Diversity on Campus
A Portrait of Four Schools
Testing New Ways to Teach
Features

18 GLIMPSES OF DIVERSITY
Four schools from around the world—France, New Zealand, South Africa, and the U.S.—describe how their universities are providing educational opportunities to minorities and other underrepresented groups.

28 DIVERSITY AND THE FUTURE OF BUSINESS
How can companies expand their hiring practices to include minorities? How can business schools lead the way? The directors of three organizations dedicated to diversity offer hard data and useful suggestions for integrating the workforce.

38 DIVERSITY BY THE NUMBERS
A quick look at multicultural trends among faculty and students at AACSB member schools.

42 EXPERIMENTS IN TEACHING
New courses offered at Rochester Institute of Technology, Shenandoah University, and the University of Colorado at Boulder provide new ways to prepare students for business and executives for academia.

Departments

6 FROM THE EDITORS
8 CALENDAR
10 HEADLINES
18 RESEARCH
28 TECHNOLOGY
38 YOUR TURN
42 BOOKSHELF
52 CLASSIFIEDS
58 IDEA EXCHANGE

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BizEd welcomes article submissions of between 1,500 and 3,000 words from recognized authorities in their fields on topics and trends important to management education. Because BizEd is not an academic publication, we prefer articles written in a descriptive, provocative, and journalistic style, rather than a scholarly tone. Submissions are reviewed by BizEd’s Advisory Council; publication decisions will be made within six weeks of submission. Accepted articles will be edited to conform to BizEd’s format.

For Your Turn op-eds, we accept submissions of approximately 600 words (one page) or 1,300 words (two pages) that explore a personal viewpoint on an issue in management education. If a submission is chosen for publication, a photo of the author is also required.

To be considered for Idea Exchange, schools should submit information and images that highlight a specific aspect of their programs.

Digital images must be high resolution (300 dpi or higher, in JPEG or TIFF format), and saved at 3” x 4” or larger.

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Committing to Diversity

Diversity is kind of like ethics. Most corporations insist it’s an essential part of their mission statements, but their actions—and their boardrooms—often indicate otherwise. In fact, research suggests that multinational corporations aren’t making much progress at achieving gender or ethnic diversity at the highest levels.

In July 2011, the Web site DiversityInc.com compiled rather disheartening statistics about U.S.-based MNCs that operate all over the world. There are four black CEOs of Fortune 500 companies, nine Asians, and five Latinos. Twelve Fortune 500 companies have women in the top slots. Meanwhile, a study done by the European Commission found that only 12 percent of the board members in Europe’s biggest companies are women.

Businesses that overlook diverse populations do so at their peril. DiversityInc has also gathered statistics about how the purchasing power of various minorities has grown in the past 20 years and how it’s projected to increase in the next decade. Corporations that don’t recognize the economic strength of underrepresented groups risk losing a vital, powerful customer base. And to reach those groups, companies need to hire diverse workers. And to find those workers, organizations look to business schools.

Business schools are gearing up for the challenge. In “Glimpses of Diversity,” we profile four schools—one from the U.S., one from France, one from South Africa, and one from New Zealand—that have launched initiatives aimed at diversifying their student bodies. Their efforts include everything from targeting teenagers in economically disadvantaged neighborhoods to promoting on-campus clubs that strengthen peer bonds among minorities.

Many other schools surely have similar goals, but so far, in most cases, the results aren’t perfect. For instance, in the U.S., African Americans make up about 13 percent of the overall population, but they represent only 9.5 percent of the undergraduate business school population and 4.9 percent of the students in doctoral programs. That figure, presented in the article “Diversity by the Numbers,” comes from data compiled by AACSB International.

But the article holds encouraging news as well: For instance, schools around the world have been hugely successful at internationalizing their campuses by recruiting faculty and students from outside their own borders. That means everyone at these schools is getting a chance to meet people who think, talk, and look differently than they do.

It’s not enough, but it’s a start. When executives are comfortable with a wide range of people, they’re more likely to recruit and promote a wide range of employees. Then they’ll truly be putting the “multi” into multicultural organizations—whether those are international corporations or the business school down the street.

Sharon Shinn
**Promoting Gender Diversity**

**AROUND THE WORLD,** women in the workforce are underrepresented and underpaid, even when they have business degrees. In the U.S., according to a study conducted by the Bureau of Labor Statistics, women earn an average $4,600 less than men at their initial post-MBA jobs, and the gap extends from that point forward. In Europe, according to statistics from the European Commission, women make up 60 percent of university graduates, but only 12 percent of the board members in Europe’s biggest companies and only 3 percent of the board presidents.

How can business schools encourage more young women to enroll in business schools and follow careers in business? A number of schools are focused on answering these questions.

- At Cornell University in Ithaca, New York, the Johnson Graduate School of Management follows a number of strategies designed to enroll and retain women students and alums. For instance, Johnson’s Office of Diversity and Inclusion (ODI) hosts events such as the Women’s Power Lunch Series and the annual Johnson Women in Business conference. The conference allows women to learn about the school’s MBA programs, gain insights on how to position themselves as top MBA candidates, and network with women who are already students, faculty, and alums of the school.

  The Johnson School also hosts the annual Women in Investing Conference, which educates women about the career opportunities available in investment management—a field in which women are vastly underrepresented. In addition, Johnson partners with the Forté Foundation to offer fellowships to women in its full-time, part-time, and executive MBA programs.

  According to Nsombi B. Ricketts, ODI director, “Women face specific challenges in the workplace, but the value they provide in all areas of the business world is critical, so we must continue to grow their presence in this turbulent economy.”

- In Europe, a number of leading universities met last fall with the European Union’s Justice Commission to discuss efforts to promote gender diversity in boards. The National University of Singapore’s Centre for Governance, Institutions, and Organisations (CGIO) has collaborated with BoardAgender to publish the first edition of a planned annual report on gender diversity in Singapore boardrooms. The report, published last fall, looked at all the firms listed on the Singapore Exchange (SGX) during the years 2008 to 2010—more than 700 companies and 5,000 directorships in each year.

  The study found that, across all sectors, female representation in 2010 stood at 6.9 percent. The two industries that had the most women in their boardrooms—9.4 percent on average—were transport, storage, and communications (TSC) and property. The one with the least? The finance sector, with 5.2 percent.

  The study also found that the average age of women directors in 2010 was 48, compared to 53 for males. Women also had fewer board directorships per person (1.1 seats) than their male counterparts (1.3).

  “The trends over the past three years do not give us grounds to assume that female representation on boards will improve rapidly, unless companies or policymakers take action to change the situation,” says Marleen Dieleman, associate director of the CGIO. “Only 356 out of 5,138 board directorships were held by women in 2010. With board diversity rapidly becoming one of the standard metrics worldwide in measuring the quality of governance, we feel there is much room for improvement in Singapore.”
Despite demographic shifts across the United States, a limited number of Latinos are earning college degrees, according to a report released last fall by the College Board Advocacy & Policy Center. While Latino youth now represent the largest minority group in K–12 U.S. schools and are the fastest-growing segment of students, Latino college completion stands at just 19.2 percent—far below the national average of 41.1 percent.

“The College Completion Agenda Progress Report 2011: Latino Edition” and the State Policy Guide contain in-depth findings about the progress of Latino students and recommendations for addressing the challenges they face.

“Latinos understand well the importance of higher education. For many, it is the most accessible method to making the ‘American dream’ a reality,” says Delia Pompa, vice president for education at the National Council of La Raza, which partners with The College Board and Excelencia in Education to create the policy guide. Find out more at completionagenda.collegeboard.org/latino/reports.

Portrait of an EMBA Student

Despite the tough economic conditions, the quality of EMBA students remains high, according to the 2011 Membership Program Survey conducted by the Executive MBA Council, based in Orange County, California. Every metric that reflects the type of student attending EMBA programs was up in the 2011 survey, for which data was collected last summer. Nearly 290 member programs participated. The survey produced findings in a number of areas:

- **Student caliber.** Today’s students have slightly more managerial experience—8.5 years, compared to 8.3 in 2007. They also have more work experience, 13.3 years compared to 13 in 2007. The average GPA remains constant at 3.2.

- **Tuition.** The percentage of students receiving full financial sponsorship from employers has declined from 34 percent in 2007 to 27 percent in 2011, but 36 percent of students now receive partial reimbursement, up from 34 percent in 2007. At the same time, total program cost has increased 23 percent in the past five years.

- **Program structure.** The average program is 20 months long and enrolls 42 students with an average age of 37.1; of these, 75 percent are male. Sixty-six percent of programs require an international trip, with China being the most popular destination. The number of trips to Turkey and Chile has quadrupled since 2007. The percentage of program content delivered online has remained constant at 7 percent, but programs providing online content are increasing their asynchronous delivery.

- **Alumni outreach.** Schools are hosting more alumni events, using social networking to connect former students, expanding alumni career services, and leveraging or founding alumni committees or boards. More information about the organization can be found at www.executiveMBA.org.
The 2011 Nobel

TWO PROFESSORS have won the 2011 Nobel Prize in Economics: Thomas J. Sargent, the William R. Berkley Professor of Economics and Business at New York University in New York; and Christopher A. Sims, Harold H. Helm ’20 Professor of Economics and Banking at Princeton University in New Jersey. They will split a prize of approximately US$1.5 million.

The two professors were awarded the prize “for their empirical research on cause and effect in the macroeconomy.” In their work, they seek to discover the causal relationship between economic policy and variables such as GDP, inflation, employment, and investments. They might investigate how GDP and inflation are affected by a tax cut or what happens if a government modifies its objective for budgetary balance.

Their research shows that these relationships are interdependent—policy affects the economy, but the economy also affects policy. The relationships are also affected by the expectations that members of the private sector have regarding economic activity and how it will influence decisions about wages, savings, and investments. Sargent has shown how structural macroeconometrics can be used to analyze permanent changes in economic policy, while Sims has studied how the economy is affected by temporary changes in economic policy and other factors.

Although Sargent and Sims carried out their research independently, their studies are complementary, and the two Laureates have known each other for decades: They were students at Harvard together, both receiving their PhDs in 1968; and they were colleagues at the University of Minnesota between 1975 and 1987.

In an interview with Adam Smith, editorial director of Nobel Media, Sargent discussed creating and using macroeconomic models that demonstrate the importance of people’s expectations. He credited other economists for their work in this same field and downplayed the significance of his own work by saying, “We’re just bookish types that look at numbers and try to figure out what’s going on.”

SHORT TAKES

NEW APPOINTMENTS
■ Latha Ramchand has been named dean of the C.T. Bauer College of Business at the University of Houston in Texas. Ramchand, a professor of finance, previously served as the college’s associate dean of programs and administration. She succeeds Arthur Warga, who passed away in August 2011 after a battle with cancer.

■ Steef van de Velde is the new dean of the Rotterdam School of Management at Erasmus University in the Netherlands. Van de Velde has been interim dean of the school since July 2011.

■ Next fall, P. Christopher Earley will take his new position as dean of Purdue University’s Krannert School of Management in West Lafayette, Indiana. He has previously held deanships at the University of Connecticut School of Business and the National University of Singapore Business School. Earley fills the vacancy created last summer when Richard Cosier stepped down as dean.

■ Richard Pegnett has been named interim dean of the Charlton College of Business at the University of Massachusetts-Dartmouth. Pegnett had served as the founding dean of the Lutgert College of Business at Florida Gulf Coast University for 15 years before retiring in January 2011.

STEPPING DOWN
■ Labh Hira, who is in his 11th year as dean of the College of Business at Iowa State University in Ames, will retire as dean when his term ends on June 30. He will
remain on the ISU faculty as a professor of accounting. Hira, the Raisbeck Endowed Dean, has led the school through significant growth and two milestones: the completion of the Gerdin Business Building and the creation of a PhD program in business and technology.

NEW PROGRAMS

■ The James F. Dicke College of Business Administration at Ohio Northern University in Ada has announced its first graduate degree program: the master of professional practice in accounting. Set to begin in fall 2012, this program will enable accounting professionals to obtain enough credit hours to sit for the Certified Public Accountant exam while simultaneously earning a master’s degree in the professional practice of accounting.

■ The George Washington University School of Business in Washington, D.C., launched a new World Executive MBA program this fall. The 16-month WEMBA includes personal leadership coaching and mentored business challenges, as well as concentrations in leadership, corporate social responsibility, and global perspectives.

■ EDHEC Business School is launching two new degree programs, the 13-month part-time MSc in risk and investment management and the 10-month MSc in global business. EDHEC has campuses in Paris, Lille, and Nice in France; London, England; and Singapore.

■ INSEAD has developed a comprehensive executive education program for Sberbank, Russia’s largest state-owned retail bank. The one-year program is being offered in partnership with the New Economic School to 500 high-potential managers.

■ UCLA Anderson School of Management has announced the launch of a dual degree executive MBA program in partnership with Universidad Adolfo Ibáñez (UIA) in Chile. The UCLA-UIA Global Executive MBA for the Americas program will be delivered over 15 months in six two-week course modules held in Miami, Los Angeles, São Paulo, and Santiago.

■ EM Lyon Business School in France has designed a new MSc in sports and outdoor industry management. The 16-month program launches in September and will be run in partnership with the Outdoor Sports Valley (OSV) Consortium in the French Alps. During the course of the program, students will study in Lyon, the Alps, and Shanghai before embarking on an internship.

■ The Wharton School of the University of Pennsylvania in Philadelphia has announced the launch of a new business certificate program designed for high-potential business leaders in India. The Accelerated Development Program will include courses on strategy, finance, marketing, and leadership, and will be offered exclusively in India during 2012.

■ The Crummer Graduate School of Business at Rollins College in Orlando, Florida, has announced a new Saturday EMBA program for students with progressive management experience. Once students finish the degree requirements, they can take more classes for optional concentrations in finance, marketing, international business, management, entrepreneurship, or operations and technology management.

■ The School of Business at Quinnipiac University in Hamden, Connecticut, is debuting a new capstone course on leadership, the Executive Professor Program, which will bring current and past corporate leaders to campus as teachers.

■ The Villanova School of Business at Villanova University in Pennsylvania is partnering with the diocese of Camden in New Jersey to offer an MSc in church management (MSCM) degree for both lay Catholics and ordained priests. The 30-credit program focuses on business skills and professional ethics as they relate to pastors, parish business managers, diocesan department heads, and others in church management positions.

GRANTS AND DONATIONS

■ The Henry W. Bloch School of Management at the University of Missouri-Kansas City has received a US$32 million gift from Henry W. Bloch, which will go toward the construction of a new building to
SHORT TAKES

house the school’s graduate and executive education programs. The money represents the largest outright gift in the university’s history. Bloch, a co-founder of H&R Block, endowed the School of Business Administration in 1986.

**Montana State University**’s College of Business will receive an unrestricted US$25 million gift from alumnus Jake Jabs, president and CEO of American Furniture Warehouse. It is the largest private gift in the history of the Montana higher education system. Part of the money is likely to be used to construct a new building for the College of Business, which could break ground in 2013.

**The University of Texas at San Antonio** College of Business received a US$250,000 gift from Steven and Bruce Lee to establish the Quincy Lee Professorship in Real Estate Finance and Development.

**HONORS AND AWARDS**

**Ralph de la Vega**, president and CEO of AT&T Mobility and Consumer Markets, has been named the 2011 recipient of the Global Innovation Award bestowed by the Global Perspectives Program at Emory University’s Goizueta Business School in Atlanta, Georgia.

