

Foster School of Business Committee Report  
May 2012

**Committee Charge**

The Foster School of Business Review Committee, composed of Professors Sheri Mizumori (committee chair) and Judith Thornton of the University of Washington and Professors Dan Dhaliwal (University of Arizona) and Steve Mangum (Ohio State University), received its charge from Vice Provost Gerald Baldasty and Associate Vice Provost James Antony. The Committee's charge as set forth is to "assess the quality of the undergraduate and graduate degree programs in the school, including their various tracks or concentrations, and to provide its faculty with constructive suggestions for strengthening those programs." The degree programs identified within the scope of the charge to the Committee include: the Bachelor of Arts in Business Administration, the Master of Professional Accounting, the Master of Science in Business Administration (MBA) including the Technology Management MBA (TMMBA), the Master of Science in Information Systems (MSIS) and the Doctor of Philosophy (Ph.D.). The stated purpose of the review is to "provide the University with a clearer understanding of each program's quality, educational value, role within the University and community, role within the academic discipline, and resource requirements."

**Review Process**

The Review Committee was provided with a Ten Year Self Study document (plus appendices) by the leadership of the Foster School. The Committee also received a copy of the review report submitted by the last Review Committee in 1998. The School's Self Study document describes the school's mission and vision, its organizational structure, and its degree and certificate programs. With respect to each academic degree program, the document includes a description of student learning goals, with accompanying materials from the school's assurance of learning documentation. In addition, the self study document provides rich detail on the college's shared governance and faculty management procedures, and also its primary research and outreach centers. The document provides a number of indicators of Foster faculty accomplishments in the domain of scholarly activities and concludes with a description of future directions for the school. Under separate communication, the Review Committee received a copy of a graduate student survey and focus group effort conducted by the Graduate and Professional Student Senate.

The site visit associated with this review occurred on May 3-4, 2012. During the site visit, the Committee met with a significant number of faculty, staff, and student groups including meetings with center directors, members of the advancement team, and leaders and senior staff of the various academic degree programs. The Committee also had occasion to tour the School's facilities.

## **Observations and Findings**

### **Trajectory since the Last Ten Year Review**

The Committee is very impressed with the School's overall accomplishments and trajectory since the last Review Committee report in 1998. Particularly noteworthy is the \$50 million naming gift establishing the Michael G. Foster School, a tremendous upgrade in physical facilities exemplified by the recent opening of Paccar Hall, significant advancement in the School's fundraising and external visibility, and a strong record in faculty hiring over the past few years. The efforts of the School's leadership team, with support from central administration and from alumni and the business community, has placed the School on a significantly more favorable trajectory than existed at the time of the last ten year review. All concerned are therefore to be congratulated. It should be noted that in meetings with the Committee, many members of the Foster community took occasion, without prompting, to praise Dean Jiambalvo and his leadership team for good judgment, a willingness to listen and reason, and for being genuinely supportive of individual and collective initiative and innovation.

### **Students**

The quality of Foster undergraduate and graduate students is very good. The diversity of the student body is also commendable. The quality of the undergraduate student body is particularly impressive in terms of its entering characteristics (e.g. high school class rank, SAT score). The Committee is particularly impressed with the sourcing policies of the Foster School, specifically the manner in which the annual intake of approximately 200 direct admit freshmen and 600 sophomores/juniors is managed. Noteworthy here is the School's use of a written skills assessment among the three main criteria factoring into the admission decision. Socialization programming provided to direct admit freshmen is mentioned by a number of students meeting as particularly effective in their Foster orientation experience.

The Committee is equally impressed with the School's sourcing with respect to the MBA programs (full time, evening, and technology management). In each of these cases the School takes appropriate advantage of the characteristics of the Seattle workforce to attract cohorts of high GMAT, high potential students, frequently with an engineering background. This constitutes a strong market niche for the School, something not easily duplicated by competing schools. We are also generally impressed with the quality of students in the School's Ph.D. program. Of the various student populations, this is likely the one where the School faces the greatest challenge at the current time, a challenge due to competitive pressures. The School is aware of the challenge and is working to address it...the challenge being that the School's Ph.D. stipend level is significantly below that of benchmark schools, particularly when factoring in the relatively high cost of living in the Seattle area. Also worthy of note but less severe in relative terms, is the typical teaching (TA or stand-alone sections) of Foster Ph.D. students. These are somewhat heavy relative to other schools, cutting comparatively into the time available to focus on scholarly research activities. As stated above, the School's leadership is aware and seeks to address these challenges going forward.

