp and some from the more progressive “many Englishes” camp. Along the way, I discussed ideas with English faculty and faculty in my own department. My goal wasn’t to teach English or business communication; my only goal was to help students in an incremental and measurable manner.

Second, one or more business faculty should step up to take a leadership role in reforming the way business communication is taught at their schools. In my case, I partnered with a colleague in the English department to give a presentation on business communication at my school’s annual faculty retreat. I’ve always firmly believed it’s easier to learn...
a topic when you’re teaching it to someone else! To contrast our different perspectives on the subject of business communication, we titled our presentation “The Business of English and the English of Business.”

**Nine Instructional Strategies**

Through all of these efforts, I have developed strong opinions about two ways business faculty can help students improve their writing—through instruction and through feedback. I can recommend nine instructional strategies:

1. **Explicitly emphasize writing in the syllabus.** While business faculty might expect students to have learned writing skills in earlier courses, students often fail to master composition skills unless such a requirement is made explicit. At the beginning of the semester, I make it clear to students that excellent writing is expected in the course.

2. **Allocate time in class.** It’s essential to spend class time on writing, even if this means instructors must reduce the time they can spend on discipline-specific material. I devote a maximum of 1.25 hours to the topic if I’m teaching a typical 45-hour semesterlong class. That’s enough time to organize a writing activity, but it still leaves plenty of time to talk about business.

3. **Develop a pedagogy for working with large classes.** The Millennial generation learns visually, which means that context-free blocks of text are often insufficient for teaching them any concept. When I’m teaching big lecture classes, I deliver a lecture composed almost entirely of pictures, where each picture illustrates one type of syntax or semantic error. I use a digital camera to capture these examples of poor composition—usually informal writing on public signs.

   I’ve collected more than 35 examples, ranging from errors in syntax to errors in semantics. I also explain why contemporary writing technologies, such as embedded grammar correction programs, don’t help authors fix these errors.

   The photo lecture approach has numerous strengths: It’s memorable, it’s humorous, and it makes an impact. Its weakness is that the lecture format is inherently passive.

4. **Develop a pedagogy for smaller classes.** In more intimate classrooms, I hand out a collection of errors written by students in previous classes. Students break into teams to identify each of the errors; they report back on the few they don’t understand.

   The errors are easy to come by. I’ve observed that, in a class with more than 100 students, an assignment of a two-page essay due by the end of the second week will exhibit nearly all the major types of surface errors in composition. I simply organize the errors by category: problems with mechanics, punctuation, grammar, word choice, and sentence style. I also include a section on challenges faced by ELL students. I don’t provide corrected versions; I let the student teams identify and fix problems.

   The strength of this approach is that *ad hoc* teamwork is engaging. The activity changes the pace and structure of the course and encourages individuals to learn from their peers. A weakness is that students occasionally may miss critical errors that are likely to recur on future writing assignments.

5. **Move beyond the basics.** Once my students have a grasp of prose and composition issues, I can work on skills such as logic, argumentation, specific wording for hypothesis-based analysis, and the style guide conventions suggested by the American Psychological Association. I also can cover the language typically used to discuss the theories and frameworks taught in an undergraduate business curriculum.
Weak business writers could be limiting their progression from students to professionals, professionals to managers, and managers to executives.

6. Add “science” to “English.” To help business students understand why good writing is so important, I provide quick overviews of research that’s been published in academic literature. Students appear most impressed with two studies: one about how business managers react to weak writing, and one about the most common types of writing errors made in freshman composition classes. Students realize they can systematically learn the rules of writing just as they learn the science underlying the management theories they study in their business courses.

7. Add discipline-specific vocabulary words to exams. I include four or five vocabulary words on at least one multiple-choice exam, usually at the end of the semester. To reinforce relevance, I draw from the terms and phrases that students identify as difficult or unknown in the reports they write about organizational behavior books located in our campus library. I post the terms and phrases from prior semesters on a public Web page, ocw.smithw.org/mgt360/vocabulary-builder.pdf. This list of terms and phrases also helps ELL students prepare themselves for upper-division management classes.

Writing References

**Articles**

“Ethos and Error: How Business People React to Errors” by Larry Beason in the September 2001 issue of College Composition and Communication. This research shows how professionals view substantive, recurring writing errors.

“Mistakes Are a Fact of Life: A National Comparative Study” by Andrea and Karen Lunsford in the June 2008 College Composition and Communication. By identifying which writing errors are made most frequently, this paper helps faculty pinpoint where students need help.

“CEO Broadens Vistas at LG” by Evan Ramstad in the May 21, 2008, edition of The Wall Street Journal. The CEO of this Korean firm believes strong English skills are essential for his employees if the company is to flourish as a multinational corporation. News articles from the practitioner press help me highlight the importance of communication issues in business.

**Handbooks**

Effective Writing: A Handbook for Accountants by Claire May and Gordon May (Prentice Hall). Many books target specific business disciplines. I use this one, which focuses on accountants, for its ideas on prose.

A Writer’s Reference by Diana Hacker (Bedford/St. Martin’s). This is my preferred handbook.

The Longman Guide to Revising Prose by Richard Lanham (Pearson/Longman). I use this prose-based text not only to help students improve their skills, but to reaffirm the joys of good writing.

**Additional resources:**


“Second Draft,” a semi-annual informal publication from the Legal Writing Institute. Issues are available online at no charge at www.lwionline.org/the_second_draft.html. Interested faculty also can see the materials I provide my students by visiting this Web page: ocw.smithw.org/2010spring/bus302-12590/#writingmaterials.
8. Create rules, not suggestions. I’ve observed that students consider strong writing more important when I use specific language to describe my expectations. For instance, I talk about formal writing requirements rather than a style guide, which is actually the correct term. But more than a few students interpret style to mean fashion and guide to mean recommended, so I take out the ambiguity. In other instances, I use business terms to describe writing techniques. When I discuss how to measure waste in wordy sentences, I refer to it as sentence accounting. When I talk about writing rules, I pronounce them sentence laws. When I discuss how to remove chance in interpretation, I talk about sentence statistics. Although my terms are unorthodox, my students—all of them declared business majors—appear to grasp my intention intuitively.

9. Give out handbooks. At used-book sales held by local and university libraries, I frequently can find style guides, writing handbooks, and technical communication textbooks selling for $1 or less. I buy them and give them away to any student who wants one. If students decide to buy their own, I emphasize that the costs can be amortized over their academic and early professional careers.

Five Forms of Feedback

The second way I help business students improve their language skills is through ongoing feedback. I endorse a variety of methods:

1. A consistent rubric. I create a scoring rubric based on the major sections of a writing handbook. Students benefit from clear and consistent scoring, and I am better able to assess students’ individual and team-based progress. In addition, I’ve designed a spreadsheet that helps me provide details and summaries to students, teams, and the assessment committee.

2. In-class editing. Just before students turn in a writing assignment, I allocate five minutes of class time for them to check their work, exchange papers with classmates, and even ask me questions about writing issues. I don’t take off any points if students make pencil corrections over their typed papers—even if they write “I am not sure about the subject and verb agreement here.” This proactive, flexible process helps students more deeply value the critical process of editing and rewriting.

3. Lenient error marking. I get the best results when I reduce points only for the first—or most significant—error of any specific type. I do mark additional errors of the same type, but I don’t deduct points. This approach is less intimidating to the student, and I notice that all students improve.