**Mary C. Gilly** has received the 2011 Williams-Qualls-Spratlen Multicultural Mentoring Award of Excellence (WQS) from the American Marketing Association Foundation. She is a professor of marketing at the Paul Merage School of Business at the University of California Irvine. The WQS Award was created to recognize people of color who are outstanding mentors in the academic marketing community.

**Mikael Ohlsson**, president and CEO for the IKEA Group, has been awarded the 2011 Botwinick Prize in Business Ethics from Columbia Business School in New York City. The prize is presented by the school’s Sanford C. Bernstein & Co. Center for Leadership and Ethics.

**Charmayne Cullom** has received the Lifetime Achievement Award from the International Information Management Association (IIMA). Cullom is professor of computer information systems at the University of Northern Colorado’s Monfort College of Business in Greeley.

**NEW FACILITIES**

**Salisbury University** in Maryland has officially opened Perdue Hall, the new home for the Franklin P. Perdue School of Business. Features in the 113,000-square-foot facility include US$3.1 million in new technology, a nine-screen video wall, an electronic stock ticker, a 200-seat auditorium, a suite for community outreach programs, and a museum dedicated to business and entrepreneurship. The university is pursuing LEED Gold certification for the facility. The architects were Richter Combrooks Gribble Inc. of Baltimore, Maryland, and Perkins & Will of Charlotte, North Carolina.

**The W.P. Carey School of Business at Arizona State University** in Tempe is about to break ground on a new 129,000-square-foot building that will complement its two existing structures. McCord Hall will be named for philanthropist Sharon Dupont McCord and her late husband, Bob McCord. More than US$17 million in gifts and pledges from individuals and corporations will help to fund the new facility. The environmentally friendly building will provide more classrooms for graduate programs and undergraduate honors students, technologically advanced team study rooms, a museum dedicated to business and entrepreneurship. The university is pursuing LEED Gold certification for the facility. The architects were Richter Combrooks Gribble Inc. of Baltimore, Maryland, and Perkins & Will of Charlotte, North Carolina.

**Oklahoma State University**’s Spears School of Business in Stillwater has announced plans for a new 200,000-square-foot building. Of the US$60 million needed to construct the new facility, more than $15 million in commitments has already been raised. That includes $5
million from Chesapeake Energy Corporation for the 4,200-square-foot Chesapeake Energy Student Success Center, which will house student services, career services, and the business writing lab.

■ This spring, Louisiana State University in Baton Rouge, Louisiana, is slated to open the new 156,000-square-foot building for the E.J. Ourso College of Business. Designed as a business incubator for the post-Katrina economy, the new complex will feature 24 tiered class-rooms, 35 project team rooms, presentation and entertainment areas, and numerous casual gathering and study spaces. The building also includes designated wings for graduate and undergraduate programs. The new building was designed by ikon.5 architects of Princeton, New Jersey.

■ The Ross School of Business at the University of Michigan in Ann Arbor has established the Office of Global Initiatives with the goal of delivering globalization through all programs in the business school. The office will coordinate academic and research activities, as well as alumni and corporate outreach. The newly created India Initiatives will be part of the office’s global portfolio.

■ The University of Pennsylvania and the Wharton School in Philadelphia, Pennsylvania, have established the Wharton Innovation Fund, which will support students, faculty, and staff as they design and develop promising new technologies and services. Approximately US$125,000 will be available annually from the fund, which was founded by alum Alberto Vitale.

■ New Mexico State University in Las Cruces, New Mexico, has established the Lionel Haight Professorship in Accounting, created with a US$250,000 gift from Mike and Judy Gray Johnson in honor of former NMSU accounting professor Lionel Haight.

■ Duke University’s Fuqua School of Business in Durham, North Carolina, is consulting with Nazarbayev University (NU) in Kazakhstan as it creates a business school from the ground up. NU will gain access to Fuqua leadership, faculty, and staff expertise as it develops its new MBA program, which it hopes to launch September 2012 in the capital city of Astana.

■ Babson College in Wellesley, Massachusetts, has established the Food Solutions Institute (Food Sol) to act as a catalyst for sustainable and socially oriented innovations in the food system. Food Sol will be a think tank that addresses some of the pressing food issues facing the world today, including scarcity, overconsumption, distribution imbalances, and climate change implications.

Correction
A photo caption on page 46 of BizEd’s November/December 2011 issue contained an error. The caption, which appeared in the article “Tests of Time,” indicated that desks in the 75-seat auditorium of Wharton San Francisco’s new facility will include touchscreen controls. However, only desks in the school’s group study rooms will have touchscreen capabilities.

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Today’s multicultural, globally connected corporations require diverse employees who are comfortable working in high finance on Wall Street or on microfinance projects in emerging economies. And those MNCs are looking to business schools to produce graduates who not only reflect a broad ethnic mix, but also have experience working with all kinds of people from all parts of the world.

Business schools are responding by identifying and educating diverse students to prepare them for business careers. But their challenge is not a simple one. As ESSEC Business School’s Pierre Tapie notes, “There is a diversity of human diversities in the world,” and business schools focus on different ones. Some countries struggle with ethnic diversity; others must see to the needs of aging populations; and others look for ways to serve disadvantaged communities.

Here, BizEd presents glimpses of how four universities from four different regions of the world are working to improve diversity. These educators explain what diversity means at their schools and how they’re addressing it through outreach programs and on-campus initiatives. Whether they’re mentoring Native Americans in New Mexico or recruiting Māori in New Zealand, these schools are determined to diversify their student bodies—and prepare the next generation of business leaders to truly lead.
Beyond Black & White

BY ALAN ROTHBERG

Given South Africa’s history, and especially our more recent history, I don’t believe any university in our country today can avoid dealing with the issue of diversity. Here, historically white universities, and in particular white Afrikaans universities, have been very conscious of the need to transform and embrace the diverse nature of our society. However, for the University of the Witwatersrand (Wits), an institution that currently serves about 29,000 students, opposing apartheid and other forms of discrimination has been a proud part of our 90-year heritage.

During the days when there were quotas on the numbers of black students who could attend university, Wits did whatever it could to show opposition. Subsequently, both staff and students became involved in “the struggle,” as it has come to be known. Several were detained and tortured by the police, and some went into exile, only returning after the release of Nelson Mandela.

Since the end of apartheid, Wits has launched a concerted effort to develop a demographic profile that matches the national profile as closely as possible. At the moment, white students represent about one-third of the student body. That’s still not a perfect match for the country’s demographics, where whites represent about one-fifth, but we are making progress. To get to our goal, we have to address a number of issues.

For instance, we need to make up the educational deficits faced by students from disadvantaged communities where education was—and to some extent still is—suboptimal. To do that, we must find ways to identify, assist, and develop students in those communities who have potential. We do this in several ways.

Our Targeting Talent Programme focuses on “feeder” schools in rural areas to identify promising students, and we bring them and their teachers to the university for a few weeks a year for special assistance. We help the teachers understand the requirements of higher education, while we expose the students to the types of degrees and courses that are available. By the time they finish secondary school, we hope they will know if they’re interested in higher education in business, health, engineering, or some other field.

We have also tried other initiatives, such as a bridge program that allowed students to take two years to complete their first year of studies while we supplied them with academic support. But this was less successful. We found the extra time gave students a false sense of security, and it was very stressful for them once they were thrown into the regular academic environment.

To provide access to higher education for the many students who are unable to afford university fees, Wits also enjoys the benefits of bursary programs, awarded to students in need, and scholarship programs, awarded to those who have excelled at secondary school level. We also participate in the Leadership Education and Development (LEAD) program, in which universities such as Wits and the University of Cape Town work with tenth-grade students to develop their leadership.
capabilities in business, engineering, science, law, and the arts.

Even with initiatives such as these, there are huge challenges. We can’t always provide sufficient accommodation for students who live far from the university. The luckier ones can stay in our residences or on nearby student-centered commercial properties. But many of the rest must travel long distances to the university, often relying on generally inadequate public transportation. This makes their academic lives difficult, particularly during examination times.

Despite these obstacles, overall Wits has been successful in bringing in disadvantaged students and assisting them once they’re here. We don’t have a policy of taking in 1,000 students and relying on examinations or attrition to eliminate those who are not coping. If we accept 400 students at the beginning of the year, it’s our policy—and, we believe, our obligation—to end the year with as close to 400 students as possible.

While we lose some students between admissions and graduation, the greater likelihood is that they will finish their courses, but they might take four or five years to finish a three-year degree. We’re working on improving our throughput rate—making sure that students who start don’t drop out along the way, and that they complete their degrees in the minimum amount of time.

There are different challenges at the graduate and post-graduate levels. We encourage master’s and doctoral candidates to apply for national and international grants or participate in partnership agreements we’ve made with overseas institutions. We believe we’re producing high-quality students, and our graduates have generally done quite well in their careers. But there’s another hurdle. Once candidates have made it through doctoral programs and achieved the level of excellence that would allow them to start contributing academically, they’re enticed away by the higher salaries in law, commerce, and industry. This makes them quite difficult to retain.

Even so, we’re aggressively maintaining our academic standards. The quality of our faculty is high, and we encourage them to take advantage of funding available for professional development. Our goal is to become a top 100 university internationally, which means we must encourage all faculty to produce high-quality research, and we must attract more international students and staff. The more we do this, the more we introduce a different kind of diversity onto the campus, one that goes way beyond a national demographic profile. At Wits, we thrive on the richness of the cultures in the world, the diversity in values and languages, and we proudly encourage and defend rigorous, vigorous debate.

It’s interesting to see how our student body has changed over the years, as evidenced by our recent student elections. In the past, students lobbied on issues such as changing the menu in the cafeteria. Now students lobby in terms of political alignments. We have students who are Muslim, Jewish, left-wing, right-wing, and politically active. In the fall of 2011, the university mobilized to protest the news that the government was still denying a visa to the Dalai Lama—for a visit that was to include an address to our school.

At Wits, all national and international issues are recognized and voiced, but the debates usually occur in an environment of acceptance and tolerance. That’s because we know that diversity goes beyond black or white. And we want to make sure that all races, cultures, and nations are accepted and welcomed on our campus.

Alan Rothberg is acting dean of the Faculty of Commerce, Law & Management at the University of the Witwatersrand in Johannesburg, South Africa.
Serving the Underserved

BY PIERRE TAPIE

As business educators address diversity on their campuses, I think it’s important that they all keep in mind a broad definition of the term. There is a diversity of human diversities in the world, and each school might deal with a different kind, depending on where it is located.

Some types are based on individuals’ ethnic, cultural, or national backgrounds. Others are based on gender, age, and relative health or physical abilities. But I believe the kind of diversity business schools need to encourage most is social equality between the rich and the poor. I would say that for every country in the world—whether it’s the U.S., the U.K., or an emerging economy like China or India—one of the major issues is how to ensure that brilliant socially disadvantaged students can have the best chances for a bright future.

I don’t make that argument mainly out of a sense of generosity or personal morality. I believe if we don’t make education available to all, we literally put the economy at risk. The riots in England last year echoed the riots we had in France in 2005. There is similar unrest in countries all over the world. Too many nations privatize the profits but socialize the losses. That angers the voters and causes the bottom of the pyramid to rise up in protest. Education is the best answer to social unrest.

Diversity programs are so important because every established institution—whether a school or a government—will be affected by the risks that arise when we fail to address social issues.

At ESSEC, our diversity initiatives include gender research, programs related to social engagement, and programs that improve physical access to students with disabilities. We have a chair holder in diversity who researches how diversity is handled at work and teaches the managerial implications of diversity from both a marketing and an HR point of view. We also address diversity through our social enterprise initiatives, which include an institute and a chair devoted to social entrepreneurship, an incubator for social enterprise, and a general management program geared toward executives in the nonprofit sector.

But our program that has had the most impact is the one designed to integrate socially disadvantaged teenagers into higher education throughout France. Called “Une Grande École: Pourquoi pas moi?” (“An elite university: Why not me?”), the program targets high-potential high school students from poor neighborhoods. It encourages them to pursue difficult, long-term educational goals—specifically, the attainment of masters’ degrees—at one of France’s prestigious grandes écoles. Thus, students in the program not only are encouraged to continue their educations, they are prepared for admittance into some of France’s most elite schools, which typically enroll only about 6 percent of high school graduates, mostly from the upper class.

We launched the “Pourquoi pas moi?” (PQPM) program in 2002 in partnership with the local authori-
ties and the ministry for urban affairs, with the goal of expanding it into a national program. There were 19 students in the first class. By 2011, 100 schools in the Conférence des Grandes Écoles had put similar programs in place, and today these types of programs collectively reach more than 40,000 high school students.

ESSEC relies on several initiatives to put PQPM in practice. These include tutoring programs in high schools and junior highs, which ESSEC students participate in; PHARES, a program for handicapped students, both in and outside of PQPM; and POLLEN, a program that provides academic and professional support to high school students through workshops, debates, group projects, and orientation forums.

Ambitious and motivated students join the PQPM program when they’re 15. At that time, only 5 percent to 10 percent say they want to achieve a master-level degree. By the time they’re 18—graduating from high school and entering college—90 percent of PQPM students express an intention to complete studies at the master’s level. Because it takes eight to nine years for students to finish high school and college before going on to advanced degrees, it’s too soon to know how many of them actually will pursue their master’s degrees, but all signs are encouraging.

Developing this program was very important for ESSEC to achieve its mission to be open to students from every kind of background. If administrators at other schools want to improve diversity on their campuses, I would encourage them to first consider what kind of diversity they want to promote. If their schools are located in countries where there is tension between urban and rural areas, the key question might be how to educate the children of farmers. Elsewhere, they might be wrestling with the question of how their society can keep up with the influx of older citizens. Societal urgency varies from one country to another, and the framework of diversity might change depending on a school’s geography.

Next, I would urge the administration to gather an academic team and give its members the freedom to invent a program without any constraints. Let them think outside the box. At ESSEC, we put together a team of academics and a few senior staff members and asked them to imagine something that would be completely original but still very operational. That’s how they came up with the idea of “Pourquoi pas moi?” under the leadership of professor Thierry Sibieude.

Diversity programs are so important because every established institution—whether a school or a government—will be affected by the risks that arise when we fail to address social issues. I think every responsible company in the world must make the pursuit of diversity a priority; it is one of the most serious issues businesses are dealing with today. That means every responsible school must consider the same issue as well. Pierre Tapie is dean and president of ESSEC Business School in Paris and Singapore.

Rich Heritage, Bright Future

BY DOUGLAS M. BROWN

Diversity defines the state of New Mexico. The blend of Native Americans, Hispanics, and Anglos extends back centuries and has been augmented more recently by smaller cohorts of African Americans, Asians, and Pacific Islanders. Some historical context is necessary to explain why the University of New Mexico embraces and cherishes the multicultural heritage that makes our state so rich.

More than a thousand years ago, when the Anasazi civilization was at its peak, the population of our state is estimated to have been as great as it is today. That civilization declined under drought conditions, but Native Americans still represent 9.4 percent of New Mexico’s population. Their 20 pueblos and the holdings of the Navajo Nation still occupy a substantial portion of the state’s land.

