The business school dean redefined
New leadership requirements from the front lines of change in academia

By Ken Kring and Stuart Kaplan

Recent business school dean appointments indicate that university presidents, provosts, and search committees sense that they need a new type of leadership for business schools—one that emphasizes CEO-style breadth and organizational expertise over more narrow academic mastery.

Indeed, the forces shaping business education have changed dramatically and quickly, and the shifts are rapidly redefining the dean leadership profile. “Think of some of the questions business schools are asking,” suggests Daniel Levinthal, who chairs the management department and served on the most recent dean search committee at the Wharton School at the University of Pennsylvania. “Do we build a campus in India? How do we manage client programs in executive education? How do we persuade faculty to consider a particular curriculum innovation?”

Business schools must innovate, refocus, and restructure, or risk falling behind their academic competitors. Just like private enterprise, they are undergoing a fundamental transformation in response to changing student “buyer” values, the Internet, globalization, shifting demographics, and unprecedented economic pressures. As a result, business schools are hungry for alternatives to the traditional dean candidates, who historically possessed deep backgrounds in core areas such as finance or economics and undertook a more straightforward mandate.

The appetite for a more strategic and integrative dean has been evident in the selection of leading business school deans in the past twelve to eighteen months. In several notable cases, search committees chose candidates with extensive organizational, strategy, and management expertise, in large part because the committees believed that this selection would produce the changes their institutions need to thrive in the new marketplace.
Our research—which consists of behavioral analysis of recent dean candidates, access to internal discussions, and follow-up interviews with deans, provosts, and search committee chairs—confirms that a new leadership profile for business deans has emerged, one that emphasizes:

1. Strategic skills
2. Enterprise management
3. Innovation
4. People and relationship effectiveness

“I was surprised when search committees at the top schools started seeking me out. I was not your typical business dean candidate,” recalls Sally Blount, one of those candidates with expertise in management and organization behavior, who last year became the dean of Northwestern University’s Kellogg School of Management. She emerged from the management department, rather than economics or finance. She studied negotiations and behavioral decision making, not external markets. Before becoming a professor, she spent two years as a management consultant. “So I sometimes challenged the taken-for-granted assumptions of the academy. Ten years ago I don’t think any business school would have considered me as a dean candidate.”

Drivers of change in business education

The drivers behind this new leadership profile for deans are the same forces raising soul-searching questions about the nature and mission of business schools, many of which are smartly documented in Rethinking the MBA: Business Education at a Crossroads (Harvard Business Press, 2010). In that book, co-authors Srikant Datar, David A. Garvin, and Patrick G. Cullen identify the new skills that today’s business leaders need from their education: leadership, critical thinking, creativity, ethics, global perspective, and cultural awareness. These authors posit that if business is to rise to the complex challenges of the twenty-first century, business education will have to take a leap forward.

Related pressures—economic, academic, and more—are bearing down on the dean’s office, driving the need for a new leadership profile.
Economic pressure
As large grants and other sources of funding have shrunk, business schools have grown increasingly tuition dependent—and a sizable portion of tuition hinges on how corporations respond to external market conditions. “If there is a double-dip recession, the revenues of business schools will come under threat once again, especially in the area of executive education,” notes Tom Robertson, dean of the Wharton School.

At the same time, lower starting salaries for MBAs (relative to the pre-financial-crisis years) make the high price tag of an MBA education a more difficult sell. “It is a mature product market,” notes Levinthal, Wharton’s Reginald H. Jones professor of corporate management. “Business schools have enjoyed strong growth, and that’s over for now. You can tap into overseas markets, but that’s a little more complicated. As a result, the intensity of demands on business school deans has increased.”

Compounding all this is the recession’s effect on endowments, combined with an increasing cost structure (e.g., faculty salaries). As a result, business school leaders need to maintain a closer proximity to funding sources and to be even more responsive to demands from donors, parents, and students.

“I sometimes think of the university as a multi-divisional enterprise,” notes Alison Davis-Blake, who became the Edward J. Frey Dean of the University of Michigan’s Ross School of Business in July. “Deans are divisional managers who run a business that had better make a profit to generate the investment capital we need. We have multiple lines of business – tuition and non-degree lines of business—that need to be managed as a portfolio.”