4. Dual scoring. I score the content and writing of each assignment separately. From the content score, I deduct 10 percent for each major composition error. At first this policy appears severe, but by the end of the class, the composition and prose improve noticeably. My hypothesis is that a percentage deduction grabs the students’ attention early and focuses their improvement persistently.

5. Visits with the professor. I encourage students with weak writing scores to come see me in my office, where we can discuss each type of error, why it’s important in the context of the assignment, and what tools and processes they can use to avoid similar mistakes in the future. As a method of positive reinforcement, I give them makeup points for coming in and working on continuous improvement through a face-to-face learning experience.

Tools for the Future

The cognitive processes associated with writing and critical thinking are highly intertwined. Weak business writers could be limiting their progression from students to professionals, professionals to managers, and managers to executives. If faculty help business students improve their writing, they’re not just ensuring that students turn in more readable papers. They’re helping graduates on their way to more successful careers.

Wayne Smith is a lecturer in the department of management at the College of Business and Economics at California State University, Northridge.
Do Harsher Punishments Worsen Crime?

Some law and government officials have argued for a legal system of “maximum penalties,” where even those who commit small crimes are punished with extreme measures. They argue that this approach would be a cheap and effective deterrent to crime. However, two finance professors believe that this approach could backfire.

Kathleen Hagerty, a professor of finance at the Kellogg School of Management at Northwestern University in Evanston, Illinois, and Philip Bond, associate professor of finance at the University of Minnesota’s Carlson School of Management in Minneapolis, applied a mathematical model to the problem. They found that a system of maximum penalties creates an “all-or-nothing” environment, where crime is either completely eradicated or never-ending. The former scenario is impossible in a world where humans are unpredictable and law enforcement inconsistent. Therefore, the researchers posit, harsh penalties for minor crimes do nothing but perpetuate all crimes.

In any society, there will be people who will never commit crimes, people who might commit crimes, and people who are wired for crime, no matter what the penalty. The key to reducing crime, the researchers argue, is to target the middle group.

Among this group, many will commit small crimes, because the potential penalties are low if they are caught. However, should a system of maximum penalties be enforced, Hagerty and Bond’s model predicts many of these would-be petty criminals will instead commit more radical crimes—robbing a bank, for instance, instead of a convenience store—to make the crime commensurate with the potential reward. As these crimes increase, law enforcement would be overwhelmed, decreasing criminals’ chances of getting caught. This scenario would eventually worsen the crime wave that maximum penalties were meant to suppress.

To stop a crime wave, law enforcement should instead mete out less severe punishments for lesser crimes, say Hagerty and Bond. Under that system, people who are only moderately inclined toward crime won’t graduate to more severe offenses. The difficulty, the two admit, is to ensure that these penalties are harsh enough to keep even small crimes in check.


Good Leaders Aren’t Always the Loudest

When we think of great leaders, we often think of those outgoing individuals who take control of a group. But a new study shows that sometimes an introverted leader may be a company’s best choice. The study was conducted by Adam Grant of the University of Pennsylvania’s Wharton School in Philadelphia, Francesca Gino of the Harvard Business School in Boston, Massachusetts, and David Hofmann of the University of North Carolina’s Kenan-Flagler Business School in Chapel Hill.

The three researchers focused their study on productivity and team performance in pizza delivery franchises. They sent questionnaires to 130 stores and received responses from 57, including each store manager as well as 374 employees.

Grant, Gino, and Hofmann found an inverse relationship between the proactivity of employees and the personalities of store managers, say Hagerty and Bond. Under that system, people who are only moderately inclined toward crime won’t graduate to more severe offenses. The difficulty, the two admit, is to ensure that these penalties are harsh enough to keep even small crimes in check.

leaders. That is, stores with more proactive employees earned higher profits under introverted leaders; stores with more passive employees earned higher profits under more outgoing leaders.

Outgoing leaders like to be the center of attention, and they often are threatened by their more proactive subordinates, Grant says in a Knowledge@Wharton article. “Introverted leaders, on the other hand, are more likely to listen carefully to suggestions and support employees’ efforts to be proactive.”

The researchers emphasize that introverted and extroverted leadership styles can be equally effective. However, when leaders are paired with the wrong type of employees, it could result in personality conflicts, power struggles, and reduced productivity.

“Reversing the Extraverted Leadership Advantage: The Role of Employee Proactivity” is forthcoming in the Academy of Management Journal. An article on the study, as well as a PDF of its content, is available through Knowledge@Wharton at knowledge.wharton.upenn.edu/article.cfm?articleid=2638.

Some Students Still Dominate Online Forums

Many educators view social media as an equalizer when it comes to class discussion. They believe that students too shy to speak face-to-face will participate more freely online. However, an imbalance in student contributions can still happen if instructors aren’t careful, say Walkyria Goode and Guido Caicedo, professors at the ESPAE Graduate School of Management at Escuela Superior Politécnica del Litoral (ESPOL) in Guayaquil, Ecuador.

In a recent study, Goode and Caicedo examined the online interactions of 18 students all enrolled in three MBA courses, which Goode and Caicedo taught. The students were asked to use social media to write collaborative group responses to questions posed by their instructors. The first group used the collaboration tool Google Groups, the second used the blogging platform WordPress, and the third used the wiki platform MixedInk.

The authors then analyzed the social networks that students formed. Goode and Caicedo found that in each class, four to five students were responsible for the bulk of the contributions and discussion threads. However, unlike students who deliberately dominate discussions in traditional classroom environments, the central actors in online collaborations did not actively dominate discussions, says Goode. Instead, because they were the first to demonstrate their critical thinking skills and contribute to discussions, their peers sought them out and referenced their contributions more often.

As a result, discussions became “centralized” around the viewpoints of a handful of students. When this imbalance happened, Goode adds, later contributions that showed high levels of critical thinking were overlooked as students debated the original points.

The authors admit that this leaves instructors in a difficult position—they must encourage knowledgeable contributions without allowing discussions to skew toward the few students whose input is most highly valued.

Goode and Caicedo recommend that instructors follow a two-step process before opening up online assignments to students’ free-flowing contributions. First, set a deadline for all students to make their initial contributions; then, set an extended deadline for additional contributions. In this way, says Goode, all students’ original thoughts will be available before they begin their online discussions and collaborations.

Their paper, “Social (Im)Balance in Education,” was recently published in Volume 5, Issue 8 of The International Journal of Interdisciplinary Social Sciences.
Members of Generation Y—those people born between 1978 and 1994—often are characterized as being tech-savvy, cynical, opportunistic, and egocentric in the workplace. However, one researcher finds that their attitudes about their jobs and careers are no different from those of their predecessors in Generation X, who were born between 1959 and 1981.

Jean Pralong, an assistant professor in the management and strategy department at France’s Rouen Business School, carried out an intergenerational study on 400 participants with similar educational backgrounds, ranging from young students to salaried workers in their 60s. He compared three groups: master’s-level students of Generation Y, salaried workers of Generation Y in their first jobs, and salaried workers from Generation X.

Gen Xers, as a group, view most work as a means to an end, not a mission—which may have contributed to their characterization as “slackers.” But they also work incredibly hard on projects they believe in. In his interviews, Pralong found that Gen Y workers shared very similar workplace attitudes to Gen X workers. For that reason, treating the two generations as if they have different expectations could be a mistake, he says.