In 1540, Coronado led one of the earliest Spanish forays into New Mexico, and subsequent expeditions led to Spanish colonization in the area. Even though the united pueblos drove the Spaniards out in 1680, the Duke of Alburquerque reclaimed the territory for Spain in 1706. Today, it is believed that the average Hispanic family here has deeper local roots than the average Anglo one. Visitors from Spain are astonished to visit isolated villages in northern New
Native American students face strong family pressure to leave school to attend tribal ceremonies. Mentors can help them find the strength to stay on the educational path.

can, 3 percent African American, 3 percent Asian, and 6 percent other. We are especially pleased that the graduation rate for our minority students closely resembles the rate for the student body as a whole.

We believe those graduation rates are so good, in part, because we regard attracting a diverse enrollment as only the first step. At Anderson, we put a great deal of energy into retaining our multicultural students, primarily through scholarship aid, advisement, and mentoring. We also draw on the university’s resources for financial aid, mentoring, and counseling services.

Mentors can be especially critical when students lack family support for their university studies. Many of our Hispanic and Native American students are the first in their families ever to attend college. Unaccustomed to the benefits of higher education, some of these parents resist their children’s efforts to attend college. Students quote their relatives as saying, “Why are you going off to college when we need you here in the family business?” Native American students face the additional challenge of strong family pressure to leave school for days at a time to attend tribal ceremonies.

Mentors can help minority students find the strength to stay on the educational path, and so can role models among the faculty and staff. Sixteen percent of Anderson’s tenure and tenure track faculty and full-time lecturers are of Hispanic, African American, and Native American heritage, compared to 6.1 percent for the average AACSB school in the U.S. Their presence, their example, and their counsel bring comfort and inspiration.

Peers also can provide support and create affinity among minority students, particularly in clubs and student organizations. At Anderson, these groups include the American Indian Business Association (AIBA), the Association of Latino Professionals in Finance and Accounting (ALPFA), and the Hispanic Business Student Association (HBSA).

While we honor our broad ethnic heritage at Anderson, we realize that other kinds of diversity are equally important, and we look for ways to diversify the campus in terms of gender, level of physical ability, and political orientation:

- Twenty-nine percent of our tenured/tenure track faculty are women. In addition, women occupy the faculty chair and the chairs in two of our four departments.
- People with disabilities are often overlooked in the workplace. Anderson’s accounting chair and I both have disabled children, and we were dismayed to learn that business schools do very little to encourage businesses to accommodate people with disabilities. We hosted a conference to discuss current efforts in the field, and we were heartened by the enthusiastic response from participants representing academia, industry, NGOs, and government offices.

For me, the conference produced three key messages. First, it
brought home just how important this issue is. Especially in the U.S., companies need to plan how to incorporate employees with disabilities, because their numbers are growing rapidly due to the influx of disabled war veterans and the aging of America. Second, it showed how companies can make their workplaces more accommodating with only minor changes in policies. Finally, it demonstrated how companies that embrace diversity can reap financial benefits: People with disabilities tend to be productive and loyal, and other workers admire the company for committing to these colleagues.

Diversity of thought is another core value at Anderson, because students need to hear a variety of opposing views if they are to develop their critical thinking skills and learn to frame their ethical decisions. We were amused by a note sent to a professor by a conservative EMBA student: “This was what I imagined college would be like. My favorite class thus far, you commie pinko liberal.”

I think my feelings on this topic are best summed up by a statement from Isaac Pino, a regent from our downstate rival, New Mexico State University. He said, “Without diversity, the university does not reflect or relate to the society at large. As we become more global in our outlook and interconnectivity, and the world continues to shrink, those who have been exposed to and participated in comprehensive diversity programs will be the most successful.”

Douglas M. Brown is dean of the Anderson School of Management at the University of New Mexico in Albuquerque.

Reaching Out To Indigenous Populations

BY MANUKA HENARE

Because the University of Auckland Business School is located in a region where indigenous people make up a sizable portion of the population, we believe it’s essential to reach out to potential students in often innovative ways. In New Zealand, Māori represent about 15 percent of the population and Pacific Islanders about 7 percent—and their numbers are growing. In fact, some government agencies estimate that within 20 years, Pacific Islanders will account for 30 percent of new job applicants in Auckland, the country’s largest city, and by 2050 will be one of the biggest consumer and voting groups in the city.

In the past, New Zealand’s indigenous populations have not been represented well in higher education. In 2009, 7.5 percent of Māori and 5.9 percent of Pacific Islanders had earned a bachelor’s degree or higher qualification. That’s why the University of Auckland Business School makes it a priority to target students of indigenous heritage.

As business school researchers explore the rich Māori history, they are creating new business knowledge based on non-Western models.
organizations such as the Federation of Māori Authorities (FOMA) and the Pacific Islands Polynesian Education Foundation.

But we also work to retain indigenous students with more in-depth initiatives:

- **Mentoring.** First- and second-year Māori and Pacific students enrolled in the business school can use the He Tuākana tutorial and mentoring program to participate in tutorials, labs, and workshops that help them learn core business subjects.

- **Online resources.** The He Tuākana “Navigating Futures” handbook, available on the university Web site, not only introduces future students to people and programs at the business school, it has pages dedicated to successful Māori alumni who describe how their heritage and their academic studies have contributed to their success. (It can be found at ebooks.business.auckland.ac.nz/tuakana-profiles-2010/.)

- **Annual business awards.** The Aotearoa New Zealand Māori Business Leaders Awards, inaugurated in 2004, provide tangible proof that students with Māori heritage can lead successful international lives that model the way for others. Among the honors given out is the Outstanding Māori Business Leaders Award, which recognizes an individual who has made a significant contribution to business enterprise. This particular award is judged on several criteria: sustainability, peer approval, and the degree to which it illustrates specific qualities of Māori tribal leaders, or rangatira. These include knowledge, mediation, courage, strategy, concern for the people, knowledge of technology, and wisdom.

- **Research centers.** Indigenous scholarship is under way at the Mira Szászy Research Centre for Māori and Pacific Economic Development, named after the first Māori woman to graduate with a degree from the University of Auckland; and the Ngā Pae O Te Māramatanga-Māori Centre of Research Excellence, which is housed at the university and funded by the New Zealand government. In fact, research done by the school and other organizations is leading to a deeper understanding of tribal enterprise and what that enterprise means to the economy of New Zealand. According to FOMA, some 60 percent of tribal assets are export-oriented. This is no surprise, because Māori have been exporting and importing products since the early 1800s. Older recorded histories show that ancestral Austronesian cultures—which were based in Taiwan and southeast Asia and ultimately settled the Pacific islands—have been trading for close to 5,000 years.

A knowledge of this history has led New Zealand to re-establish

relations with many participants in the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC). New Zealand’s recent Free Trade agreements—signed with 22 ASEAN and APEC countries—contain specific references to Māori and have the full support of Māori enterprise.

As business school researchers explore the rich Māori history, they are creating new business knowledge based on non-Western models. For instance, indigenous business and economic cycles are expressed in four types of well-being. **Spiritual well-being** means that spirit precedes material worlds; **environmental well-being** means that Mother Earth nurtures the human and natural worlds; **tribal and family well-being** means that kinship and extended families matter in business transactions; and **economic well-being** means that the material world is part of a matrix of relationships with the spirit world, the cosmos and natural world, and humanity.

This emergent indigenous philosophy of business and economics aligns with notions of spiritual capital, environmental capital, social-cultural capital, and financial and economic capitals. At the University of Auckland Business School, we know that this indigenous formula for success is also part of the overall equation for a richer curriculum for our school and a stronger economy for New Zealand.

Manuka Henare is associate dean of Māori & Pacific Development and director of the Mira Szászy Research Centre at the University of Auckland Business School in New Zealand.
DIVERSITY
AND THE
FUTURE OF
BUSINESS

How are governments, business schools, and businesses themselves defining and addressing diversity? The heads of three organizations dedicated to diversity describe where we are now and what we must do to secure a multicultural workforce for the future.
As CEO of an organization working to diversify the executive pipeline in the U.S., I am always looking for signs that the business world has finally seen diversity for what it is—not a problem that minorities need to solve, but a tremendous opportunity for all businesses. I have always assumed that once this happened, the job prospects for gifted business-minded minorities would greatly improve.

The Supreme Court’s groundbreaking 2003 decisions in *Gratz v. Bollinger* and *Grutter v. Bollinger* looked like just the signs I’d hoped for. The Court ruled that ethnically diverse enrollment is beneficial for all students, not just minorities, and that diversity is a compelling state interest.

Finally, there was an irrefutable endorsement of diversity’s inherent value to society! Finally, business leaders would no longer discuss whether diversity should be tolerated, valued, or embraced; instead, they would consider how diversity could benefit students, workers, consumers, and the overall economy. Finally, the corporate world would address the glaring disparity between demographics in the real world and demographics in office suites—and business schools would do the same.

Unfortunately, that’s not what happened. More than eight years later, nonminority Caucasians still dominate the workplace. According to data from the U.S. Census and the Bureau of Labor Statistics, they take up 89 percent of the jobs, despite making up just 70 percent of the total U.S. population, among children under five, the number drops to 53 percent. That signals huge changes in America’s population in the next few decades.

You wouldn’t know it to look at the enrollment statistics of the top 50 full-time MBA programs. The latest *U.S. News & World Report* research shows that nonminority Caucasians make up 72.4 percent of the student population at these schools, followed by Asian Americans at 15.9 percent, African Americans at 6.1 percent, Hispanic Americans at 5 percent, and Native Americans at 0.6 percent. The results are even more disturbing if you factor in international students, who represent 30.7 percent of the population. Among the rest, Cau-

**Priming the Pipeline**

**BY PETER ARANDA**

There is a scant indication that case studies are being developed that will prepare American students to manage and lead multicultural workforces.

The American population. Minority groups—Hispanic, Asian, African, and Native Americans—account for only 10.8 percent of the workforce, though they represent 30 percent of the population. (Specifically, African Americans represent 13 percent, Hispanic Americans 12 percent, Asian Americans 4 percent, and Native Americans 1 percent.)

But the tide is about to turn. Immigration patterns and changes in birthrates have resulted in growth among minority groups and decline among nonminorities. While Caucasians represent 70 percent of the gricans comprise 50.1 percent. The remaining ethnic groups drop to only 11 percent, 4.3 percent, 3.4 percent, and 0.4 percent, respectively.

The picture for minority faculty and administrators is even worse. Minorities represent only 3.5 percent of the populations of both, says Bernie Milano, president of The PhD Project, which works to increase the pool of minorities in the corporate world. (See “Diversity and the Doctorate” on page 34.)

Apparently, business schools prefer to focus on school rankings rather than population trends.
There is scant indication that case studies are being developed that will prepare American students to manage and lead multicultural workforces and do business in a multicultural marketplace. Diversity efforts seem to spring primarily from affiliations with organizations like Management Leadership for Tomorrow, The PhD Project, and the one I lead, The Consortium for Graduate Study in Management. These affiliations are important, but insufficient.

The only academic forums in which diversity is explicitly discussed are one-off or annual events like the yearly diversity conferences held by Emory’s Goizueta Business School in Atlanta, Georgia, and Dartmouth’s Tuck School of Business in Hanover, New Hampshire. Yet even there the focus is on breaking down barriers among students rather than teaching them how to learn from and leverage their differences.

If diversity is discussed in the classroom at all, says Gregory Fairchild, associate professor of business administration at the University of Virginia’s Darden School of Business, “the bulk of the discourse takes an HR-compliance frame.” That is, the discussion focuses on how to fix interpersonal issues rather than on how to capitalize on the business opportunities created by diverse workforces and markets.

As for diversity scholarship, what little there is falls into predictable patterns, says Martin Davidson, Darden’s chief diversity officer. Most research on gender diversity is done by Caucasian women, while scholars of color investigate racial and ethnic diversity. Many organizations are wary of funding diversity research, adds Davidson, because they don’t have the necessary data, or because they fear being labeled exclusionary, or because they believe management journals are reluctant to include such studies. These impediments make it unlikely that diversity will be recognized as a legitimate field of study anytime soon.

As baby boomers inch toward retirement, they’ll take with them the majority of executives who comprise America’s corporate leadership. If their successors are ill-equipped to operate in a culturally diverse marketplace, individual businesses and the economy face an uncertain future. Business schools can re-imagine that outcome by addressing problems in three key areas:

■ **Enrollment.** Even though successful 21st-century business leaders must be acutely sensitive to multiple cultures, MBA programs remain diversity-challenged. Schools can address this issue by making diversity one of the goals of their admissions processes. They can direct recruiters to seek out qualified students from multicultural backgrounds. They also can encourage the publications that produce school rankings to factor diversity into their formulas along with test scores and GPAs.

■ **Curricula.** Schools must make certain that their programs reflect the needs of globalized business. They should only admit students who have learned how to recruit, retain, lead, and manage culturally diverse workforces and who understand how to market goods and services to a heterogeneous consumer base.

■ **Research.** Currently, there’s too little grant money and there are too few publication opportunities for faculty members who want to conduct research on diversity. Business schools not only need to educate grant-making organizations about the value of diversity, they should consider funding such research themselves. They might also consider launching new journals that promote scholarship on the topic.

The truth is, no organization will be able to compete for long in the globalized business environment if its top executives do not understand the multicultural marketplace. If business schools want to do right by their graduates, they must teach their students about diversity.

For 45 years, The Consortium for Graduate Study in Management has helped more than 6,000 outstanding diverse students access top business schools and broad professional opportunities. It is my fervent hope that we are sending our graduates into a business world that will soon see them for what they are—not minorities, but strategic assets who will play critical roles in helping companies adjust to a fast-changing world.

Peter J. Aranda III is chief executive officer of The Consortium for Graduate Study in Management, an alliance of American business schools and corporations devoted to promoting diversity and inclusion in American business. It is based in St. Louis, Missouri. More information is available at www.cgsm.org.
Defining Diversity

Five different forms of diversity mark the EU workplace—and businesses must be prepared to address them all.

BY RICHARD WYNNE

Europe is serious about the issue of diversity at work. Recent years have seen the EU Commission pass nationally binding directives that deal with racial equality and equality in employment, and currently there is discussion about a new directive aimed at combating discrimination.

Two important factors have made diversity hiring an imperative in Europe: The aging of the population has guaranteed that fewer young employees are entering the workforce every year; and the expansion of the European Union has brought a host of new populations into the economy. European businesses must learn how to hire and retain diverse employees or find themselves without enough workers to keep their operations running.

For many people, the word “diversity” is shorthand for “ethnic diversity,” but in fact, there are many ways that people differ from one another. And it is unfortunately true that people with both visible and invisible differences tend to be discriminated against in the workplace.

There are at least five major forms of diversity, and businesses that want diverse workforces must find ways to accommodate them all. For that to happen, business schools must train their future leaders to recognize workers from these five groups and understand how they can enrich the workplace.

1. Older workers. Despite ambitious targets agreed upon by EU governments, only five countries—the Netherlands, Denmark, Sweden, Austria, and Luxembourg—had employment rates above the target of 70 percent for older workers in 2010. Employers sometimes hesitate to hire older individuals, fearing that they will be too slow, resistant to new technology, and frequently sidelined with health issues.

But these workers will become increasingly valuable to European businesses as birth rates change and fewer young people enter the workforce. Older workers are valuable employees because their long work history usually means they possess institutional knowledge and experience, they’re skilled at conflict resolution, and they are familiar with many different solutions for specific problems.

Companies can retain these workers by keeping them healthy, productive, motivated, and involved. One way to utilize their skills and keep them engaged is to turn them into coaches who share their fund of knowledge with others. Another is to give them tasks that are creative and meaningful. In the right kind of work environment, older workers can remain employed and useful for a very long time.