Shifting stakeholders
Flat MBA enrollment in the United States is pushing schools to grow overseas and to develop more innovative, differentiated programs with clear value propositions for students, donors, and recruiters. Additionally, the current generation of students, most deans agree, are more demanding than their predecessors.

“I hate to acknowledge how important this is,” says the dean of one leading business school, “but I have seen a major change in that the parents of
MBA students are a new constituency. The parents of some millennials call the dean directly to voice their concerns and ideas for how we can be doing things differently.”

Deans also contend with more demanding recruiters who are eager to influence curricula to meet their own talent needs. As the number of Wall Street jobs dropped, that ushered in a more diverse base of recruiters whose needs extend beyond traditional finance- and consulting-focused skills.

Today’s business school graduates will be working for a much wider variety of organizations, says Phil Hanlon, provost and executive vice president for academic affairs at the University of Michigan. “Many will be working in smaller organizations, or they will be starting some of these companies themselves. They’re going to be dealing more in international settings and in other settings that they have less familiarity with…. There is a whole new set of skills that are going to be increasingly important for our students as they graduate from the business school.”

Curriculum and integration

The looming global challenges affecting business today, such as climate change, natural resource scarcity, education and healthcare reform, and national competitiveness, cannot be addressed in silos. Future leaders will need expertise across multiple functions—and grooming them requires much greater cross-disciplinary instruction and collaboration within MBA programs and universities at large. Additionally, the increased emphasis on corporate ethics and the impact of technology contribute to the complex question of what to teach and how.

“Business school leadership must partner with university leadership so that we can have the right intellectual discussions,” says Northwestern’s Blount. “The problems of the future are so difficult and so complex—the idea that they can be creatively and wisely solved within silos is so wrong.”

Geographical boundaries are diminishing as well. Doing business globally has become a necessity for even small to mid-sized companies, so international knowledge and experience is becoming a primary requirement of business leaders. That in turn is pushing business schools to expand their offerings into new parts of the world through joint
Sally Blount credits a brief conversation with The Boeing Company Chairman, President and CEO Jim McNerney Jr. for helping to clarify her priorities as the dean of Northwestern University’s Kellogg School of Management. “Jim basically said, ‘Your message internally and externally must be absolutely seamless, and you better take internal communications just as seriously as you take external branding and public relations,’” recalls Blount, who officially began her current role in July 2010. Blount has taken the advice to heart, as any Kellogg insider who follows Dean Blount’s Blog will confirm. Her approach to her role embodies many of the new and emerging leadership competencies currently in high demand among business schools.

Korn/Ferry: Is there anything surprising or perhaps “untraditional” in your experiential background that has helped prepare you for the challenges of your current role?

Sally Blount: Spending the first two years of my career at Boston Consulting Group (BCG) has been amazingly helpful. In that role, I learned how to think broadly and problem-solve across different industries. I listened to [BCG Founder] Bruce Henderson as he wandered the halls and talked about the principles of business strategy. One of the most difficult challenges I encountered when I switched to academia was the need to go deep and narrow in my thinking because I was more naturally a broad, integrative thinker. Today, as a business school dean, I need to be broad and integrative, and that approach is not typically fostered in an academic setting.

K/F: What is one of a business school dean’s most challenging roles today?

SB: Making strategic investments in some areas, requires sometimes saying no to other areas. A consulting partner recently told me that the way people are taught to set strategy in business is so antithetical to academics because it involves saying that we are not going to develop every department equally. We are going to let a lot of flowers bloom, but not all of them. And the process of pruning can be difficult.

K/F: You have 20-plus years of higher-education experience, including serving as vice dean of New York University’s Stern School of Business before Kellogg. What do you see as one recent, major change in the role of a business school dean?

SB: Today, business schools are subject to increasing visibility and outside scrutiny. Their deans are constantly being evaluated. The role’s growing transparency and accountability means that business schools need leaders with managerial capabilities that are now more similar to CEOs. Deans need to understand systems and how to work with multiple stakeholders…. In the past, the primary questions for dean candidates essentially were: Can this person get along with our faculty? Do they have a good research reputation? And can they get things done? Today, the big questions are much different: Can this person manage relationships with multiple types of stakeholders? Can this person be effective as the public voice and image for the school? Can they build the rankings? Can they build market share? And can they still get things done both with administrators and with faculty?
ventures and other arrangements, requiring deans who can lead these initiatives.