Pralong undertook the study because he thought that many managers based their perceptions of Gen Y workers on workplace anecdotes or consultants’ recommendations, not official studies.

“My study shows that no difference exists between 25-year-olds and
Research Is Relevant to Business

A recently published study seeks to counter arguments that much scholarly research is irrelevant to real-world business. In fact, a higher level of research productivity correlates to higher salaries for MBAs, according to co-authors Jonathan P. O’Brien of Rensselaer Polytechnic Institute in Troy, New York; Paul Drnevich and Craig Armstrong of the University of Alabama in Tuscaloosa; and T. Russell Crook of the University of Tennessee in Knoxville.

The researchers examined data on the research productivity of 658 schools, all members of AACSB International, from 2001 through 2008; they obtained the data from a social science citation index. They then scored each school on three measures of research productivity: the number of publications per full-time faculty member in A-rated publications (the 40 top-ranked scholarly journals), B-rated publications (the 80 mid-ranked journals), and C-rated publications (all remaining journals).

Then, accounting for factors such as school reputation and budget, the team analyzed the relationship between research productivity and the change in MBA students’ salaries before enrollment and their salaries three years after graduation. They found that MBA graduates from schools with a high number of papers published in A- and B-rated journals earned, on average, an extra $24,000 per year. This result indicates that graduates from these programs are valued highly in the business world, the authors say.

However, there are limits to the benefits of research. “If a school places an excessive focus on research,” the authors write, “faculty will invest relatively less effort in teaching and student outcomes will suffer.” MBA graduates from the 20 schools with the highest research productivity saw lower returns than those from more balanced programs. However, they still received higher salaries than those from schools with no research programs at all.

“Does Business School Research Add Economic Value for Students?” was published in the December-February issue of Academy of Management Learning and Education.
MISSION IN SIERRA LEONE
Researchers and students at Purdue University in West Lafayette, Indiana, and the MIT Zaragoza Logistics Center in Spain are collaborating to study ways to improve delivery of medication and healthcare to the more than 5.7 million residents of Sierra Leone, which has the highest maternal death rate in the world, a high infant mortality rate, and a low life expectancy. Zaragoza and Purdue researchers are collecting data with the support of the World Health Organization and the cooperation of the country’s government and health officials.

FROM ANTS TO TRAFFIC
Sanjay Goel, an assistant professor at the University at Albany School of Business in New York, has received a $378,375 grant from the James S. McDonnell Foundation. Goel will use the grant to study ways for transportation departments to better coordinate traffic lights and respond to changing traffic conditions. Goel plans to study self-organizing systems such as ant colonies, as well as adaptive traffic systems in Germany and Austria, before he develops and tests his own model. Goel says that a more adaptive system could make traffic flow more efficiently, helping drivers save time and use less fuel.

EVALUATING RURAL HOSPITALS
The Agency for Healthcare Research and Quality has presented a grant of $500,000 to Gautam Gowrisankaran, associate professor of economics at the University of Arizona in Tucson; Claudio Lucarelli, assistant professor of health policy analysis and management at Cornell University in Ithaca, New York; Robert Town, associate professor of health policy and management at the University of Minnesota in Minneapolis; and Ira Moscovice, Mayo Professor at the University of Minnesota and head of its health policy and management division. The researchers will use the grant to conduct a two-year study of the impact of the Rural Hospital Flexibility Program (FLEX) on the quality of hospital care in rural regions of the U.S. FLEX is legislation enacted in 1997 to improve rural Americans’ access to hospital services.

UNDERSTANDING MORTGAGES
Olin Business School at Washington University in St. Louis is partnering with CitiMortgage on research projects related to the mortgage industry. Olin faculty and graduate students will analyze mortgage industry data and identify consumer characteristics and models. The goal is to develop strategies that will help the mortgage industry respond more effectively to market fluctuations. Research is scheduled to continue through the second quarter of 2011.

TRACKING PLASTICS
Doug Woodring, a graduate of the Wharton School at the University of Pennsylvania in Philadelphia and co-founder of Project Kaisei, a nonprofit dedicated to reducing the impact of plastic on the environment, has announced plans to create the Plastic Disclosure Project (PDP). The PDP is a collaboration of the Ocean Recovery Alliance, also started by Woodring, and the Association for Sustainable and Responsible Investment in Asia to conduct an annual survey of global businesses to track their plastic use. The project’s aim is to decrease costs, boost innovation, and reduce the more than 7 million tons of garbage that reaches the ocean each year.

COMMERCIALIZING INDIAN IT
To help entrepreneurs bring their best innovations to market, the Indian School of Business in Hyderabad will collaborate with the Indian Institutes of Technology, as well as research centers such as the Centre for Cellular and Molecular Biology and the International Crops Research Institute for Semi-Arid
Tropics. As part of the collaboration, the school will offer workspace for startups in its Wadhwani Center for Entrepreneurship Development.

**Institute for Emerging Markets**
The Samuel Curtis Johnson Graduate School of Management at Cornell University in Ithaca, New York, has formed the Emerging Markets Institute (EMI). In addition to supporting research, the institute will arrange study trips, research seminars, and a global speakers series. Javier Perez, a visiting senior lecturer of management at the school, has been appointed as EMI’s acting executive director.

**Linking Research to Industry**
Baylor University’s Hankamer School of Business in Waco, Texas, has launched the Business Research Program as part of its Innovative Business Accelerator (IBA). The program links companies and Baylor researchers so they can develop research goals applicable to industry. Each participating company makes a three-year commitment to support a faculty member’s research in exchange for access to research results. The Baylor Research and Innovation Collaborative—a 300,000-square-foot center with space for university research, training, industry projects, and emerging business support—is scheduled for completion in March 2012.

**Sustainable EDGE**
Duke University’s Fuqua School of Business has created the Center for Energy, Development, and the Global Environment (EDGE). EDGE’s goal will be to encourage more sustainable models through transforming current industrial systems and supply chains, as well as creating partnerships to facilitate necessary changes. Management professor Rick Larrick will serve as the center’s faculty director. Daniel Vermeer, who formerly led Coca-Cola’s Global Water Initiative, will serve as its executive director. For information, visit www.fuqua.duke.edu/edge.

**Center for Clean Tech**
The Stanford Graduate School of Business in California has launched an initiative with Stanford Law School to create the Steyer-Taylor Center for Energy Policy and Finance. The center is made possible by a $7 million gift from alumni Thomas Steyer and his wife Kat Taylor. Dan Reicher has been appointed the center’s executive director. A professor of law and lecturer at the business school, Reicher was formerly assistant secretary of energy for energy efficiency and renewable energy during the Clinton Administration, a member of the Obama transition team, and director of climate change and energy initiatives at Google.

**Service Agreement**
Kyoto University’s Graduate School of Management in Japan and the Institute of Service Excellence at Singapore Management University have entered into a five-year collaboration, in which they will conduct joint service-related research and promote service innovation. The two institutions also will design service-focused executive education courses, seminars, and programs and provide opportunities for postgraduate student exchanges.

**Managers: Don’t Overlook the Overqualified**
When employers believe a job candidate is overqualified, they might not even grant an interview for fear that person, if hired, will quickly leave the position for something better. However, recent research by three assistant professors of management finds that overqualified candidates may be just the ones companies want to hire.