2. Members of ethnic minorities. Data from the 2008 Employment in Europe report shows that there are significantly lower levels of employment among immigrants than native populations. The gap varies from as little as 6 percent in Greece to as high as 15 percent in Denmark, and in many areas the situation has deteriorated since 2007.

There are many reasons for the disparity. Some employers don’t want to hire minorities because

European businesses must learn how to hire and retain diverse employees or find themselves without enough workers to keep their operations running.
Another key reason tends to be expectations: When majority employers interview minority applications, they sometimes see what they expect to see, which is someone less qualified for the job. When one set of researchers observed companies interviewing both black and white candidates, they noticed that the interviews with black applicants were shorter and included questions posed in a way that would make them more difficult to answer. As an experiment, the researchers trained the interviewers in the different techniques they used for white or black applicants. When candidates of either race were interviewed as if they were black, they did less well than candidates interviewed as if they were white. The researchers concluded that expectations influence the behavior of the interviewer and the performance of the applicant.

If companies fail to hire minorities, they miss out on promising candidates who could bring a great deal to their organizations—and they also shrink their own potential labor pool, which is already growing smaller due to demographic shifts. If governments don’t encourage organizations to hire minorities, they risk increasing social tensions that can lead to rage and violence. Therefore, it’s essential that companies find ways to incorporate ethnic minorities into the workplace.

3. Members of certain religions. Immigration, emigration, mobility, travel, and the expansion of the EU all have contributed to the diversity of religions in Europe. While religion in the workplace is rarely discussed, prejudices still exist. It is difficult to gather detailed information on how workplaces handle this issue because employers are not entitled to obtain information on the religious affiliation of their employees. However, anti-racism policies that are meant primarily to protect ethnic groups can be widened to include religious minorities as well.

4. Women. Different societies hold different beliefs about the roles and responsibilities of men and women, but too frequently the result is that women are considered inferior. Women suffer forms of discrimination that range from economic inequity to outright violence. In some communities, their work is unpaid but essential to the well-being of the family, so it is difficult to move them into paid positions. In other communities, discrimination is codified into law.

It’s not easy to overcome all these hurdles, but many international movements and organizations have addressed the task, from the 1979 U.N. Convention on the Elimination of All Forms of Discrimination Against Women to the 2000 Millennium Declaration. Economic empowerment is one of the surest, fastest ways toward gender equality.

Governments can encourage that empowerment. For instance, the European Union had set a target for its member states: a 60 percent employment rate among women of working age by the year 2010. Despite the recession, 16 of 27 member states reached this goal.

5. Workers with disabilities. While society has begun to recognize that it has a responsibility to care for people with disabilities, companies don’t always feel the need to offer them employment. For example, 78 percent of people with severe disabilities were out of the EU labor force in 2002, according to Eurostat, which compiles data about the European Union. In addition, people with chronic illnesses often are viewed as undesirable hires.

Research suggests that hiring people with disabilities and keeping them employed is a responsibility that lies with both governments and employers. Business executives and policy makers need to work together to develop coherent, coordinated strategies for preparing these workers for employment and giving them the support they need to retain their jobs.

Everyone Wins
How does it benefit business to promote diversity? A host of researchers have identified improvements in performance, productivity, problem solving, market penetration, staff morale, and job satisfaction when the
workplace is diversified. The Society for Human Resource Management has determined that diversity initiatives can improve the quality of the organization’s workforce; spur a better return on its investment in human capital; allow companies to reach more diverse customer bases; attract the brightest employees; increase creativity; and increase flexibility. All of these benefits help increase a company’s chances of survival.

The Work Research Centre and its partners through the Diversity@Work Web site are devoted to encouraging organizations to take proactive approaches to diversity. We have built a diversity management toolkit and a European Web site for diversity management; both are aimed at training HR managers, trade unions, and policy makers who have the most impact on hiring people from marginalized groups.

We are committed to working with established businesses that want to and need to revise their policies so that minority groups are welcome. We know that business schools can address the situation from a different perspective: They can train future executives long before they set foot in their corner offices. They can make sure that tomorrow’s leaders understand that diversity isn’t simply a gesture or a feel-good measure. It’s an economic imperative for a healthy society.

Richard Wynne is the co-founder of the Work Research Centre, which specializes in research and consultancy on key social issues, organizational change, and technological developments. He is also coordinator of the DiManT Project. He is based in Dublin, Ireland. More information is at www.wrc-research.ie/.

Diversity and the Doctorate

BY BERNARD J. MILANO

In corporate life, diversity is usually a given. The global marketplace is diverse, so the talent that serves and produces for it must be as well. But in the academic world, where business students learn to become business executives, diversity in front of the classroom is still an unrealized dream.

At U.S. business schools, fewer than 4 percent of the faculty are minorities—that is, African American, Hispanic American, or Native American. If business schools don’t have people of color teaching their classes, they will find it difficult to attract minority students to enroll in their courses.

Solid research suggests that when a person’s identity is different from the identity of others nearby, performance suffers. The environment feels uncomfortable, and the individual wonders if this place is a good fit. If there are no minority professors teaching business classes, students of color will not have role models or natural and approachable mentors. Nor will the majority students, usually Caucasian, have a chance to experience the diversity they will experience when they enter the workplace. If business schools want to succeed in their end goal of diversifying global management, they will have to start by diversifying their own faculties.

But first, they’ll have to debunk many myths concerning what it takes to become a business school professor. One of the biggest assumptions is that it costs too much for most minority students to afford, but this is simply untrue. Unlike undergraduate and graduate programs, most full-time doctoral programs at AACSB-accredited universities in the U.S. waive tuition and fees. In addition, almost all of these programs compensate their doctoral students for research and teaching assistantships, and these stipends can range from $15,000 to nearly $40,000 per year.

If business schools want to diversify global management, they will have to start by diversifying their own faculties.
Another myth is that students need an MBA before they can enter a PhD program. This is also false. No graduate degree is required for admission to doctoral programs, although most of them require a Graduate Management Admission Test as part of the application.

People who have been in the corporate workplace for quite a while often feel that their age will be another obstacle, but it’s rare for programs to turn away candidates because they’re too old. Doctoral students come in all ages, from recent college graduates to mid-career professionals. In fact, many doctoral students enroll after spending a significant period of time in other careers. They often find they’re even more in demand as professors once they obtain their degrees, because many universities value their ability to draw on practical experience as well as theory.

Once schools dispel these myths, they still might need to encourage minority students to apply for what is a long and rigorous academic undertaking. One way is to market a business doctorate as a “calling” for individuals who love learning, generating new ideas, and setting their own agendas. While all academicians can make their marks in a field, those in business can have an impact in both the educational and the corporate sectors. There are not many jobs with that kind of influence.

Additionally, PhD candidates who become business school professors will find that the salaries and benefits are substantial. First-year compensation varies widely by discipline and hiring institution, but it can range from just below $100,000 to well over $150,000 for a nine-month salary. Teachers also have opportunities to supplement their incomes with summer research and teaching assignments.

There are many organizations devoted to promoting diversity in higher education, including The PhD Project. When it was founded in 1994, research showed that qualified minorities didn’t even consider academia as an option. At the time, there were only 294 doctorally qualified professors who were African American, Hispanic American, or Native American at U.S. colleges and universities.

Over the past 17 years, The PhD Project has aimed to help change that figure. The organization invites successful minority men and women to an annual conference where they learn about applying to doctoral business programs. Once they enroll in those programs, candidates become members of The PhD Project’s minority student associations that meet annually for peer and mentoring support. The PhD Project pays all of their expenses for them to attend both conference and association meetings.

Since The PhD Project was founded, fewer than 10 percent of its students have dropped out, and 99 percent of its graduates have taken careers in academia. By contrast, among all doctoral students, the dropout rate is 33 percent, and only 70 percent become business faculty. Because of the commitment and focus of these minority students, today there are 1,109 minority business professors in the U.S. Further, nearly 400 minorities are currently enrolled in doctoral programs and will take their places at the front of classrooms over the next few years.

Such gains are only possible when business schools commit to diversifying their student bases, faculty, and administrations. The first step is helping minority students see the great potential awaiting them if they pursue business degrees—and the next step is preparing them to exert their influence in both the business and academic worlds.

Bernard J. Milano is president and a trustee of the KPMG Foundation, president and trustee of the KPMG Disaster Relief Fund, and president and member of the board of directors for The PhD Project Association. He is based in Allendale, New Jersey. More information about The PhD Project can be found at www.phdproject.org.
There’s a diverse mix of students enrolling in all levels of business classes all over the world—not as diverse as it could be, but gradually changing in terms of both gender and race. The following charts draw on data from AACSB International’s annual Business School Questionnaire; the sample includes 412 U.S. members and 75 non-U.S. members who participated in the survey for the past five years.
While white students make up the clear majority at all levels of U.S. business schools, Asian students are significantly represented in MA specialist and doctoral programs. The data shows another interesting trend: Hispanic students who pursue higher degrees are more likely to enroll in EMBA programs than MBA or doctoral programs. By contrast, there are fewer women in EMBA programs than any other kind. And while undergraduate programs tend to be dominated by U.S. citizens, international students make up a bigger proportion of the enrollments at each successive degree level, until they represent almost 46 percent of doctoral programs. (Note: Throughout this article, percentages given for ethnicity are drawn only from the data pertaining to the total number of U.S. citizens.)

### Portrait of U.S. Schools in 2010–2011

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th>MA Generalist/ MBA Equivalent</th>
<th>EMBA</th>
<th>MA Specialist</th>
<th>Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian/Alaska Native</td>
<td>0.6%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
<td>8.4%</td>
<td>8.8%</td>
<td>8.4%</td>
<td>10.5%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Black, non-Hispanic</td>
<td>9.5%</td>
<td>6.9%</td>
<td>8.8%</td>
<td>7.7%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>9.9%</td>
<td>6.4%</td>
<td>10.9%</td>
<td>7.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>66.0%</td>
<td>65.6%</td>
<td>59.7%</td>
<td>63.2%</td>
<td>68.4%</td>
</tr>
<tr>
<td>Unknown</td>
<td>5.5%</td>
<td>11.8%</td>
<td>11.8%</td>
<td>10.5%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Total U.S. citizens</td>
<td>93.5%</td>
<td>87.8%</td>
<td>85.9%</td>
<td>76.0%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Total non-U.S.</td>
<td>6.5%</td>
<td>12.2%</td>
<td>14.1%</td>
<td>24.0%</td>
<td>45.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Undergraduate</th>
<th>MA Generalist/ MBA Equivalent</th>
<th>EMBA</th>
<th>MA Specialist</th>
<th>Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>59.0%</td>
<td>63.2%</td>
<td>69.9%</td>
<td>52.0%</td>
<td>61.2%</td>
</tr>
<tr>
<td>Female</td>
<td>41.0%</td>
<td>36.8%</td>
<td>30.1%</td>
<td>48.0%</td>
<td>38.8%</td>
</tr>
</tbody>
</table>

### Playing Host: Student Makeup at Non-U.S. Schools

<table>
<thead>
<tr>
<th></th>
<th>Undergraduate</th>
<th>MA Generalist/ MBA Equivalent</th>
<th>EMBA</th>
<th>MA Specialist</th>
<th>Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total from the host country</td>
<td>80.6%</td>
<td>63.9%</td>
<td>86.2%</td>
<td>69.0%</td>
<td>54.7%</td>
</tr>
<tr>
<td>Total from other countries</td>
<td>19.4%</td>
<td>36.1%</td>
<td>13.8%</td>
<td>31.0%</td>
<td>45.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Undergraduate</th>
<th>MA Generalist/ MBA Equivalent</th>
<th>EMBA</th>
<th>MA Specialist</th>
<th>Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>52.4%</td>
<td>62.9%</td>
<td>74.9%</td>
<td>50.9%</td>
<td>62.1%</td>
</tr>
<tr>
<td>Female</td>
<td>47.6%</td>
<td>37.1%</td>
<td>25.1%</td>
<td>49.1%</td>
<td>37.9%</td>
</tr>
</tbody>
</table>

While American schools enroll their largest proportion of native citizens at the undergraduate level, that concentration is highest at the EMBA level for schools outside the U.S. A few things hold true for business schools, no matter where in the world they’re located: The doctoral level is where they enroll the most students from outside their borders; the EMBA level is where they’ll see the fewest women; and the MA specialist level is where they’ll find the most. These numbers are drawn from AACSB members located outside the U.S. and cover the 2010–2011 school year.
For the past five years, enrollment patterns have been remarkably consistent in PhD and generalist MA programs (which excludes EMBAs). The biggest change has been in the numbers of non-U.S. students enrolled in generalist MBA programs, which more than doubled between 2006 and 2011, although there was virtually no variation in their numbers at the doctoral level. Changes in most other categories have been small but measurable. For instance, the number of Asians has steadily decreased at the generalist MBA level, but increased at the PhD level. While the number of black students in MBA programs has stayed relatively constant, fewer are enrolling in doctoral programs now than five years ago. The percentage of Hispanic students in doctoral programs has fluctuated during this time period—rising as high as 4.7 percent in 2009–2010 before dropping to 3.9 percent this academic year. More women have enrolled in both MBA and PhD programs in the past five years, though their gains have been small.

### Five-Year Program Trends

<table>
<thead>
<tr>
<th></th>
<th><strong>Generalist MA/MBA</strong></th>
<th><strong>PhD</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian/Alaska Native</td>
<td>0.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
<td>9.3%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Black, non-Hispanic</td>
<td>6.3%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>5.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>69.3%</td>
<td>65.6%</td>
</tr>
<tr>
<td>Unknown</td>
<td>9.0%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Total U.S. citizens</td>
<td>94.4%</td>
<td>87.8%</td>
</tr>
<tr>
<td>Total non-U.S.</td>
<td>5.6%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>64%</td>
<td>63%</td>
<td>63%</td>
<td>61%</td>
</tr>
<tr>
<td>Female</td>
<td>36%</td>
<td>37%</td>
<td>37%</td>
<td>39%</td>
</tr>
</tbody>
</table>

### Testing for Diversity

The Graduate Management Admission Council also tracks diversity among business school student populations through data gathered from the candidates who take its Graduate Management Admission Test every year. Some highlights:

- In the 2010 testing year, the number of women taking the GMAT exam broke 40 percent (40.1 percent) of total test takers for the first time. The global proportion of women continued to expand during the 2011 testing year, when they accounted for 41.4 percent of exams. The number of women taking the GMAT has now increased for six consecutive testing years, while men peaked in 2009. Women consistently outnumber men in two age groups: “younger than 20” and “20 to 21.” In all other age groups, more men than women sit for the test.

- The number of Chinese women sitting for the GMAT exam has gone from 7,789 in 2007 to 25,671 in 2011, up nearly 18,000 (230 percent). Because only 14,398 Chinese men took the GMAT in 2011, women outnumbered them by 56 percent. By contrast, in India, 19,137 men and 6,257 women (25 percent of the total) took the GMAT in 2011.

- The number of African American test takers was 10,048 in 2007 and 10,026 in 2011, but the overall percentage of total volume remains about 8.6 percent.
AACSB member schools outside the U.S. tend to have a higher proportion of faculty from outside their own borders—closer to a third. However, across all schools inside and outside the U.S., the ratio of men to women among the faculty remains fairly similar, with men usually representing 70 percent or more of the total roster.