Finding faculty for new overseas “operations” marks a relatively recent challenge for deans and reflects how their spans of control and management are changing. Moreover, as professors have become more expensive relative to tuition growth, business schools need their deans to wield greater influence with faculty. As a result, business school deans need to operate as general managers while influencing a wider, more diverse ecosystem of stakeholders.

Profile of the new dean

What skills are demanded by twenty-first-century business realities?

“The key skills include innovating, dealing with situations that you have not dealt with before, possessing the confidence and the experience to be entrepreneurial,” says Hanlon, Michigan’s provost. “It includes being able to provide leadership to a group of people even when you are not vested with the traditional authority to do so. You have to be able to deal with other cultures and situations you’re not familiar with. So, all of these types of soft skills are going to be as important as the technical skills that we’ve traditionally taught.”

Hanlon was, in fact, talking about business school students. But the same holds true for deans.

Managing the “business of the business school” is a complex job, similar to that of a CEO, yet with challenges that do not constrain private-enterprise chief executives. Few CEOs, for example, must grapple with the concept of a tenured workforce, highly diffused authority, and funding constraints placed by donors.

To be successful, business school deans increasingly must demonstrate the following types of leadership.
Strategic leadership
All deans must create and sell a vision of the future to a diverse array of stakeholders. Before newly hired business school deans can do this, however, they need to focus on the culture and resources awaiting them. They must be able to size up the capabilities of each department, analyze where the school’s strengths and opportunities lie, and formulate strategic plans, again all done while balancing multiple “customers.”

Getting a read on the faculty and other influential constituents can be particularly tricky. One search committee member recalls when an incoming dean set up an introductory meeting with faculty several months before his start date. “I thought the meeting was magnificent,” the search committee member, a professor, recalls. “[The dean] provided thoughtful and impressive answers to all of the questions faculty posed, disarmed the critics, and just did an outstanding job. After the meeting, I asked one of my colleagues what he thought. He shrugged and said, ‘Well, I didn’t see much of a vision there.’ Yet...how incredibly presumptuous it would be if our incoming dean showed up and said, ‘Here’s my vision,’ without getting to know the faculty first.”

Jennifer Chatman, the Paul J. Cortese distinguished professor of management at the University of California Berkley Haas School of Management, believes that the most effective deans will be those who can inspire those around them and build the most valuable portfolio of educational offerings.

“Those deans who are very good at building a real portfolio model are the ones who are going to thrive,” Chatman explains. “The challenge with the portfolio model is that not all faculty members agree on what is truly valuable. All of these constituents are vocal and steadfast in their commitment to their interests—they want to produce excellence in their own terms. This sort of multi-constituent management represents a top priority for business school deans.”

Enterprise management
If strategic skills are the “CEO competencies,” then enterprise management is shorthand for the “COO competencies” of the business school dean’s leadership characteristics.

“There is a much tighter coupling between business schools and the external world today,” notes Davis-Blake, Michigan’s dean. “As a dean, you
need a much deeper understanding of macroeconomic conditions because you have to be able to respond to those shifts.”

When these conditions require the school to exit a line of business, for example, the dean must convince professors or administrators who may be unaccustomed to such responses. One dean who recently shut down a program said that making the case internally was a protracted process. It required flexing a “strange psychotherapy” muscle, he said, even though the economic rationale for the move was crystal clear.

Deans also must navigate the shifting resource mix within their institutions as a result of new economic realities. As faculty salaries have outpaced school funding, deans are rethinking how to leverage complementary resources to deliver the curriculum and other student services. These complementary workforces include adjunct faculty, school staff members, alumni, and the business community, to name a few. These resource allocation decisions are similar to what corporate CEOs face regarding their resource portfolios.

These operational and hands-on management skills mark something of a departure from the traditional profile of the business school dean. Until relatively recently, some business schools hired deans who “looked good in a suit, knew how to talk to the faculty and alums, and raised money,” says one search committee veteran. In many cases, presidents simply appointed the dean. As the dean profile has gotten more sophisticated, so has the selection process.