The study was co-authored by Mark Maltarich of St. Ambrose University’s College of Business in Davenport, Iowa; Anthony Nyberg of the University of South Carolina’s Darla Moore School of Business in Columbia; and Greg Reilly of the University of Connecticut School of Business in Storrs.

The researchers analyzed data from the Bureau of Labor Statistics’ National

45-year-olds at work,” Pralong says. On a scientific level, he adds, “Generation Y doesn’t exist.”

Longitudinal Survey of Youth. The data tracked the workforce behavior of more than 5,000 adults in the U.S. over a 25-year period. The researchers found that in positions that the government defines as requiring low cognitive demands, such as garbage collectors and car washers, employees with higher cognitive ability stayed at their jobs longer and often performed better than those who might, at first glance, seem a better fit.

Even more surprising, more mentally demanding jobs led to greater job dissatisfaction among employees in this group than less demanding positions. They also quit these jobs more often.

This finding is significant at a time of high unemployment, the researchers say—especially when courts are still finding in favor of employers who are sued for discriminating against applicants who are “too smart.”

The researchers emphasize that intelligent job candidates have many reasons for seeking less demanding jobs, such as lifestyle changes, health conditions, affinity for a company’s values, or financial hardship. Moreover, their intelligence can bring great benefits to companies. The researchers’ recommendation to employers? Learn why these candidates are interested in the position before passing over their applications.


Growth Not Always Good

Corporate boards like to see their companies grow, but are they encouraging CEOs to focus on the right kind of growth? Not always, say researchers at Columbia Business School in New York City and the University of Toronto’s Rotman School of Management in Ontario, Canada.

Sudhakar Balachandran, assistant dean for teaching excellence at Columbia, and Partha Mohanram, associate professor of accounting at Rotman, examined a sample of companies whose compensation data is included in Compustat Execucomp, a database that tracks executive compensation for firms listed in the S&P 1500. The researchers correlated CEO compensation to different types of corporate growth.

They found that compensation committees rewarded CEOs for corporate growth, regardless of whether that growth resulted from improved long-term profitability or short-term investments. In fact, the researchers found that CEOs whose companies grew through increased investment received greater rewards than those whose companies increased through improved profits.

This pattern happens even though growth due to investments actually is more likely to destroy long-term shareholder value, the authors found.

That sends the wrong message to CEOs, say the researchers. “Most people don’t look long term,” says Mohanram. “We’re not alleging these guys are doing this on purpose—far from it. We just think this is a fallacy many people fall for.”

Balachandran and Mohanram hope that these results will encourage corporate boards to look more closely at their compensation policies. Boards that differentiate between profit- and investment-driven growth, the authors write, will be more likely to “incentivize management appropriately.”

The study “Are CEOs Compensated for Value Destroying Growth in Earning?” is available at www.rotman.utoronto.ca/newthinking/execcompMohanram.pdf.
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Barriers to Sustainability

A team of student researchers at the University of Southern California’s Marshall School of Business in Los Angeles says that efforts to encourage greater investment in sustainable energy are currently hindered by unclear global environmental policies, the cost of sustainable initiatives, and myopia among political leaders and consumers.

The team of MBA students traveled to 14 countries and interviewed 183 business leaders in these regions about their attitudes toward sustainable energy. The executives were part of the Asia Pacific Economic Cooperation (APEC), an organization of 21 member nations that promotes free trade and economic growth.

These leaders discussed a range of barriers to investment in sustainable energy, says Cathy Kim, who led the team, including high startup costs, low market demand, and uncertain international policies. One problem is that subsidies for fossil fuel energy are 12 times greater than those for sustainable energy, Kim says. In addition, there is a lack of infrastructure in APEC countries to store the energy created by solar or wind production.

In November, the team traveled to Yokohama, Japan, to present its recommendations to APEC’s 63-member Business Advisory Council. Those recommendations included the need for APEC leaders to create a sense of urgency to attract more investment to sustainable energy, move toward transparent global energy prices, provide incentives to customers to use sustainable energy, provide rewards for advances in research and storage technology, and encourage cross-border investment and energy interdependence.
A Test of Ethical Reasoning

An online quiz helps students better understand—and apply—three approaches to ethical reasoning.

by William Guth, Michael Steinmann, Edward Stohr, and Harry Jin

Critics often argue that business schools teach ethics in ways that are too grounded in the language of abstract ethical theory, which can be meaningless to businesspeople who often lack philosophical training. But a lack of training is a large reason why too many business practitioners are unable to explain—much less justify—their actions in ethical terms.

In 2005, the Howe School of Technology Management at the Stevens Institute of Technology implemented an “ethics thread” throughout our graduate curriculum. As part of this thread, our graduate-level instructors introduce ethical topics and discuss cases involving ethical issues throughout their courses. Our goal is to help students develop an understanding of ethical approaches and learn to apply ethical reasoning skills to their decision making.

To provide a foundation for these discussions, we piloted the use of an online ethics quiz in the summer and fall semesters of 2009. We made it a formal requirement for all master’s and doctoral students in fall 2010. The quiz is part of a free first-semester, zero-credit online workshop, supported by WebCampus, the online learning unit of the Stevens Institute of Technology.

Our quiz presents students with ethical dilemmas, but also exposes them to three well-known approaches to ethical reasoning. These include deontological, the application of universal moral rules; teleological, the consideration of the consequences of one’s actions; and virtue-based, the consideration of actions that a virtuous person would take in the same situation.

Ethical Cases

In the online workshop, students are required to read a short introduction to ethical reasoning. Next, they read four short business cases, each based on a real-life situation. In each case, they must state their level of agreement with the actions the managers took in those situations and explain their reasons. Students “pass” the quiz if they provide answers to all four cases and complete a brief survey. Their responses remain anonymous, so they know they can provide their honest reactions.

One such case involves Foudy, a salesperson at Fare and Shear, a hypothetical brokerage firm. In the case, the firm is carrying a heavy inventory of bonds from a power company. Its executives ask Foudy to recommend these bonds to customers—it even increases the sales commission on the bonds as incentive. Foudy is reluctant because he knows that not only are interest rates rising, but the power company is at risk for bankruptcy. Even so, Foudy decides to recommend the bonds.

The quiz asks students what they think of Foudy’s actions. Their explanations for their ethical choices are automatically captured. After responding to each case, students are provided with a model answer illustrating the application of the three theories to the case. After completing all four cases, they are provided with charts that show student responses from the previous semester. In this way, students can learn from each other—for instance, they see that most students disapprove of Foudy’s actions!

A Learning Experience

Our analysis of student responses reveals interesting and unexpected patterns in students’ ethical thought processes. In fall 2009, for example, 180 students took the quiz. Not surprisingly, a strong majority (136) “disapproved” or “strongly disapproved” of Foudy’s actions. But that meant that a significant minority of students had a different view. Thirty students noted that they “approved” or “strongly approved,” while eight...
were “undecided.” Six students provided incomplete responses.

The arguments students used to support their explanations were diverse. Twelve percent seemed unable to articulate a coherent rationale for their choices, which indicated the need for more training in ethical reasoning, argument, and communication. Another 14 percent provided their opinions of Foudy’s actions in single-sentence answers.