The ethnic, gender, and national makeup of faculty at U.S. business schools has changed only minimally in the past five years—and those changes are mimicked by similar ones among students enrolled in generalist MBA programs. For instance, there was virtually no change in the numbers of students and faculty with American Indian or African American heritage between 2006 and 2011. The percentage of Hispanics increased slightly, and the percentage of whites decreased slightly, for both faculty and students during this time period. There was a small uptick in the number of Asians represented among faculty, though fewer enrolled in MBA programs.

The biggest changes among both faculty and students have come in the international population. The number of non-U.S. faculty rose by only 1 percent—but the number of international students enrolled in generalist MBA programs jumped from 5.6 percent to 12.2 percent.

### Snapshot of U.S. Faculty

<table>
<thead>
<tr>
<th></th>
<th>2006–07</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian/Alaska Native</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
<td>12.9%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Black, non-Hispanic</td>
<td>3.5%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1.7%</td>
<td>2.1%</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>80.2%</td>
<td>77.7%</td>
</tr>
<tr>
<td>Unknown</td>
<td>1.4%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Total U.S. citizens</td>
<td>95.3%</td>
<td>94.3%</td>
</tr>
<tr>
<td>Total non-U.S.</td>
<td>4.7%</td>
<td>5.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>2006–07</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73.4%</td>
<td>71.3%</td>
</tr>
<tr>
<td>Female</td>
<td>26.6%</td>
<td>28.7%</td>
</tr>
</tbody>
</table>

### Snapshot of Faculty Outside the U.S.

<table>
<thead>
<tr>
<th></th>
<th>2006–07</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total from the host country</td>
<td>67%</td>
<td>65%</td>
</tr>
<tr>
<td>Total from other countries</td>
<td>33%</td>
<td>35%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>2006–07</th>
<th>2010–11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73%</td>
<td>70%</td>
</tr>
<tr>
<td>Female</td>
<td>27%</td>
<td>30%</td>
</tr>
</tbody>
</table>

AACSB member schools outside the U.S. tend to have a higher proportion of faculty from outside their own borders—closer to a third. However, across all schools inside and outside the U.S., the ratio of men to women among the faculty remains fairly similar, with men usually representing 70 percent or more of the total roster.
Faculty at three schools describe new courses they’ve designed to refine students’ skills and spark their enthusiasm about business.

Often, change within a business school comes not from a comprehensive curricular overhaul, but from a single new course or method that approaches teaching in more innovative ways. At the three schools featured here, professors identified an opportunity to enhance the learning experience—and designed a new way to teach their students.

Educators at each of these schools—Shenandoah University in Winchester, Virginia; Rochester Institute of Technology in New York; and the University of Colorado at Boulder—describe the ways that a revised approach created change that affected their larger programs. In the process, they say, they not only enriched the experiences of students and faculty, but also provided starting points for growth in other areas of the curriculum.
Clockwise integrates analytical, critical, and lateral thinking into a single framework. This method gives them a way to process large volumes of information more effectively and “think things through” systematically prior to a decision.

**The Search for Structure**
I have long used the Financial Times as a starting point for class discussion, because it uses a common language that bridges the gap between academics and real-world business. However, many students struggle with the content of its full-length articles. For that reason, I have built a corpus of summaries of FT articles, which now exceeds 1,500 entries, to make the newspaper’s content more accessible for my students.

I’ve assigned each summary to one of three categories: issues, cases, and biographies. Issue summaries address a specific question: “Which governance model is best?” or “What do the best leaders have in common?” Case summaries profile individual companies, bringing one or more business issues to life. Finally, biographical summaries profile entrepreneurs, executives, thought leaders, and other important figures in business.
Students are especially interested in the bios, because they learn how successful people think and what makes them tick. For instance, in a bio of Tamara Mellon, founder of Jimmy Choo, she noted that “People who are over-educated become risk-averse.” It’s important that students read and discuss ideas like this, because they otherwise would rarely hear them in business school.

But while these summaries made the FT more accessible, something still was missing. Students want more structure, especially when their critical thinking skills are underdeveloped. I created Clockwise to provide a structure they can use to analyze sophisticated material, ask better questions, and make stronger connections. Students new to Clockwise work exclusively from my summaries. As they become more proficient, I introduce more original sources, which tend to be longer and more complex.

Clockwise in Action
My Clockwise lesson plan includes a three-stage process: First, students work independently, creating their own charts for several article summaries. Next, they come together to build composite charts for each article. Finally, they compare and contrast several different charts, making connections they perhaps had not made on their own.

Stage 1: Independent Work
This stage is entirely self-directed. Reading the assigned content for the first time, students are instructed to consult any Web sites cited and research unfamiliar terms. Then, they begin the chart-building process, using either traditional pad and pencil or free mind-mapping software.

Summarize (analytical thinking): Students break the main ideas of each source down into a bullet-point format. Students often find that doing this exercise well can be a challenge. Many of them have never written a précis before, and some fail to read the material carefully enough or grasp the author’s intent. There is considerable variation in quality among students’ summaries early in the semester. But I emphasize to them that their results are only as good as their initial analyses.

Critique (critical thinking): Next, I ask students to assess—in bullet point format—facts, arguments, opinions, and unstated assumptions in the summaries. I want students to identify blind spots in the author’s reasoning by subjecting each of the bullet points to critical review. I also ask students to highlight what’s valuable about the content, in terms of its usefulness in real-world decision making.

I’ve experimented with various strategies to help students generate fresh insights. For example, I might ask them to place themselves in the positions of different FT writers to see if they would interpret the subject matter differently. Or I might ask them to test the author’s recommendations in a different context, such as in a smaller company or different industry. I also encourage them to view the subject matter from a long-term or global perspective, so they learn to think beyond the next quarter and past their own biases. Over time, their critiques tend to become sharper and more insightful, as they draw from a broader and deeper knowledge base.

Connect (lateral thinking): Creativity is important, but it can be counterproductive if students do not understand how to use it well. Therefore, I believe we need an intermediate step between analysis and creativity, where students can “think laterally.” So, at this point, I ask students to make connections to other sources—to related articles, academic theories, and organizations in the field.

If the article is about corporate governance, for example, they might reference other articles on the topic, cite theories about corporate governance, and consult the Web sites of organizations such as the Institute of Directors and the National Association of Corporate Directors. This step lays the foundation for successive rounds of higher-order lateral thinking in Stages 2 and 3, including making more creative, “out-of-the-box” connections.

Clockwise provides a structure students can use to analyze sophisticated material, ask better questions, and make stronger connections.
State key message: Having made a complete revolution of the Clockwise chart, students now must identify its key message and place this at the center. This exercise is often far from straightforward. Students must look at the bullet points on their chart from the right distance, where a coherent picture of the whole comes into view.

Stage 2: Group Work
When students share their charts with their peers, they’re amazed at how different other interpretations are from their own. They also realize the value of sharing their viewpoints and collaborating to create “composite” Clockwise charts. Too often, they have been trained to value individual achievement. Creating composite charts shows them how different people can put their heads together to create a more comprehensive understanding of an issue or problem.

We create up to six composite charts on three large whiteboards in the classroom. The main tasks are to agree on the key points to be extracted from the source material, exhaust the critiques and connections, and decide on the central message.

My role is to lead the discussion. If the situation warrants it, I’ll introduce related theory: For example, if the topic is sustainability, I might mention Michael Crooke’s SEER model, with its four cornerstones of the sustainable business. My goal is to reinforce the point that theory has practical value.

Stage 3: Pattern Seeking
The mathematician Marcus du Sautoy told the FT about the dopamine rush he gets from that “Aha!” moment when things fit together. “The brain is programmed to look for patterns—it’s how we know something is significant,” he explained. He added that we all need to feel that we’re contributing to a community to validate what we do. Stage 3 of the Clockwise method, when students make connections between different charts, is about just that: pattern-seeking in a community.

For example, in one MBA capstone course, we were discussing four composite charts, based on an article on the importance of telling a good story by Peter Guber, producer of the movie *Rain Man*; a case study of the Procter & Gamble Dry Max diaper debacle; an article on the value of hiring a public relations professional; and a bio of Gary Vaynerchuck, an entrepreneur who has become a wine guru for the Internet generation. Connecting the dots, students saw how influential bloggers told stories to encourage customers to turn against P&G, and how the company hired a top PR firm to counteract the negative buzz. Reading the bio, they also saw how Vaynerchuck has benefited from doing his own PR, spending years cultivating an online community.

When we wish to fix a new thing in either our own mind or another’s, our goal should be not so much to impress and retain it as to connect it with something else already there.

In another class, students discussed charts regarding the downside to being a disruptive entrepreneur, the personal traits that separate winners from losers, the criteria for evaluating investment opportunities, and the transition from entrepreneur to professional management. Students saw how the article on disruptive entrepreneurs illustrated the winning trait of being able to bounce back from disappointments. Having gained a better appreciation of what it takes to succeed, students understood why it is so difficult to let go. Then, the discussion went in multiple directions. “Isn’t it possible to let go without actually relinquish-
“Is Richard Branson, founder of the Virgin Group, empowering his CEOs by making them owner-managers, yet remains chairman of the board? The more dissimilar the articles, the harder students must work to make connections. That’s why the choice of articles in any given class is crucial. If all the articles are about entrepreneurship, students will find it easy to make connections. By combining articles from different functional areas, industries, and cultures, I force students to cross more boundaries—in fact, after one challenging class, one student declared, “My head hurts.” The work may be challenging, but it offers great rewards, not least of which is a sense of ownership in the learning process.

Surprising Results
As William James once observed, when we wish to fix a new thing in either our own mind or another’s, our goal should be not so much to impress and retain it as to connect it with something else already there. “The connecting is the thinking; and, if we attend clearly to the connection, the connected thing will certainly be likely to remain within recall,” he said. Clockwise inspires that process. It always surprises me that students continue to bring up certain issues from week to week, even when we’re discussing completely different subject matter.

After a semester of working with Clockwise charts, students in the MBA capstone course are more than prepared to write their final term papers, where they are encouraged to explore a specific issue or question. A former banker, for example, discussed the idea of power, which had cropped up in many of our class discussions. A former professional poker player explored the hypothesis that true creativity in business is impossible without risk.

Their papers are enriched by their new ability to assimilate information, evaluate the merits of ideas, and connect ideas to a larger range of theoretical and practical content. A growing number of my students are using the method in other classes.

Nurturing “T-Shaped” Thinkers
Tim Brown, CEO of the design consultancy firm IDEO, has talked extensively about how his company looks for T-shaped people “who specialize in a single field, such as mechanical engineering or industrial design, but who also are able to branch out into other skills such as anthropology and do them well.” These individuals, he says, can see the world from different perspectives and recognize patterns in human behavior that lead to more creative ideas.

I can prove to students that they’re more T-shaped at the end of the course than they were at the beginning, simply by asking them to repeat three charts they did at the start of the course. When they compare their later versions with the originals, they see that the new charts are radically different. After they’ve produced and worked on 70 to 100 charts over the course of the semester, students approach the same subject matter with a perspective that’s far wider and deeper than they did when they were Clockwise neophytes.

We are currently exploring how we can leverage technology and social media to enhance the Clockwise method. The Clockwise protocol relies heavily on class participation, but because some people are uncomfortable expressing ideas in public, social media might level the playing field and encourage greater participation from all.

Ultimately, the value of Clockwise will depend on the method’s impact on students’ work after graduation—that’s too early to tell. But we are now in the process of creating a Clockwise community to track its use in practice. Meanwhile, I am working closely with Bob Hein, former CFO of Airbus North America and senior executive counselor at Byrd, to develop a Clockwise application for the boardroom.

Giles Jackson is associate professor, director of internships, and chair of the management science division at Shenandoah University’s Byrd School of Business in Winchester, Virginia. He is also president of GenEd LLC, which develops innovative pedagogies.
Expanding On Innovation

BIZ 1-2-3,
First-Year Innovation Sequence
E. Phillip Saunders
College of Business
Rochester Institute of Technology
Rochester, New York

BY BRIAN O’NEIL,
VICTOR PEROTTI,
JOHN TU,
AND JOHN WARD

Several years ago, our faculty decided to take a more active approach to exposing our first-year students to business innovation. Before this, our first-year MBA students had been taking a single course, “World of Business,” but many students and faculty felt we should be doing more.

With the encouragement of our dean, Ashok Rao, a curriculum design team created Business 1-2-3—or BIZ 1-2-3—a series of three 11-week experiential courses: Business 1, “Ideas and Creativity”; Business 2, “Business Plan Development”; and Business 3, “Commercialization.” Our students also take a course in business software applications concurrently with Business 2, which enables them to use Microsoft Excel to develop their business plans.

The objective of this course sequence is to introduce first-year students to the concepts of innovation, design, and creativity, as well as to teach them how to research, develop, and commercialize a business idea. Most important, it’s designed to get them excited about innovation.

Business 1: The Idea
“Ideas and Creativity” meets twice a week in the fall quarter and teaches students the fundamentals of business via short lectures, exams, and reading materials. To make the class truly interactive, we also incorporate current issues and a simulation that reinforces learning of the basic business functions.

But at the heart of the course is the idea generation process. Early in the semester, students work alone to generate business ideas that address needs in the market. They develop those ideas quickly through class discussions and break-out groups; next, they form teams of three to five students each based on common interests. By week five of the quarter, each team begins to conduct research to more thoroughly define its ideas.

At this point, the teams develop photo essays that capture the essence of their ideas. Additionally, each team must present its business idea several times, in different ways, during the fall quarter. For instance, in week six, they must make a three-minute elevator pitch; in week 11, they give a ten-minute audio-visual presentation and field questions. At each stage, the teams receive feedback from classmates and faculty, which they use to develop their business plans in Business 2.

Business 2: The Plan
The key objective for “Business Plan Development” is for students to understand the basics and uses of the business plan. Students learn that a well-structured, detailed business plan can help entrepreneurs uncover potential pitfalls and opportunities that they otherwise might miss—and, more important, that detailed business plans are necessary to attract funding from venture capitalists.

In Business 2, students meet once each week to attend lectures, discuss new material, and discuss the development of their plans with faculty. We encourage students to visit the Small Business Administration’s Web site, where they can find a template for writing a business
plan and review samples of plans from a variety of industries.

We schedule assignments and deadlines for deliverables, so that the teams can present their progress in class, hand in materials for evaluation, and incorporate feedback into their plans. By the end of the winter quarter, the teams have completed their plans and are ready to pitch their ideas.

At the end of the quarter, each team also must hand in a written report for evaluation, make a 15-minute presentation to a panel of VCs, and answer the panel’s questions. This is incredibly valuable experience for students because it forces them to defend the merit of their ideas.

**Business Software: The Skills**

“Business Software Applications” teaches students how they can apply Microsoft Excel to business problems and business plan development. We focus on using the software in areas such as product costing, project budgeting, accounting statement analysis, target market analysis, sales and invoice management, cash flow analysis, and breakeven analysis. By taking the course concurrently with Business 2, students can apply the Excel skills they learn to homework assignments linked to the development of their business plans.

We’ve found that one of our students’ biggest challenges in Business 2 is to apply what they learn in class to what they’re doing for their own business plans, because in their eyes, the two seem immensely different. That’s why close coordination between the instructors of the Excel course and Business 2 is critical to the students’ biggest challenges in their business plans.