**Innovation**

One of the key perspectives for business school deans includes an understanding of the competitive landscape and of how to innovate to compete effectively. As Levinthal points out, the MBA market has matured. Costs are high, and growth is relatively flat. Attracting students today depends heavily on creating new and different programs. Already new models are proliferating, including accelerated MBAs, global MBA partnerships, one-year MBAs, hybrid and low-cost programs, and online classes.

“I don’t think business schools previously viewed each other as competitors,” notes Jerry Davis, the Wilbur K. Pierpont collegiate professor of management at the Ross School of Business and professor of sociology at The University of Michigan.
Davis, who chaired the Ross School’s dean search committee, believes this will soon change. “If you expect current trends in business education to continue, then you really need a dean who thinks very strategically about how to differentiate this business school from the others. That’s a fairly entrepreneurial way of thinking about the world, and it is a perspective that is not necessarily widespread among faculty.”

While international expansion has become fairly widespread, it still demands great innovation if it is to generate returns over the long term. How, for example, can a business school sell the MBA value proposition to a Chinese student for $100,000, or even $50,000? How can business schools address the uneven quality of tertiary education in some regions of the world? How can reluctant faculty members be persuaded to accept overseas assignments? “The alternative is to hire adjuncts to teach and charge a lower rate, or do it online,” Davis notes. “But if you pursue those alternatives, your degree suddenly does not have the same cachet.”

The frenetic pace of technological change has an outsized impact as well, touching all facets of how knowledge is imparted to students and how programs compete. Online curricula, global connectivity, distributed student populations, all enabled by new technology, pose opportunities as well as threats to the traditional business school model, and deans must carefully leverage these innovations to the school’s advantage.

Equally important, what will be the next educational innovation? What new approach to business education will create the leaders the twenty-first century requires? What comes after the information economy? Deans must build the scanning capabilities within their organizations to react to and seize opportunities from these inevitable changes.

**People and relationship effectiveness**
Managing the growing number of increasingly diverse stakeholders has become so critical for deans that it warrants its own treatment as a skill set. Deans need to gain buy-in from faculty, donors, alumni, administrators, prospective students, corporate recruiters—communities who, on any given issue, may oppose the dean, or one another.

**Innovation**

Innovation leadership centers on creating the new and different and leading others to do the same. It involves the following underlying competencies:

- **Creating the new and different**
  - Exhibits creativity and perspective
  - Facilitates and listens
  - Shows managerial courage and ability to “stand alone”
  - Deals with ambiguity and paradox

- **Managing innovation processes**
  - Creates innovation ecosystems, processes, and capabilities
  - Scans the environment

- **Relating to different cultures**
  - Understands and is interested in diversity
  - Global orientation and awareness
There are so many more interested parties today, notes Chatman. “The deans who are going to do well are those who are deliberate about leadership in the shorter run. With every action they take, they think about which constituent they are affecting and what priorities their behavior signals to constituents,” she says.

The amount of influence deans must wield has also grown. Most business school organizational structures are very flat, however, and deans possess very little traditional authority. Instead of a command and control style, deans must be masters of connecting, collaborating, and convincing. As one dean noted, part of this effort involves hiring and deploying highly skilled individuals—colleagues and external experts—who can further the dean’s vision.

Deans must keep dozens of moving targets in their sights, yet remain composed, build trust, and stand firm when they must. Janice Eberly, former professor of finance at Northwestern (and now an assistant secretary in the U.S. Treasury Department), knows how arduous the job can be; she chaired the search committee that selected Blount.

“The job the dean is doing is more complex and holistic,” she says, “because the business school environment is more complex and competitive.”
Conclusion

Macroeconomic, societal, employer, and student demographic changes are sweeping over business schools at an unprecedented pace. Propelling business education forward to meet the new needs will require deans who possess keen strategic vision, have the ability to innovate, can lead a decentralized organization, and bring highly sophisticated interpersonal skills.

Business schools may be out front of a sea change that is coming to academia, the first to feel the tidal pull of the forces reshaping private enterprise. The same drivers are likely to spur a fundamental rethinking of strategies and operating models in other graduate and professional schools in the years to come. The skill sets discussed here increasingly will matter.

“Previously, as the dean you were supposed to be the smartest person in the room,” sums up one administrator. “Today, I’m creating a new management structure for which I need to hire people who are smarter than me. That requires a new leadership style.”

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