While a majority of the students used one or more of the three major approaches to normative ethical reasoning to justify their choices, 25 of them ignored these approaches. The majority of students who approved of Foudy’s actions instead used what we call an “authoritarian” argument, arguing that employees must submit to the authority of their employers. Several others argued *caveat emptor*, noting that it is up to customers to protect their own interests. It seems that these students could not identify and evaluate alternative actions that Foudy might have taken.

But the majority of students obviously enjoyed the opportunity to articulate their ideas more extensively. Nearly 50 percent of students wrote more complex responses, utilizing words such as “therefore,” “because,” and “but” as they weighed different solutions or justified their choices. Ten percent used more than one type of ethical reasoning. In an exit survey, 69 percent either agreed or strongly agreed with the statement, “The overall exercise was a useful learning experience.”

**A Starting Point**

Of course, it is not possible to condense centuries of moral philosophy into an online quiz. However, this brief introduction to ethical reasoning and argumentation gives students a starting point for ethical discussions throughout the curriculum, where they explore different ethical perspectives and understand the criteria that can be used to judge behaviors.

All of our instructors read the cases in the quiz, and after the quiz has been administered, several incorporate its content into their class discussions. This spring, one of our instructors plans to devote an entire class period to the four cases.

We continue to experiment with the quiz—for example, we might use it to measure the impact of our ethics thread by giving a modified version of the quiz a second time at the end of our program. But our broader goal is to introduce students to the fundamental ethical approaches. By requiring them to justify their evaluation of each case, we want students to learn to articulate their viewpoints and defend their decisions—and, we hope, become more ethical business leaders.

William Guth is a professor emeritus of management and strategy at New York University’s Stern School of Business. Michael Steinmann is an associate professor of philosophy at the Stevens Institute of Technology in Hoboken, New Jersey. Edward Stohr is a professor and Harry Jin is a research assistant at the Stevens Institute of Technology’s Howe School of Technology Management.

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**Simulating Ethical Dilemmas**

Another business school also is applying tech to teaching ethics—the Kelley School of Business at Indiana University in Bloomington soon will launch a new tool for teaching and measuring the development of students’ ethical judgment. The Ethics Simulation Tool, made possible by an anonymous $250,000 gift, will use immersive technology to create realistic simulations of ethical situations students might encounter in the real world.

“No one comes up to you and asks, ‘Would you like to commit fraud today?’” says R. Thomas Lenz, chair of the Kelley Undergraduate Program and the Glaubinger Professor of Business Administration. An ethical violation arises “in a very subtle way, so we want students to be able to look at situations and spot the moral hazard if it is there.”

The simulation is likely to explore issues such as bribes and payoffs, but it also will deal with the more subtle gray areas related to financial misreporting. In addition, students will study conceptual frameworks that can help them find solutions to ethical dilemmas, Lenz says, while also learning what is and isn’t considered ethical in other countries.

Everyone in Kelley’s 5,000-student undergraduate program will be required to go through the eight-week simulation. The Ethics Simulation Tool will be a major feature of a comprehensive curriculum redesign that will launch in 2012. Once the program is in place, the school hopes to share the simulation with other schools at a national conference.
Technology

TOOLS OF THE TRADE

Re-Tooling the Tests
Admissions testing organizations introduce new features to measure applicants’ soft skills and critical thinking abilities.

Business schools have long used standardized tests like the GMAT and the GRE to measure applicants’ intellectual capacity in areas such as math, grammar, and reading comprehension. However, more business school deans and faculty are asking for ways to measure soft skills such as ethics and creativity—as well as ways to make traditional tests even better.

Technology is now making it possible to meet both demands, say officials from the Graduate Management Admission Council in Reston, Virginia, which administers the GMAT, and the Educational Testing Service, headquartered in Princeton, New Jersey, which administers the GRE. Both organizations have spent several years developing assessments that target wider-ranging and less tangible metrics. Each has introduced a new standardized assessment tool designed to help business schools better predict which applicants are most likely to thrive in their programs.

More Ways to Reason
Since last April, GMAC has been pilot testing a new integrative reasoning section for the GMAT, which will measure prospective students’ ability to evaluate information from multiple sources, including charts, graphs, and spreadsheets. This spring, GMAC will finalize the question types for the section, which is scheduled to launch in June 2012.

The new section’s content was inspired by several surveys GMAC conducted of representatives from master’s programs worldwide, says Ashok Sarathy, GMAC’s vice president of the GMAT program. “From the surveys, we found that schools wanted to measure students’ ability to assess tradeoffs in given situations, convert data from one format to another, and to integrate data, whether from histograms, charts, or scatter plots,” he says.

The traditional GMAT is a computer-delivered test, but its questions could also be administered on paper. The new integrative reasoning section, however, takes advantage of the computer environment to allow students to manipulate spreadsheets, change graphics, and sort data.

The GMAT will remain four hours long—the new section will take the place of one of the test’s two 30-minute essays. “Our research has shown that the scores for both essays are highly correlated, so we know that one essay does a good job of assessing a candidate’s writing skills,” says Sarathy.

Beyond Recommendations
ETS has reinvented traditional recommendation letters with its Web-based evaluation system called the ETS Personal Potential Index (ETS PPI). The ETS PPI evaluates applicants in six noncognitive areas: knowledge and creativity; communication skills; teamwork; resilience; planning and organization; and ethics and integrity.

ETS focused on these six attributes after conducting focus groups and one-on-one interviews with business school deans, as well as studying employer surveys about the attributes most important to them in a new hire, says Patrick Kyllonen. Kyllonen directs the Center for New Constructs at ETS and led the team that developed the ETS PPI.

To use ETS PPI, students first create an online profile with ETS, where they provide contact information for up to four people whom they will ask to fill out evaluations. ETS invites the evaluators to access the ETS PPI system and complete the online questionnaire. Evaluators rate students’ abilities in areas related to each of the six categories on a five-point scale, ranging from “below average” to “exceptional.” They also have the option of provid-
ing written remarks. Once evaluations are complete, students choose which schools they want to receive the final evaluation report.

The ETS PPI is designed to circumvent a weakness of traditional recommendation letters—the fact that if people can’t say something nice about a candidate, they often won’t say anything at all, says David Payne, ETS’ vice president and COO, college and graduate programs, programs and services division. “When I was a professor, if I thought my student wasn’t creative, I just wouldn’t say anything about creativity in my recommendation letter,” says Payne. Because the PPI asks questions that evaluate six skill sets, he adds, schools can get the bigger picture.

Testing Evolution
Both the GMAC and ETS plan to monitor and perfect these new products over time. GMAC, for example, is testing the idea of including even more interactive questions. GMAC also is looking into assessments that measure soft-skill aptitudes, such as leadership, ethics, and communication, Sarathy says.

The University of Notre Dame’s Mendoza College of Business in Indiana is among institutions that now require or strongly recommend the ETS PPI for admissions. ETS will be conducting long-term studies of how schools like Mendoza use the evaluation, as well as student outcomes at graduation. Its goal is to learn why one promising applicant flourishes and another of equal promise fails. “We’re encouraging institutions to participate in validity studies, so that we can track the correlation between the scores on the index and student outcomes,” says Kyllonen.

Admissions is both art and science, but as technology advances, the science promises to become more robust, says Payne. “We want to change the game for admissions,” says Payne, “so that schools focus less on students with the highest scores and more on those most likely to succeed in business school and beyond.”