**Doctorates in Residence**

**BY MATHEW HAYWARD**

An ongoing challenge for business schools is how to integrate scholarship and practice into their doctoral programs, much as medical and law schools do. To achieve this integration, many schools offer executive-in-residence programs that provide seasoned executives with offices and ask them to teach courses for a year or more. But in our experience, these executives often don’t interact with our academically qualified professors. Consequently, they often lack an understanding of research and its relevance to the business world.

To give executives a better introduction to scholarship, the Leeds School of Business at the University of Colorado at Boulder now offers the Visiting Doctoral Program. Created by Sanjai Bhagat, a finance professor and head of the doctoral program at Leeds, the program allows mature students to immerse themselves in the school’s offerings through paid doctoral work. The program encompasses doctoral-level seminars, where these students work side by side with their younger counterparts, studying an identical curriculum and fully participating in seminar proceedings.

Students in the Visiting Doctoral Program can choose the disciplines that they wish to investigate. In addition to conducting academic study and building faculty relationships, these student-practitioners contribute to courses and the professional development of other students by helping to teach MBA and undergraduate courses. They provide mentoring, career advice, and other counsel for students at all levels.

The program aims to help executives who may be uncertain about doctoral study by giving them a short-term opportunity to see if a PhD program is a good fit for them. At the same time, our faculty can evaluate their candidacy for research. It also serves as a transition into a formal program. If the student is in good standing, he or she ultimately receives formal academic recognition. The student can then pursue a doctorate either at the Leeds School, if accepted, or elsewhere by transferring credits. Once a student is admitted to Leeds’ PhD program, all course credits apply—typically 12 credit hours.

One of the first to enroll in this program, Douglas Bennett already had earned his BS, MBA, and JD degrees. Bennett is an Army combat veteran with experience in government and politics on Capitol Hill. He was a partner in a national law firm and, for the past 20 years, an entrepreneur. Bennett is just the type of student that the Visiting Doctoral Program was designed for. We found that our younger candidates benefited from his experience, and he benefited from exposure to business theory and scholarship.

The Visiting Doctoral Program has become an opportunity for the school to make seasoned executives like Bennett a vital part of Leeds’ community of scholars. Just as it can with executive-in-residence programs, the Leeds School can tap the Visiting Doctoral Program to draw upon senior executives’ networks and experience for development and even open up additional opportunities for research projects and collaboration. We are pleased that the Visiting Doctoral Program has proved to be a successful way to attract executives whose aspirations and contributions align with those of the Leeds School.

Mathew Hayward is an associate professor of management and entrepreneurship at the Leeds School of Business at the University of Colorado at Boulder.
success of both courses. With the proper prompting, encouragement, and cross-linking of ideas in both courses, the teams are better able to make connections, get assignments done on time, and enhance the quality of their business plans.

**Business 3: The Capstone**

“Commercialization” serves as the capstone in the sequence, a time when students translate the content of their business plans into the public sphere. First, we expose students to the technology trends that are most important for startups, through readings and discussions. Second, we increase their literacy in new media, by requiring them to practice using Web-based and video production tools. Finally, we introduce them to a firm’s business processes and support them as they take their business ideas to market.

Early in the quarter, we introduce students to Web site design principles and teach them to use Adobe Dreamweaver, software used for professional Web design. By the end of the quarter, student teams must design Web sites for businesses that will address multiple audiences, including customers, potential investors, and other stakeholders.

We introduce students to video production midway through the quarter. Each team is provided with a handheld Kodak Zi8 video camera and taught to use Adobe Premier Elements video production software so that they can create promotional materials and explore simple filmmaking techniques. The goals of the videos depend on the needs of their individual businesses, but the videos our students produce range from advertisements to explanations of their business ideas.

At the end of the course, we collect student work into an online showcase and share it with the college community at ritbiz3.tumblr.com. This Web site serves as a place for students to demonstrate their work and elicit response to their ideas, creativity, and new skills. As part of their participation grade, all students are required to give preliminary feedback to other groups by identifying their favorite videos and explaining why they chose them.

The BIZ 1-2-3 Showcase represents the range of work the course inspires. Student ideas have included an on-campus nutrition and personal training service; a temperature-controlled back-massaging backpack that provides “comfort on the go”; and a campus classifieds service that would allow students to buy and sell their services and secondhand goods online. In the 2010–2011 academic year, we noticed that our students were generally less focused on for-profit businesses and more on socially focused startups—especially those that aimed to make campus life better for our students.

BIZ 1-2-3 students also have additional incentive: the opportunity to participate in RIT’s Imagine Festival, an annual one-day public event that invites members of RIT’s community to submit their most innovative ideas, which are vetted by a selection committee. With over 20,000 attendees, the festival gives our students a chance to show off their hard work.

**Looking Ahead**

After two full iterations, we continue to seek ways to improve the sequence. One significant change is that we now include 20 design students from RIT’s College of Imaging Arts and Sciences to work with 20 business students in one 1-2-3 section. We plan to reach out to students and faculty in other disciplines to better prepare our students for the workplace.

We are particularly proud of our BIZ 1-2-3 sequence and of the way participating faculty have invested in its development. So far, it is a key factor in increasing the retention rate of our first-year students, and we believe it represents a best practice in business education.

Brian O’Neil is a distinguished lecturer in decision sciences, Victor Perotti is an associate professor and champion for digital business, John Tu is a professor of management information systems, and John Ward is a lecturer of marketing and international business at the Rochester Institute of Technology’s Saunders College of Business in New York.
Are men and women equally competitive?—A forthcoming paper finds that gender may have less influence over how well—and how hard—individuals compete than was previously thought. The paper was written by Kathleen McGinn, professor of business administration at Harvard Business School in Boston, Massachusetts; Iris Bohnet, professor of public policy at Harvard Kennedy School; and Harvard doctoral student Pinar Fletcher.

The team asked 236 men and women to complete verbal and math tests. Participants were given gender-specific pseudonyms and paired with other participants; they knew only the pseudonym, but not the identities, of their partners. The researchers then ran cooperative and competitive scenarios between members of partnerships with all gender combinations: man with/against man, man with/against woman, and woman with/against woman.

While men are expected to be more aggressive competitors than women, the researchers found that men and women performed equally overall in competitive scenarios—men scored slightly better on math tasks, while women scored slightly better on verbal tasks. These results contradict other studies that find men fare better than women in competitive situations, perhaps due to the types of tasks tested, says Fletcher. The team plans to continue its experiments and expand on its initial findings. In future experiments, the researchers may allow participants to choose the gender of their partner, to see how that impacts the results.

A more detailed summary of “The Untold Story of Gender and Incentives” is available at hbswk.hbs.edu/item/6772.html.

Quantifying the benefits of minority instructors—Economists Robert Fairlie of the University of California at Santa Cruz, Florian Hoffman of the University...
of British Columbia in Canada, and Philip Oreopoulos of the University of Toronto in Canada recently released their working paper “A Community College Instructor Like Me: Race and Ethnicity Interactions in the Classroom.”

Many studies have found that the academic performance of students in minority groups—such as African American, Latino, or Native American—often lags behind that of their white counterparts. However, this paper indicates that when minorities take courses taught by an instructor who shares their ethnic background, that discrepancy is cut in half. Using data they gathered on approximately 30,000 students at De Anza Community College in California, the researchers find that minority students are 2.9 percent less likely to drop the course, 2.8 percent more likely to pass, and 3.2 percent more likely to score a B or better when taught by an instructor of their own ethnicity.

Age-diverse workplaces may foster discontent—Age diversity in the workplace may cause employees to think about changing jobs more often—and it could also indirectly reduce their performance, according to a study by Florian Kunze of the University of St. Gallen in Switzerland and Jochen Menges of Judge Business School at the University of Cambridge in the United Kingdom. While the researchers found no direct link between age diversity and performance, they discovered that employees at companies with an equal mix of younger and older workers reported feeling “anger, fear, and disgust” in the workplace. Kunze and Menges speculate that such negative emotions could harm a company’s overall performance.

Older employees most often have different behaviors, preferences, values, and memories than their younger counterparts, says Menges. “These differences can lead to group formation within the workplace,” he adds, “which in turn creates age discrimination and potentially leads to misunderstandings that foster negative emotions.”

If employees express their feelings about age differences in unconstructive ways, it can only make things worse, the researchers say. They note that managers at age-diverse companies can address—and even prevent—age-related discord by establishing a culture that embraces age diversity and offering channels for employees to express their views in constructive ways, such as a system that allows employees to submit complaints privately.

A podcast of Menges discussing the research is available at www.jbs.cam.ac.uk/interactive/expert_comment/2011/menges_age.html.

Why minorities pay more for poor treatment—A study by two California professors suggests that African American consumers may actually pay more for goods and services when they are insulted than they would otherwise—and that they pay even more than their Caucasian counterparts. The research was conducted by Aarti Ivanic, assistant professor of marketing at the University of San Diego’s School of Business Administration; and Jennifer Overbeck, assistant professor of management and organization along with Joseph Nunes, associate professor of marketing at the University of Southern California’s Marshall School of Business in Los Angeles.

In one experiment, Caucasians and African Americans rated their interest in purchasing a set of headphones; in another, they were asked to do the same with a luxury hotel upgrade. In a neutral situation, both groups showed equal levels of interest in the products; but when negative racial stereotypes were explicitly introduced, African American participants were willing to pay more for the products than either Caucasian participants or other African American participants who had not been made aware of racial stereotypes.

African American participants were willing to pay more only when faced with poor treatment and explicit negative racial content. The reason, the researchers explain, is that they feel compelled to assert their social standing by paying more for a product. However, implicit racial content, positive treatment with racial content, and poor treatment with no racial content did not produce the same effect. In another study, the researchers found that the more strongly participants identified with and took pride in their race, the less willing they were to overpay.

“Status, Race, and Money: The Impact of Racial Hierarchy on Willingness-to-Pay” is forthcoming in Psychological Science.
The upcoming U.S. election has inspired research about how pollsters influence respondents’ answers through the use of hypothetical questions. The four researchers explored how the use of hypothetical “What if...?” questions—not only in political polling, but also in areas such as market research and jury selection—can skew results. The study was conducted by Sarah Moore, assistant professor of marketing at Canada’s University of Alberta School of Business in Edmonton; David Neal, professor of psychology at the University of Southern California in Los Angeles; Gavan Fitzsimons, professor of marketing and psychology at Duke University’s Fuqua School of Business in Durham, North Carolina; and Baba Shiv, professor of marketing at the Stanford Graduate School of Business in California.

The team completed a series of surveys that asked participants hypothetical questions. Some questions were framed positively, others negatively. For example, researchers asked participants whether they would be less likely to vote for a certain politician if they learned he had been convicted of accepting a bribe; they asked another group whether they would be more likely to vote for a politician if they learned he had refused to accept a bribe.

“In both cases, the bribe context was purely hypothetical, and yet the two groups’ voting intentions differed dramatically,” says Moore. They found that 37 percent of respondents who were asked the negative question said they would be less likely to vote for that politician, while 83 percent of respondents who were asked the positive question said they would be more likely to vote for that politician. “Political pollsters are very aware that the language they use in so-called ‘push polling’ can not only influence the way questions are answered,” says Moore, “they can also push people away from one candidate and pull them toward another.”

But when people are made aware of the potential for biased thinking, the effect disappears. The researchers asked two groups of potential jurors waiting at a courthouse to answer hypothetical questions about a defendant’s gang membership. The first group was told that the questions were part of a simulated jury selection process; the second, that the questions had been submitted by the attorneys for the defense and prosecution and should not be used to draw conclusions about the case.

The researchers found that those in the first group were more likely to want to issue guilty verdicts and recommend harsher sentences. Those in the second group, who were warned not to allow the questions to sway their judgment, corrected for their biases. They were less likely to find the defendant guilty and more likely to recommend shorter sentences.

The researchers hope that the results of this study will make people more aware of how pollsters and others attempt to manipulate responses. “Public education is needed to raise awareness of how hypothetical questions can sway our actions,” says Shiv.

“Wolves in Sheep’s Clothing: How and When Hypothetical Questions Influence Behavior” is forthcoming in Organizational Behavior and Human Decision Processes.

**Hypothetical Influences**

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A Measure of Transparency

As the 2012 U.S. Presidential campaign year begins, more attention will be paid to how—and how much—corporations support particular candidates. Researchers from the Zicklin School of Business at Baruch College–The City University of New York have created an index to show how transparent companies are about their political affiliations.

The Baruch Index of Corporate Political Disclosure was created, in part, in response to a 2010 U.S. Supreme Court decision in the Citizens United v. Federal Election Commission case, which allows corporations to be more active in the political campaign process. The ruling raised concerns that corporations could make undisclosed—and unlimited—contributions through trade associations, social welfare organizations, and 527 groups.

Based on research by Donald Schepers, director of Zicklin Center for Corporate Integrity, and Naomi Gardberg, associate professor of management, the Baruch Index rates S&P 100 companies from “transparent” to “opaque.” A company’s final rating provides a gauge of its willingness to disclose that activity in several key areas, including how easily relevant information can be found on its Web site; how it structures and discloses its policies, procedures, and corporate governance; what statements it makes about whom; how much it donates to whom; and how it makes those donations. A rating of more than 80 indicates high transparency; 61 to 80 is strong; 41 to 60 is moderate; 21 to 40 is weak; and 0 to 20 is opaque.

The center’s inaugural index finds that 22 percent of the S&P 100 disclose little or nothing about their political corporate activities. Companies in industries where transparency is the norm scored highest, on average. For instance, the pharmaceutical and petroleum industries topped the list at 58 and 57, respectively. On the other hand, mining, manufacturing, and utilities scored lowest, at 16, 13, and 11, respectively.

The companies rated 81 or above were Colgate-Palmolive, Goldman Sachs, IBM, Pfizer, Sara Lee, U.S. Bancorp, and Xerox. The 28 companies with opaque ratings from 0 to 20 included Allstate, Amazon, Costco, Google, Halliburton, Nike, Wal-Mart, and The Walt Disney Company.

While some “opaque” companies may not want to disclose information, many simply may not realize people are looking for it. “Companies might not have had many requests for information about their political activity before,” says Gardberg. “In fact, when we collected our data, Google did not have a page on this topic on its Web site. Later in the year, it added one.” Gardberg and Schepers plan to collect data again in January to see if the ratings of some companies have changed.

Information about the 2010 Baruch Index Results Report can be found at www.baruch.cuny.edu/baruchindex/index.htm.

RESEARCH RECOGNITIONS

Jude Preston, a graduate from Aston University in the United Kingdom, and Helen Shipton, director of the Aston Centre for Human Resources, have received the New Thinking Prize from the Chartered Institute of Personnel and Development for their paper, “The Relationship Between Age, Stress, and Learning in Organisational Change.” Their paper measured employee stress levels before and after a major IT deployment in a U.K. warehousing operation.

The Academy of Management has awarded its 2011 GMAC Award to Jack Denfeld Wood, a professor at IMD in Lausanne, Switzerland; Gianpiero Petriglieri, a professor at INSEAD in Fontainebleau, France; and Jennifer Petriglieri, a post-doctoral fellow at Harvard Business School in Cambridge, Massachusetts. Given for the most significant contribution to graduate management education, the award recognizes their study, “Building Foundations for Leaders’ Development Through the Personalization of Management Learning.”

Sara Rynes, the John F. Murray Professor of Management and Organizations at the University of Iowa in Iowa City, has received the 2011 Michael R. Losey Research Award in recognition of her scholarly contributions to the field of human resource management. Rynes is especially interested in discovering why HR professionals do not believe, or act on, well-established research findings. For that reason, Rynes has focused her scholarship on the gap between HR research and practice.

Donald F. Kuratko has been chosen as the inaugural recipient of the 2011 Karl Vesper Entrepreneurship Pioneer Award. The award was created in honor of Karl A. Vesper, considered a founding father of entrepreneurship education. The award recognizes Kuratko, the Jack M. Gill Chair of Entrepreneurship and executive director of the Johnson Center for Entrepreneurship and Innovation at Indiana University’s Kelley School of Business in Bloomington, “for distinguished achievements in advancing the discipline of entrepreneurship.”
REAL IMPACT OF REAL ESTATE
Reims Management School in France has created a new research chair in Real Estate and Society which aims to explore social issues in the property sector. Directed by Nicolas Tarnaud and Stéphane Fourneaux, the chair will promote research and teaching dedicated to the economics, finance, and management of real estate. The position also will focus on issues related to real estate’s societal, sociological, and environmental impact, including the costs of new construction, the financing and servicing of social housing, and the social consequences of aging populations.

PREVENTING HPV
Dena Cox, a marketing professor and faculty fellow at Indiana University’s Kelley School of Business in Bloomington, has received a two-year US$99,600 grant from Merck. Cox will use the grant to study factors influencing young women’s adoption of the vaccine that prevents human papillomavirus (HPV), a sexually transmitted infection that can cause cervical cancer. Using a nationwide Internet survey panel, Cox will present information about the HPV vaccine’s benefits and risks, in a variety of formats, to young women who have not yet been vaccinated. With this study, Cox continues her investigation into how consumers make medical treatment decisions and how health-related communication affects their adoption of preventive behaviors.

FORUM ON CAPITAL MODELING
Global insurance broker Willis Group Holdings and Georgia State University’s J. Mack Robinson College of Business in Atlanta have opened the Willis Research Network Economic Capital Forum in partnership with RiskLab Switzerland at ETH Zurich in Switzerland and the Risk Management Institute of the National University of Singapore. Co-funded by Georgia State and Willis for at least the next five years, the forum supports the development and use of economic capital models required under Solvency II, a set of regulations for insurance firms in the European Union slated to go into effect January 1, 2013. It will collaborate with industry on a technology transfer program designed to shorten the time required to convert cutting-edge research into commercially viable applications.

GRANT FOR NAVAL RESEARCH
The U.S. Office of Naval Research has given a US$302,230 grant to Tyson Browning, associate professor of operations management at the Neeley School of Business at Texas Christian University in Fort Worth. Browning will use the grant to continue his development of a square NxN design structure matrix (DSM) that the U.S. Navy can use to better manage and improve its naval ship-building systems. “If you tried to put all of the processes for building a ship on a flow chart, it would take up hundreds of feet of wall space,” explains Browning, who has spent 17 years creating the matrix. “With the DSM, you can fit it in a fraction of the space.”

PARTNERS TAKE ON EMERGING MARKETS
Singapore Management University (SMU) and the Moscow School of Management Skolkovo have partnered to establish the Centre for Emerging Markets. Housed at SMU, the center will promote research collaboration, case study development, and academic and business outreach focusing on the fastest growing emerging markets. The center also will act as a regional research hub in Southeast Asia to provide executive education and training to government and commercial organizations.

EXAMINING SOCIAL NETWORKS
The U.S. National Science Foundation has given two researchers a US$414,000 grant to study the effects of social networking Web sites such as Facebook and MySpace. Donna Hoffman and Tim Novak, marketing professors at the Anderson Graduate School of Management at the University of California, Riverside, will lead a two-year study examining whether these sites improve or impair people’s lives and happiness. The study will include a worldwide survey of social networking users. The results, say Hoffman and Novak, also may help identify which social media marketing strategies are most effective.
Feelings of envy in the workplace can lead employees to actively sabotage their peers, according to a new study by Michelle Duffy and Jason Shaw of the University of Minnesota’s Carlson School of Management in Minneapolis; Kristin Scott of the College of Business and Behavioral Science at Clemson University in South Carolina; Bennett Tepper of Georgia State University’s Robinson College of Business in Atlanta; and Karl Aquino of the Sauder School of Business at Canada’s University of British Columbia in Vancouver.

People who feel envious may spread negative rumors, withhold useful information, or secretly sabotage the efforts of colleagues, says Aquino. But such acts occur most in environments where employees feel disconnected and “morally disengaged” from those around them. It’s “a way of thinking that allows people to rationalize or justify harming others,” Aquino explains.

In one study, the researchers asked 160 employees at a Midwestern U.S. hospital to complete two separate surveys eight months apart. In the first, they were asked to rate their positive or negative reactions to a series of statements regarding envy, affinity with colleagues, and comfort with subversive acts. Eight months later, they completed a second survey about their actual acts of undermining co-workers. The surveys showed that people who experienced envy and had weak connections with co-workers were more likely to report committing acts of sabotage than those who experienced envy but had stronger connections with co-workers.

The researchers also measured how one act of sabotage can lead to others. In a second study, they divided 247 business students into work groups. Over a semester, the students completed questionnaires in which they rated their level of envy, connection to their groups, and acts of sabotage committed by themselves or others in their groups. Students who reported feeling envious and disconnected from their groups were significantly more likely to commit acts of sabotage when their group as a whole reported high rates of sabotage.

In the workplace, says Duffy, it’s important that those in charge don’t give a free pass to employees who undermine co-workers, because once such behavior starts, the tendency is for it to spread.

She adds that the study’s takeaway for managers isn’t to stamp out all envy among employees, but to ensure that workers feel connected to their peers. “Envy on its own is not necessarily a negative thing,” she says. “However, managers would be well advised to consider team building strategies to ensure all of their employees are engaged in the group dynamic.”

Students will pay nearly two-thirds less for traditional books and 50 percent less for digital textbooks.

The school chose Indiana-based company Courseload to provide software that will allow students to read and annotate their electronic textbooks; tag, search, and collaborate on the material in study groups; and view multimedia related to the books on their computers and mobile devices. Faculty who opt to use Courseload can integrate additional notes and links in the digital texts they use.

The school estimates that as a result of these agreements, students will pay nearly two-thirds less for traditional books and 50 percent less for digital textbooks. Students will have uninterrupted access to all of their electronic textbooks while enrolled at IU, and they can use a print-on-demand option if they would like to keep hard copies of the material after graduation. In exchange, students pay a small fee when they enroll in courses that use e-books.

Students appreciate that the agreement circumvents some of the drawbacks that often come with digital textbooks, says Corey Ariss, undergraduate student president at Indiana-University-Purdue University Indianapolis. Current electronic textbooks “often cost more than used books or rentals, have too many restrictions, and expire after a limited period of use,” says Ariss. “IU’s eText approach solves many of these problems, and the ability to search and annotate a text is excellent.”

For more information about IU’s eText initiative, visit etexts.iu.edu.

UNH Expands E-Book Initiative

In Fall 2011, the University of New Hampshire’s Whittemore School of Business used only a digital textbook for an entire class for the first time. The 600 students in “Introduction to Business” paid $33.25 for unlimited online access to the book for a semester—much less than the average $150 cost of a traditional hardcover, say school representatives.

This test was part of a larger initiative to expand the use of e-books at Whittemore. So far, approximately half of the textbooks sold at the UNH bookstore include a digital option. The initiative—which is the result of a textbook licensing agreement between Whittemore, the UNH bookstore, and open textbook publisher Flat World Knowledge—has saved business students more than US$70,000 in textbook costs, according to the school.
Tepper Gets Ready for Close-Up

PROFESSORS AT CARNEGIE Mellon University in Pittsburgh, Pennsylvania, used to have to travel off campus to give interviews to media outlets. But now, any CMU professor need only go to a fully equipped television studio in the Tepper School of Business to provide his or her expert commentary to the global television media.

Built through an arrangement with the Pittsburgh Videotech Center (PVTC), a division of Pittsburgh International Telecommunications, the studio is equipped with satellite and fiber connectivity. PVTC owns the equipment and provides the crew to help professors rehearse, finalize technical details, and broadcast the interview. Administrators hope that having such a convenient broadcast venue will result in more frequent media appearances by CMU professors and added exposure for the school.

The Rise of the ‘App Economy’

A STUDY FROM the University of Maryland’s Robert H. Smith School of Business in College Park finds that the explosion of Facebook and mobile technology applications has become a source of job creation. This emerging “App Economy” has added 182,000 new jobs to the workforce and contributed more than US$12.19 billion in wages and benefits to the U.S. economy in 2011, according to researchers at the school’s Center for Digital Innovation, Technology, and Strategy. In fact, the researchers note that those numbers could be as high as 235,644 jobs and $15.71 billion.

Il-Horn Hann and Siva Viswanathan, co-directors of the center and associate professors of information systems, conducted the economic analysis that led to these findings. They also measured the number of people employed to build, develop, and consult on Facebook applications. They found that Facebook apps alone—such as the popular Farmville app—have generated more than 53,000 new jobs at software companies.

“Our findings confirm that social media platforms have created a thriving new industry,” says Hann. “As Facebook and other platforms grow, we will continue to see job growth and the ripple effects of these advances in the U.S. economy.”

The white paper is available at www.rhsmith.umd.edu/digits/pdfs_docs/research/2011/AppEconomyImpact091911.pdf.

Amazon reports that since April 1, 2011, it has been selling 105 e-books for its Kindle e-reader for every 100 books it has been selling in print. In addition, it reports that it sold three times more e-books during the first five months of 2011 than during the same period in 2010.
B-Schools Respond To Demand for IT

**BUSINESS INVESTMENT IN** creating, capturing, securing, and maintaining data has increased 50 percent since 2005, to US$4 trillion, according to the 2011 Digital Universe Study. The study was created from research conducted by firm IDC and sponsored by global tech firm EDC. However, IDC predicts that by 2020, the amount of data the world generates will increase by 50 times and the number of files containing that data by 75 times. At the same time, the number of IT professionals trained to manage this information will increase by a factor of only 1.5. By 2018, it is estimated that there will be 1.4 million openings for IT workers.

Stats like this are inspiring many business schools to create programs to fill the gap in the industry. For example, the W.P. Carey School of Business at Arizona State University in Tempe has created a new online master of science in information management (MSIM) program. The 16-month degree program was designed to graduate IT professionals who understand both technology and business.

In the online program, students from different industries will work in teams as they complete five-week courses sequentially. The MSIM program will be offered twice a year, starting in January and August.

The College of Business Administration at San Diego State University in California has responded to this trend with a new master of science in information management (MSIS) degree program. The program is modeled on a curriculum jointly published by the Association for Computing Machinery and the Association of Information Systems. SDSU already offered an MBA with an information systems specialization, but created the MSIS program for students considering careers that could lead them to positions as chief information officers or chief technology officers. The degree is designed to teach students to recognize IT’s vital role in helping companies make smarter decisions and better integrate their processes with those of their partners, says Robert Plice, chair of the college’s management information systems department.

The College of Business Administration at the University of Tennessee, Knoxville, recently launched a dual-degree program that allows students to earn both an MBA and a master’s degree in business analytics, to “bridge the sizable gap” between business and information systems, according to the university.

That combination is still rare among today’s graduates in spite of high demand, a reality that offers business schools an opportunity to fill a gap in the market, says Ken Gilbert, head of UT’s department of statistics, operations, and management science. “Graduates who understand business analytics and have strong business and leadership skills will have excellent job opportunities.”
Moore Embraces Telepresence

THE UNIVERSITY OF South Carolina’s Darla Moore School of Business in Columbia, South Carolina, recently conducted its first custom executive education program delivered by telepresence. Using Cisco’s TelePresence platform, the school connected faculty in Moore School’s Global Learning TelePresence rooms with executives in Germany. The executives, who work for the manufacturing company Fiberweb, took the two-day course from a Marriott hotel in Frankfurt.

The technology, which incorporates large, high-definition panels with video and audio, creates a single learning space that has a “natural feeling,” says Martin Roth, the international business professor who taught the program. Executives collaborated face-to-face on marketing and strategy projects and participated in synchronous and asynchronous activities.

The school now has nine telepresence rooms. In September, it began using the technology in its professional MBA program at sites throughout South Carolina and neighboring Charlotte, North Carolina. The school has used telepresence to deliver some MBA and undergraduate classes and plans to use the technology for conferences.

Telepresence is a boon to global education, because it avoids the problems of long distance, such as jet lag and time lost to travel, while still maintaining a sense of intimacy among students and professors, says Ray Smith, the Moore School’s chief learning officer and architect of the school’s telepresence and learning models. Says Smith, “This is an important step in creating a global, interactive classroom.”

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A business school’s curriculum reflects its unique mission and encompasses the intellectual capital and character of its faculty. It is an essential ingredient for high quality management education and a healthy business school brand. Curriculum is also one of the most difficult elements for a business school to change and nowhere is this more conspicuous than in MBA degree programs. This event will guide you through the MBA curriculum redesign process and help you think strategically about questions of purpose, positioning, and program design. Facilitators will cover topics essential to curriculum redesign and will provide syllabi examples from schools, while discussing the process of developing courses and programs.

Register by February 26, 2012, and save 100 USD.

Learn more at www.aacsb.edu/MBASymposium.
Communicating In Pictures

SmartDraw’s ‘visual processor’ allows students to translate ideas into visuals with impact.

In business, visual communication often can be more persuasive than the written word. The software program SmartDraw allows students to develop their visual proficiency by bringing business concepts to life through charts, graphs, bell curves, matrices, and animations.

SmartDraw calls its software “the world’s first visual processor,” because it allows users to communicate with pictures, just as a word processor allows them to communicate through text, says Dan Hoffman, SmartDraw’s vice president of marketing. It includes 70 templates for different types of visuals, which can be customized with the students’ own words, data, and visual styles. These visuals include flow charts, organizational charts, Gantt charts, SWOT analyses, “Five Forces” analyses, maps, calendars, and timelines.

Students also can use the tool to create decision trees and Venn diagrams, graph the cost of change to a project or multiyear revenue projections, develop cash budgets for various timeframes, outline a business plan’s primary components, or diagram an entrepreneurial firm’s staff in order of responsibility and task delegation. SmartDraw gives users the ability to create mind maps that organize their thoughts around a central idea as they brainstorm or create animated storyboards.

Such real-life exercises are important to help students learn to communicate through graphics—something that will help them get their ideas across more effectively in the workplace, says Hoffman. By working with visuals, he adds, they develop their critical thinking, research, and communication skills.

“Even the most advanced tools deliver mere flash and pizzazz if they’re not effectively integrated in ways that facilitate learning,” he says. “Classroom success is contingent on how instructors harness these programs’ power.”

For more information, visit www.smartdraw.com.

Blackboard Offers Collaboration Tool for Education

Blackboard has launched Blackboard Collaborate, an education-focused platform for real-time collaboration. The aim of the platform is to help institutions improve the quality of education while reducing costs.

Blackboard Collaborate combines the functionalities of Elluminate, a Web conferencing tool, and Wimba, an e-learning platform. Together, they offer the capability for online Web access, video capabilities, voice conferencing, instant messaging, and voice authoring. The company notes that the new platform integrates into existing learning management systems and also supports staff meetings, professional development sessions, and online campus events.

Improvements to the original versions of Elluminate and Wimba include a simpler user interface and enhanced video conferencing abilities. Current users of the original two programs can upgrade to Blackboard Collaborate at no extra cost.