For more information on the new section of the GMAT, visit www.gmac.com/gmac/thegmat. To read more about the ETS PPI, visit www.ets.org/ssi.

Refining Language Assessment

In the past, when schools wanted to test an applicant’s proficiency in English, they traditionally turned to the Test of English as a Foreign Language (TOEFL) or the International English Language Testing System (IELTS). However, Pearson Education International, based in the United Kingdom, now offers a third option: the Pearson Test of English, or PTE Academic, which has been endorsed by GMAC.

PTE Academic relies on an automated scoring system, rather than human evaluators, to score test takers in speaking, reading, writing, listening, grammar, spelling, pronunciation, fluency, and vocabulary. The automated scoring, made possible by algorithms that analyze student responses, also means test takers receive their results within 24 hours.

Because the test is administered online, it can be offered at a wide range of times and testing locations. “If we see a spike in demand in London, for instance, we can add days on short notice,” explains Mark Anderson, president, global strategy and business development of Pearson Education International.

Security is also important to PTE Academic, says Anderson. When test takers arrive at a testing location, they must identify themselves with personal information they provided in their online registration, as well as documentation. Their photographs are taken and included with the final score report. Finally, all test takers’ palms are scanned as they enter. If they must leave mid-test for any reason, their palms will be rescanned to confirm their identities before they are readmitted. These measures reduce the likelihood of identity fraud, says Anderson.

Anderson notes that advancing technology will lead to even faster score reporting and assessments in a broader range of languages. Pearson is already using the automated scoring technologies for languages other than English, including Spanish, Dutch, and Arabic. The opportunities that technology presents to testing, he adds, “are limitless.”

For more information on PTE Academic, visit www.pearsonpte.com/pteacademic.
Competitions Aim To Boost Innovation

Demand for business innovation has inspired a new crop of competitions designed to boost idea generation on the college campus. Three business schools have recently created or bolstered tech-oriented competitions with innovation in mind.

Tapping Tech Talent. Last fall, New York University’s Stern School of Business launched the Technology Venture Competition, open to its students, faculty, and researchers. The competition, which offers a $75,000 top prize, was added as part of NYU Stern’s Entrepreneurs Challenge, set by the school’s Berkley Center for Entrepreneurship & Innovation, and the NYU Innovation Venture Fund. This initiative already includes the school’s New Venture and Social Venture competitions, whose winners each also receive $75,000.

The Technology Venture Competition was a “missing link” in the Entrepreneurs Challenge, says Jeffrey Carr, executive director of the Berkley Center. With its addition, the school hopes to do more to tap into the scientific talent across the university and encourage the development of early-stage businesses in the information technology, physical science, life science, and clean tech sectors.

Developing Clean Tech. In January, the Google Community Grants Fund of Tides Foundation granted $20,000 to the Center for Innovation and Entrepreneurship at the University of Washington Foster School of Business in Seattle to fund its UW Environmental Innovation Challenge.

The challenge, launched by the center in 2009, is open to student teams from any college or university in the state of Washington. Offering prizes totaling $22,500, the competition asks student teams to define a clean-tech problem, design and develop a solution, produce a prototype, and write a business plan that pinpoints opportunities for success in the market.

During the challenge’s first two years, student teams have created prototypes that include LED lighting for greenhouses, a device to track

**NEWSBYTES**

**GREEN COMPETITION**

Johnson Controls, a global manufacturer of energy efficient building products based in Milwaukee, Wisconsin, has launched Campus Green Scene, an online video competition for colleges and universities. The company will award $5,000 to each of four U.S. universities that best showcase, in two-minute videos, how their campuses are embracing green leadership and environmental responsibility. A winner will be selected from each of four categories: four-year private institutions, four-year public institutions, historically black colleges and universities, and community colleges. The winning entries will be featured in a mini-documentary and honored at the U.S. Energy Efficiency Forum in June in Washington, D.C. The deadline for entries is April 27. For more information, visit www.campusgreenscene.com.

**SITE FOR CPA HOPEFULS**

The American Institute of Certified Public Accountants has launched ThisWaytoCPA.com, a site to educate college students and CPA-exam candidates about the path to becoming a CPA and the multiple career opportunities in the profession. ThisWaytoCPA.com includes an online discussion forum; interview and résumé tips; information about scholarships, the CPA exam, special certifications, and state CPA licensure requirements; and a quiz to help users determine the areas of accounting that best suit their interests.

**IT MBA GOES ONLINE**

The University of North Carolina at Greensboro’s Bryan School of Business and Economics is converting its face-to-face master’s degree in information technology and management to an online-only degree program. The move was prompted, in part, by student requests, as well as an increase in interest in the school’s online certificate programs. The information technology and management program is the school’s fifth online offering and its first at the master’s level.

**ONLINE MBA AT UNC**

The Kenan-Flagler Business School at the University of North Carolina at Chapel Hill will offer its MBA program in a new, online format designed for international working
water use in homes, and a water-cooled catalytic converter that minimizes emissions from gasoline-powered boat engines. So far, 12 of the 35 participating teams have entered their ideas in the UW Business Plan Competition, hoping to start companies based on their ideas.

**Tackling Climate Change.** The Massachusetts Institute of Technology’s Sloan School of Management in Cambridge wants to encourage similar work when it comes to climate change. It has created a new competition as part of the school’s Climate CoLab, an online community where participants discuss, analyze, and create plans for addressing climate change. The project is led by MIT’s Center for Collective Intelligence.

Climate CoLab’s inaugural 2010 global competition, which ended its voting phase in November, posed this question to the community: “What international climate agreements should the world community make?” Leading climate researchers chose 20 finalists, whose proposals were then voted on by members of the Climate CoLab community.

On its Web site’s home page, Climate CoLab featured the proposals of the two teams receiving the most votes as well as a team chosen to be Judges’ Choice. The first-place proposal involved a plan in which developed countries would help fund sustainable growth in developing countries. In December, Climate CoLab sponsored the travel of one member from each team to attend briefings with the U.S. House of Representatives in Washington, D.C., and the United Nations’ Climate Change Support Team in New York City.

The 2010 contest was a beta test for a series of annual competitions, explains Thomas Malone, the center’s director. “If ever there were a problem that needed the best collective intelligence that people and computers can muster, many would say climate change is it,” he says. “As examples like Wikipedia and Linux illustrate, it’s now possible to harness the intelligence of far larger groups than could ever have been done before. That is the goal of our project.”

*For more information about MIT’s Climate CoLab, visit climatecolab.org.*

### Preparing Teens For Campus Tech

High school students might lack the necessary proficiency to use college-level classroom technologies, according to a survey conducted by CDW-G, a technology solutions provider for business, education, government, and healthcare headquartered in Illinois. For its “2010 21st-Century Classroom Report: Preparing Students for the Future or the Past?,” CDW-G asked 1,000 high school students, high school faculty, and district IT professionals across the United States about how technology was used in their high schools.

Although 60 percent of students...
reported that their teachers used technology to teach, only 26 percent said that they were encouraged to use technology themselves to learn. Forty-three percent were uncertain that they felt prepared to use technology in college and the workforce, and wanted to do more with it in their courses. “We’re seeing K-12 students start to push the boundaries of what they’re expecting in the classroom,” says Josh Roberts, senior sales manager for CDW-G’s higher education division.

If business schools want students ready to work in the 21st-century college classroom, he adds, they may want to begin working with high schools to get students ready before they come to college.

Programs like BizTech summer camp at Wayne State University’s School of Business Administration in Detroit, Michigan, may be one step in that direction. The school has held its BizTech summer camp since 2001. The camp, which serves about 30 students from Detroit high schools each summer, covers topics such as using computer applications, developing Web sites, and creating and delivering presentations.

“Students are definitely savvy when it comes to tools like Facebook and Twitter, but their skills in areas such as Excel, Access, and Web development need improvement,” says Kiantee Rupert, academic advisor at Wayne State and director of its BizTech program. During the six-week camp, students attend half-day training sessions each weekday for four weeks and then spend two weeks putting those skills to use. “Their desire to master these skills is phenomenal,” she adds. “Their ability to absorb so much in so little time has always impressed me.”

Because so many college courses now incorporate online or wireless components, outreach to high schools is crucial, Rupert says. “We are doing students a disservice if we are not encouraging high schools to offer a greater range of technological curricula.”

Moreover, by working with high school students, business schools could spark their interest in future careers in business IT fields, says Roberts. “High school students want to learn more about technology than ‘don’t do this, don’t do that,’” he adds. “They want to know how to use it appropriately and effectively in the classroom.”


**Corporate Training ‘Transformed’ by E-Learning**

E-learning for corporate training is now a $31 billion industry—25 percent of training worldwide—according to the November 2010 issue of the Sloan Consortium’s *Journal of Asynchronous Learning Networks (JALN).*

The issue includes a range of articles on topics related to the growing e-learning market, including the choice of learning options now available to corporations to accommodate a multigenerational and globally distributed workforce; a study on the topics most suitable for e-learning formats; and a proposal for industrywide standards for e-learning content.

The issue’s editor, Robert Ubell of the Polytechnic Institute of New York University in Brooklyn, notes the difference between how business uses e-learning and how education uses it. At companies, “e-learning is highly mediated by technology, with trainers disappearing entirely, replaced largely by instructional design elements on monitors presented in text, multimedia, games, simulations, and other displays,” Ubell writes. Online courses at universities, on the other hand, are often just as media rich, but encourage instructors and students to interact with each other in online forums and in real time.

“Online, workers are on their own,” Ubell concludes. “College students and faculty work together.”

For more information about the Sloan Consortium, or to purchase a copy of JALN’s November 2010 issue, visit sloanconsortium.org/publications/jaln_main.
Tenure: An Obstacle to Change

After working for 21 years in the University of Wisconsin system, I gave up tenure to accept a one-year visiting professorship in the School of Business at Hamline University in St. Paul, Minnesota. This decision was difficult, particularly as I made the change during 2008, just as the financial crisis was intensifying. Yes, it would have been easy for me to stay in the UW system and ride out my remaining years to retirement. But the Hamline School of Business is new, and I jumped at the chance to participate in a program that would move MBA education forward.

Not only did I give up tenure for myself, I am against it in general. I believe it hinders business schools in what I am convinced should be one of our critical goals: integrating across functional disciplines. I am not proposing the incendiary course of abolishing tenure altogether, but I do believe that business school deans and administrators need to understand its weaknesses—and exploit its strengths—if they are to make desperately needed changes in our programs.

Critics have complained that the traditional discipline-based MBA curriculum is ineffective in preparing students to solve the problems of the 21st century and that what we need are more cross-functional courses and programs. But as anyone who has tried to integrate across the curriculum can attest, formidable obstacles exist. Writing in BizEd last year, Peter Lorange noted that even when a business school integrates its courses, it rarely manages to integrate its faculty. “They still work in separate departments, garner titles based on academic specialty, and seek tenure in their disciplines,” Lorange writes. “They pursue axiomatic research and publish predominantly in axiomatic journals.”

In effect, they think in silos. Therefore, if we want to integrate the MBA curriculum, we first must change how faculty think. To do that, we must identify and analyze all obstacles—and one of the most formidable is the tenure system.

How Tenure Works
Established during the 19th century to protect professors from arbitrary firing, tenure has many benefits, including the promotion of ideas and fomenting of intellectual discourse. Ideally, the tenured professor can stimulate intellectual debate in the classroom, or pursue research that might pique vested interests, without fear of invidious reprisal.

But to receive tenure, professors must acquiesce to the current system, which means subscribing to the silo mentality. They must be obsequious to a small cadre of elders, themselves tenured. Tenure begets conformity; it extirpates dissent and innovative ideas.

So why should we expect intellectual thought to flourish post-tenure when the tenure system is designed to root it out? Indeed, why should any individuals pursue innovation when innovation could delegitimize the system itself, thereby devaluing their own accomplishments?

The word tenure is derived from the Latin tenere, meaning to hold, keep, possess, restrain. The tenure system is used to restrain intellectual freedom while retaining the status quo, which in turn is decided by an elite group whose members are removed from stakeholder accountability. This elite group decides what is orthodox and what is heterodox, what is acceptable and what is not. It constrains the tenure candidate into conformity.

I find it ironic that we teach our students how to succeed in a highly competitive market, galvanized by the prospect of failure, while doing our best to insulate ourselves from these very same forces.

Where the System Breaks Down
It’s also somewhat ironic that aspects of the tenure system actually support the goal of curriculum integration. Because many of the ideas that could promote cross-disciplinary programming are controversial and iconoclastic, tenure protects the people who articulate these radical notions. The tenure system also encourages older faculty to mentor younger ones—and such cooperation between senior and junior professors is essential to integration across the curriculum. While the tenure system is fundamentally flawed, we might be able to use it, at least in the short term, to make faculty incentives align with the objective of integrating the curriculum. But the current system will need to be revamped if the goal is to promote cross-disciplinary study.

Most new faculty pursue tenure by publishing discipline-specific research in discipline-specific journals. If I’m a new professor with a PhD in economics and I’m conducting research with a marketing specialist, I don’t want to publish our findings in a marketing journal,
where the publication might not count toward tenure.

We need a revised system that recognizes the importance of interdisciplinary research and equally rewards intra- and interdisciplinary research. As founding editor of a new interdisciplinary journal in economics education, I’ve found that interdisciplinary teaching is a fertile breeding ground for interdisciplinary research. Therefore, we need a system where both are actively encouraged.

Preparation of such courses takes time and comes with a high opportunity cost, especially for new faculty. For that reason, faculty must be credited not just for the time they spend teaching the course, but the time they spend in preparation.

Where Change Should Begin Changing the tenure system requires active participation from all concerned. Business school deans must assume a central role by articulating and promoting to all stakeholders the goal of integrating across the curriculum. This includes actively encouraging senior faculty to teach and research across disciplines. Not only would they provide a role model for younger faculty, but they might be more inclined to grant tenure to young professors doing the same.

To engage faculty in cross-disciplinary efforts, deans also must implement the proper incentives. These include rewarding publication in journals outside the professor’s field and rewarding interdisciplinary teaching. At the same time, deans must acknowledge the time devoted to preparation of interdisciplinary courses, which often comes at the high opportunity cost of fewer papers written for publication.

The schools themselves need to establish an interdisciplinary facilitator to initiate dialogue among faculty throughout the university, and then implement cross-disciplinary strategies. Schools could assign the role to existing faculty or staff in exchange for a reduced workload. The facilitator would function as a liaison between everyone involved in cross-disciplinary integration by conveying information, standards, and strategies from multiple fields.