For more information, visit www.blackboard.com/collaborate.
Educational App for Investors

ANANT SUNDARAM, a professor at the Tuck School of Business at Dartmouth in Hanover, New Hampshire, and Aswath Damodaran, a professor at New York University’s Stern School of Business, have created uValue, a free valuation iPad app for investors. Designed to value public companies, uValue also is capable of valuing startups, high-growth companies, or companies with potential.

The app uses tools such as the weighted average cost of capital, dividend growth model, adjusted present value, and real options valuation, and incorporates a suite of calculators to value bonds, convert leases, and forecast exchange rates. In addition, it includes self-contained explanations of key valuation concepts, access to industry data sets, and access to a free companion textbook.

The app can be downloaded from the iTunes App Store or directly from the iPad App Store. Instructional videos are available at www.uvalueapp.com. The professors also are working on versions of uValue for the iPhone and iPod Touch.

Building B-Schools Symposium

March 5–7, 2012 | Tampa, Florida, USA

Maximize communication and development efforts at your business school.

Designed exclusively for professionals in development, communications, marketing, and alumni relations, AACSB’s Building B-Schools Symposium delivers expertise and strategies focused on the specific needs of business schools. Don’t miss this exclusive event to connect with peers in these fields, while participating in discussions on the latest trends and opportunities to shape the future success of the communications, development, and alumni relations efforts at your school.

Register by January 23, 2012, and save 200 USD.
Learn more at www.aacsb.edu/BuildingBSchools
How to Improve Student Writing—And Business Education

One of the few points academics universally agree on is that college students don’t write very well. Among the commonly used descriptions are “timid,” “formulaic,” “cliché-ridden,” “unconvincing,” “amateurish,” “awkward,” “uninteresting,” and, most comprehensively, “dull.”

My contention is that most students write poorly because teachers aren’t clear about what they should be writing. What do we mean when we tell them to “write a paper”? In real life, people write reports, speeches, articles, letters, memos, columns, audits, briefs, poems, plays, pamphlets, advertising copy, manuals, and books. But no one ever has to write “a paper” except in school.

When students are asked to write a paper, they shift into “college-game” mode, where they try to learn the rules and beat their opponents. To figure out the rules, they ask questions like “How long do you want this to be?” and “Should we express our own opinion or just give facts?” and “Is it OK to use slang?” To try to outwit their opponent—i.e., the instructor—they share insights with each other, such as “This professor likes lots of examples” and “He’s big on global stuff, so hit hard on that.” Predictably, the resulting papers are artificial, stereotyped, and useless.

For years, I told my students that writing is much less often “right” or “wrong” than it is “appropriate” or “inappropriate.” But one day I realized that students have no way of knowing if their writing suits the subject unless they know what kind of document they’re writing—in short, if it’s appropriate or inappropriate for what? And at that moment I hit upon the transforming insight that every written assignment must have a real-life counterpart.

This idea really came home to me when a late colleague showed me a very bad student paper about the influence of technology on the workplace. The paper consisted of obvious comments like “Ancient people did not have a great deal of technology. . . . With the coming of the Industrial Revolution, everything began to change. . . . In the 20th century, electricity replaced steam. . . . Computers began to replace human beings in factories. . . . Technology has indeed had a profound influence on the workplace.”

I asked the professor who the student was in the assignment, and to whom he was writing. The professor snapped back that the student was a student and was writing to a professor. He added brusquely, “Writing is writing, and it doesn’t make any difference who’s writing to whom.” He was absolutely wrong. Like many people, he thought that bad writing can be explained by deficiencies in language, technique and knowledge. But most often papers are bad because students don’t know what kind of writing they’re supposed to be doing.

Suppose that the assignment had not been “Write a paper about the effect of technology on the workplace,” but “Write a speech for your boss to deliver to the American Society of Engineers on how engineering has changed business practices.” The student would have known what to say, how to say it, and how technical the paper should be. The professor would have had a standard for judging whether the content was appropriate, necessary, and sufficiently technical. For both, the assignment would have been much clearer.

It’s easy to think of other examples. If an instructor tells the class to “Write a paper on the economy of Finland,” students don’t know how long or how technical the paper should be. They don’t know whether to recom-
mend solutions or just describe the situation, whether to use a formal or a chatty style—or, in general, just what the purpose of the paper is. But suppose the assignment is to “Write the article on Finland for the new edition of the Yearbook of European Economics.” Now parameters are clear: The encyclopedia-length piece should be formal, moderately technical, almost entirely descriptive, highlighted with graphs and tables, and directed toward an educated audience.

Economics professors could ask students to write a speech to deliver to high school seniors about the importance of studying economics. In a finance class, the assignment could be, “Assume you are an analyst at Acme Mutual Fund. Write an analysis of X Company for the fund manager.” Or “As a senior economist for the IMF, write your board a recommendation about what actions to take regarding the Asian currency crisis.”

In all of these cases, students won’t merely be following the rules or attempting to beat the professor; they’ll be trying to accomplish real-life objectives. As a result, they will have a standard to shoot for and professors will have a model to judge by. For three decades, I have been giving every assignment a real-life counterpart, and I can testify to the remarkable results.

But—and here’s the big point of the day—I think the effects could be even more remarkable if the principle was applied more widely. In fact, schools could use this method to test whether they have successfully taught students how to apply in practice the ideas we have taught them in theory.

For instance, schools could develop “exit exercises,” in which every student, either singly or as part of a team, would be required to produce three videotaped presentations in order to graduate. One might focus on management/HR, one on finance/economics, and one on production/supply chain management. Each presentation would propose a course of action, advocate a position, or simply report the results of research.

In each instance, students would be addressing a specific audience such as a client, a department, an executive staff, or a board of directors; they would be trying to persuade the audience to adopt their proposals; and the presentations would be made before a live audience consisting of real businesspeople, who would evaluate them from a corporate point of view. Afterwards, students could submit the tapes with job applications, and the tapes could also be kept on file at the business school so potential employers could view them.

This “teach-theory-and-test-practice” principle could have a profound effect on the way we teach. It could help eliminate grade inflation, stamp out plagiarism, foster interdisciplinary studies, and revolutionize career placement. But most important, it could change the entire meaning of the phrase “Master of Business Administration.” Currently when someone has an MBA, all it means is that the graduate has taken a series of loosely related courses and made passing grades. Under this proposed system, it would mean students have been forced to practice what they’ve learned.

I’m not calling for vocational training; I don’t want to simply turn out salespeople or bookkeepers. In fact application of the “teach-theory-test-practice” principle would actually make business schools far more intellectual places than they are now. We would continue to teach theory, but we wouldn’t stop there. We would make sure students can translate theory into practice.

A systemwide adoption of this approach to teaching business education might seem too grand an idea. But teaching business from an objective-focused perspective could have a profound effect on students. If we adopt this approach, students will no longer be trying merely to ace the test and wow the professor. Instead, they’ll have to show they can do something real with what they’ve learned.

Carter Daniel is director of business communication programs at Rutgers Business School, Newark and New Brunswick, New Jersey.
The New Entrepreneurial Leader

Authors: Danna Greenberg, Kate McKone-Sweet, and H. James Wilson
Publisher: Berrett-Koehler Publishers Inc., US$34.95

Entrepreneurial Leaders are not just entrepreneurs. According to Greenberg, McKone-Sweet, and Wilson of Babson College, these leaders possess “unique mental models” such as cognitive ambidexterity, or the ability to shift between “prediction” and “creation” logic. They argue that business schools must help students develop these skills while emphasizing business responsibility and cultivating self- and social awareness. If they do, schools will be well on their way to developing entrepreneurial leaders who will shape social and economic opportunities. But this thought-provoking book doesn’t stop with models and visions. Compiling insights from a cross section of Babson faculty, it provides examples of exercises, cases, and courses that teach these principles; it also presents a “new case method” for teaching students the values that underlie entrepreneurial leadership. The book is full of practical ideas and inspiring examples for the world’s next generation of leaders.—by Juliane Iannarelli, Assistant Vice President, Global Research, AACSB International

From Idea to Success

Authors: Gregg Fairbrothers and Tessa Winter
Publisher: McGraw Hill, US$28

Thousands of people have great ideas; far fewer go to the effort of trying to turn those ideas into working enterprises. But Fairbrothers, who founded the Dartmouth Entrepreneurial Network, and entrepreneur Winter believe anyone can learn to think like an entrepreneur in the quest to make an idea concrete. Most of their focus is on helping the entrepreneur ask the right questions: “What’s the end goal? Can you imagine a plausible scenario that starts with the issue at hand and leads to the desired goal? What problem do you want to solve? How painful or problematic is it? Painful or problematic enough that someone would pay to make it go away?” Such clarity is essential, they emphasize, because “ideas alone are worth next to nothing. All the value is in effective execution.” Full of detail drawn from years’ worth of experience, this book is the next best thing to enrolling in a class on entrepreneurship.

Management Reset

Authors: Edward E. Lawler III and Christopher G. Worley
Publisher: Jossey-Bass, US$34.95

Today’s Complex international business cannot be managed successfully through the old command-and-control model or the more recent style that relies on high employee involvement. Lawler and Worley, both professors at University of Southern California, envision instead the sustainable management organization (SMO), which successfully integrates all the pressures and demands of the 21st century. It will not only be agile enough to respond rapidly to a changing environment, it will thrive on change. At the same time, the SMO will value its employees and make all decisions with an eye to the triple bottom line. Creating a “nimble, future-oriented, and socially savvy organization of tomorrow” sounds like a tall order, but the authors see no other choice. “Organizations face a global, socially connected, 24/7, environmentally conscious, and financial-performance-obsessed world, and they must be designed to perform effectively in it.”

The Darwin Economy

Author: Robert H. Frank
Publisher: Princeton University Press, US$26.95

It’s Not Adam Smith’s invisible hand but Charles Darwin’s theory of natural selection that most accurately explains the capitalist economy, according to Frank of Cornell University. He argues against both
free market purists and political Libertarians who believe less government interference makes life better for all. In fact, he describes how the Darwinian process of natural selection can be great for the individual but lousy for the species, and he extrapolates the same principles to the economic arena. What’s needed for the collective good is collective action—laws and rules, for instance, that keep all people safe from harm, whether that danger is posed by a drunk driver or an unregulated market. This is a smart, complex, and thoughtful book that will make many readers view the dismal science in a wholly different way.

Don’t Miss

“Where are the Indian Googles, iPods, and Viagras?” ask Nirmalya Kumar and Phanish Puranam in INDIA INSIDE. They scoff at the common perception that “Indians simply do not ‘do innovation’” and point to the many “invisible” improvements that Indians have brought through process and management innovation in call centers and outsourced R&D facilities. And because so many Indian-born professionals work at companies like Microsoft, Google, and NASA today, they predict a couple of different possible futures: the “browning” of the C-suite in Western companies as these executives are promoted, or a burst of innovation in India as these individuals repatriate. Either way, the two London Business School professors expect India to be surging with innovation in the near future. (Harvard Business Review Press, US$29.99)

In THE DIVERSITY INDEX, journalist Susan E. Reed examines how well diversity initiatives have succeeded at American companies since 1961, when Lyndon Johnson and various defense contractors signed the first Plans for Progress aimed at recruiting and developing minority employees. Her conclusion: Not well. White women have advanced in the ranks, she notes, and so have nonwhites born outside the U.S., but their presence on the executive team has squeezed out domestic-born minorities. “Diversity has become a smorgasbord from which companies are taking what they desire and leaving the rest,” she writes. “The partial use of the diversity concept has resulted in the formation of a persistent racial ceiling in corporate America.” (AMACOM, US$27.95)

Joan Magretta’s UNDERSTANDING MICHAEL PORTER takes essential Porter insights on competition and strategy and boils them down for managers who don’t have time to read and absorb the original work. A former strategy editor at HBR who is still affiliated with Harvard, Magretta stresses that Porter offers general theory and timeless principles—“no blue oceans, no dancing elephants, no moving cheeses.” She closes the book with an interview with Porter and a list of ten “very distilled” takeaways. For instance: “Don’t feel you have to ‘delight’ every possible customer out there. The sign of a good strategy is that it deliberately makes some customers unhappy.” Just like the book, brief and to the point. (Harvard Business Review Press, U$24.95)

GREAT BY CHOICE

AUTHORS: Jim Collins and Morten T. Hansen

COMPANIES THAT outperform their rivals—by a factor of ten or more—aren’t led by CEOs who are more creative, visionary, heroic, ambitious, or lucky than the average top executive. In this study of seven “10X” companies, Collins and Hansen do find common traits among their leaders: fanatic discipline, a type of creativity that relies on empirical research, and “productive paranoia” that leads them to imagine disasters and ways to avert them. They study these seven firms—Amgen, Biomet, Intel, Microsoft, Progressive Insurance, Southwest, and Stryker—for periods of at least 20 years, all ending in 2002. And they compare their methods of operation to similar companies that failed miserably during the same time. Hansen, of UC Berkeley and INSEAD, and author Collins were looking for companies that can thrive in chaotic times. That’s because they believe the world will remain “unstable for the rest of our lives, and we wanted to understand the factors that distinguish great organizations, those that prevail against extreme odds, in such environments.”

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Getting ‘REDay’ for Research

The Goal
Researchers are among the most vital members of the academic community. Even so, the audience for their work is most often small and specialized—immediate colleagues or classmates, the readers of journals, or the attendees at small conferences.

Bryant faculty wanted to provide students and faculty alike with a greater audience for their scholarship. Last spring, Bryant faculty organized the school’s first annual Research and Engagement Day, or REDay (pronounced “ready”).

The Event
On April 20, the school cancelled classes so that its entire community could attend panel discussions and view poster displays that featured 160 research projects conducted by 346 participants—including 272 students. Forty percent of the research presented originated in Bryant’s College of Business.

How It Was Organized:
REDay was divided into two morning sessions and two afternoon sessions, each featuring between nine and 13 concurrent presentations. During a 90-minute lunch break, 67 additional researchers set up three-fold poster displays throughout the two-story rotunda of a central building on campus, so that attendees could browse and ask questions.

Most sessions featured two to three presentations organized around common subject matter, which ranged from “Advertising to Today’s Generation” to “Looking at Health and Happiness” to “Finance and Non-Profits.” Specific presentations addressed topics such as climate change, Web technologies, global transitional economics, the financial impact of natural disasters—and even bedbugs in the workplace.

Carol DeMoranville, professor of marketing at the business school, worked on a committee of 12 faculty, students, and staff to organize, market, and vet submissions for the event. The event introduced faculty to the work of their colleagues from other disciplines, and students to the work of their professors, DeMoranville says.

Future Plans:
The university plans to hold REDay again in 2012. Many who weren’t quite sure what to expect were impressed by the work they saw, says DeMoranville. She expects even more submissions this year, and notes that many faculty will require their students to attend. The committee plans to add panel moderators to make sure presentations end on time, and it also will give “best paper” awards in general disciplinary areas.

The school will open this year’s event to the public to give its community’s research even wider reach. “Showcasing academics is a challenge for many universities, especially those that aren’t Research I,” DeMoranville says. “There’s so much going on here. We just want to celebrate our academics.”

To find more information about REDay and to see lists of presentations, visit www.bryant.edu/wps/wcm/connect/Bryant/Academic%20Centers%20and%20Institutes/ and then click on the link for “Research and Engagement Day” at left.