But a central problem remains: Who will evaluate the candidates for tenure, and how will this be done? If the job falls to existing faculty, who among them is knowledgeable about interdisciplinary research and teaching? And how can schools ensure that innovation rather than conformity is rewarded?

I don’t have all the answers. But I do know that a revised tenure system must acknowledge that all stakeholders in business education—including students, faculty, administrators, and the business community—should contribute to the tenure decision. For example, local business leaders should let deans know what they need from graduates so both faculty and students can evaluate faculty based on those requirements. Tenure then could be based on how well professors fulfill the needs of the business community, rather than how successfully they perpetuate axiomatic research.

Yes, some faculty will protest, claiming that such a system attenuates their self-government. But I submit that the current paradigm is not particularly equitable, either, given that it allows a small number of tenured professors to decide the contours of the discipline.

Again, I’m not advocating that universities abolish tenure, because that won’t solve the fundamental issue of recognizing and rewarding talent. But I’m suggesting that schools need to revise the tenure system so that it doesn’t stand in the way of rewarding the innovative efforts of those who strive to integrate the curriculum.

What Lies Ahead As business school educators, we have the essential task of helping our students develop multifunctional, multidisciplinary perspectives. But trying to change how we teach without realigning the tenure incentives is tantamount to trying to change a ship’s course while it is still anchored.

I believe we can remove the barriers between disciplines without weakening them. This might require schools to create individualized solutions to the tenure system. It definitely will require tenure systems to reward innovative, interdisciplinary research and teaching. But once we open a dialogue and work toward consensus on how to implement multidisciplinary education, we can bridge the chasm between what business schools teach and what faculty think.

Jack Reardon is a professor at the School of Business at Hamline University in St. Paul, Minnesota, and editor of the *International Journal of Pluralism and Economics Education*.
One of the most essential leadership skills has always been the ability to shepherd an organization through upheaval. However, notes Washington University professor Jackson Nickerson in *Leading Change in a Web 2.1 World*, new technologies have rewritten the rules of change management. Because the book is primarily about management, not technology, Nickerson first explains how change disrupts the workforce and how leaders can either coerce compliance from their employees or coax them into committing to the new reality. He favors commitment, which requires leaders to communicate with their workers honestly, solicit their feedback, then respond in ways that prove they’ve listened to employee concerns. Web-enabled technologies such as Skype and YouTube have made it exponentially easier to construct such a communication loop, but Jackson warns that leaders still have to deliver their messages with honesty, authenticity, and compassion. He offers technical tips on how to dress and sit for the camera, but the book is really about using new processes to manage familiar problems that every leader will someday face. (Brookings Institute Press, $24.95)

Hank Gilman isn’t a management guru; he’s a lifelong journalist who’s been a top editor at publications such as *Fortune*, *Newsweek*, and *The Wall Street Journal*. So his funny, forthright, and deeply personal book on managing people, *You Can’t Fire Everyone*, is based on lessons he learned on the job, not in a classroom. Some of those lessons haven’t been fun or pretty. For instance, he learned that “you’re a cold-hearted troll” if you know someone is wrong for a job, but you keep him around for years, working incompetently for your company when he could be flourishing elsewhere. Gilman doesn’t just draw on his own experience. As a business reporter, he’s had opportunities to talk with great CEOs, as well as bad ones, and he sprinkles plenty of those examples through the book as well. It’s an entertaining and insightful read for anyone who’s trying to be a better boss. (Portfolio, $25.95)

Chris Zane took over ownership of a local bicycle shop when he was 16 and, despite a couple of dramatic missteps during the next 25 years, turned it into a $15 million business that’s poised to franchise nationally. How does a small-time, small-town bike shop compete so successfully with big box stores and online retailers? Customer service. In *Reinventing the Wheel*, Zane clearly lays out his philosophy: “The job of every Zane’s employee is not just to sell stuff; it is to build relationships with our customers by serving them in a manner they have rarely experienced before.” This means never charging customers for any repair part that costs less than a dollar; it means making good on a promise to take back a bike if a customer is dissatisfied with it—even if the customer has been riding it for six years. Zane is selling bikes, but his basic insights apply to any retailer: “When you give your customers more than they expect… they’ll never leave you.” (BenBella Books, $24.95)

Most books on leadership offer prescriptions for how to behave like a leader or hone skills necessary for the top job. Princeton professor Nannerl O. Keohane takes a completely different approach in *Thinking About Leadership*, a gentle, reflective book that examines the relevant literature, supports and refutes it with anecdotal evidence, and sifts everything through Keohane’s own experiences as president of Wellesley College and Duke University. “My purpose in writing this book is to invite readers to join me in thinking through some of the dilemmas we need to sort out to understand leadership more fully,” she notes. She’s not telling anyone how to be a leader; she’s raising questions that ought to interest anyone interested in the role or the topic. What is leadership? Does gender make a difference? Can leadership be taught? Like the best teacher, Keohane doesn’t provide answers. She merely pries open the minds of her readers so they can think about the questions that matter. (Princeton University Press, $27.95)

What do visionaries have that the rest of us don’t? In *Ten Steps Ahead*, journalist Erik Calonius answers that question by examining the way the human brain works. Referencing new research in fields such as neurosci-
Business professors and budding entrepreneurs who don’t have the shelf space to accommodate more volumes might want to download a new book from Len Schlesinger of Babson College and Charles Kiefer of Innovation Associates. In *Action Trumps Everything—Creating What You Want In An Uncertain World*, they show readers how to use the power of entrepreneurial thought and action to navigate a perilous world. Not only is the book available for free download, but readers are invited to post their own stories on the Web site’s blog at www.ActionTrumpsEverything.com.
Angels Among Us

What do entrepreneurs need to know about angels? When it comes to angel investors, everything, says Ron Monark of the College of William & Mary’s Mason School of Business in Williamsburg, Virginia.

That’s why Monark takes several students to attend twice-monthly meetings of the New Dominion Angels, a group of investors in the Virginia and D.C. area. There, students see which presentations impress and which get passed over. Students can take an active part in the discussions and, if the investors decide to move on to due diligence, accompany them on a site visit to see how they evaluate the operation.

The students are enrolled in Mason’s eight-week Career Acceleration Module (CAM) in Entrepreneurship and Small Business. In the CAM, all students identify business concepts, write business plans, and defend their plans to a panel of “investors” made up of executive volunteers and actual investors. Guest speakers, including entrepreneurs and angel investors, also visit their classes.

Seeing how angels work is an important way to prepare students for the challenges of entrepreneurship, says Monark, who teaches in the program and is the managing director of the Miller Entrepreneurship Center at the Mason School. “When many of our students think of financing a business, they think of more traditional sources such as a loan from a bank or a family member,” he says. “They don’t really know what an ‘angel investor’ is.”

New Dominion Angels meetings can each accommodate only three student visitors, so Monark can take about 25 students during the academic year. He plans to contact more angel groups so that more CAM students can see how these investors operate.

The CAM’s immersive approach helps students avoid the “silly” mistakes that un-informed entrepreneurs often make, says Monark. “Students learn to prove there’s a compelling reason for their idea,” he says, “so that investors know how they’re going to get their money back.”