## **Faculty**

The faculty of the Foster School is strong but not without challenge. The Committee is favorably impressed with the quantity and quality of faculty joining Foster over the past several years. Unfortunately, faculty losses (particularly in headcount terms) have also been significant over this time period, with losses and additions basically balancing in quantity terms. The sense of the Committee is that the net change has generally been favorable in terms of measurable research productivity, though the information provided in the Self Study document is insufficient to provide conclusive documentation of that impression. The Committee also senses that losses at the senior rank have created challenges in the form of some mid-career faculty having to take upon themselves administrative leadership roles that would otherwise be assigned to more senior faculty. In cases where this occurs, it is hoped that the School's faculty performance management system provides suitable recognition and accommodation. This may be deserving of further investigation.

As a Review Committee, we are very impressed with the quality and commitment of the full time non-tenure track faculty (NTT) with whom we interacted during the visit. Noteworthy is the general sense of pride and "mission" that many of these individuals feel toward their work, the environment of mutual respect that characterize their relationships with tenure track faculty, and their degree of allegiance to the School. Two topics arose which the Committee recommends as potentially worthy of additional investigation. The first is the possibility in selected cases of structuring NTT workloads to include a non-teaching component recognizing the accomplishments of those who engage in a variety of student support activities not directly tied to classroom instruction, activities which create significant value for the School and its students and which are therefore potentially worthy of recognition within the faculty performance management system. The second, which would admittedly be a more complex issue involving significant interface with the broader university, is exploration of a possible clinical or professional practice faculty track that if in place would offer NTT faculty access to more well established career progression opportunities and "professor" rather than "lecturer" position titles, having real value to many individuals in terms of how they are viewed within the academy.

The most significant current challenge facing Foster faculty of all types is the lack of salary adjustments across the institution since 2008. The leadership of the Foster School has done well in managing through the crisis, but there is a limit to what can be done before positive momentum is arrested and progress is replaced by backsliding. The School's noted progress in significantly upgrading its physical facilities has provided a much needed boost to faculty morale in a difficult budgetary time, yet the Committee senses that the institution may be edging toward the outer limits of any facilities related "halo effect," absent some significant cause for hope on the compensation front. If the salary freeze continues, we fear that increased numbers of faculty will begin to "vote with their feet," and the situation will have a chilling effect on the School's ability to hire top talent at any rank. Given how difficult it is to stop faculty losses once such a threshold is reached, the sooner the better for addressing the situation.

Three additional items related to faculty and faculty life within the Foster School are worthy of specific mention. One item drawing frequent comment by faculty during the site visit relates to the School's

faculty performance measurement system. A significant number of faculty expressed the view that the system is “overly mechanistic,” “overly specific,” and “overly sensitive to normal fluctuations in faculty productivity cycles.” The frequency of faculty comment alone suggests this to be worthy of follow up. The second item was mentioned less frequently by faculty during the site visit, but the comments made reinforce an observation of the Review Committee, that being a concern for what on the surface is an apparent lack of gender diversity among the academic leadership of the School. We note that Dean Jiambalvo referenced (in the Committee's exit meeting) a number of situations where female faculty members have been approached but where the School had not been successful in its efforts. The third item relates to a possible communication issue with newly hired junior faculty. A significant number of assistant professors, in more than one session and across academic departments, mentioned that what they understood to be the availability of summer support beyond the initial three years based on pre-hire communications proved, from their perspective, to be quite different in reality. More specifically, faculty felt the availability of two ninths summer support beyond the initial three year hiring package to be far less plentiful than they understood to be the case when they were hired.

### **Budgetary Resources**

While a thorough review of the School's budget does not fall within the specific charge given the Review Committee, the Committee feels that a comment is warranted. This comment is made on the basis of the experience base of the two outside (non-UW) members of the Committee. The comment is two-fold: that the Foster School's budget generally seems modest in terms of similarly sized programs at benchmark institutions (alternatively stated, the size of the School's full time faculty is somewhat low in comparison to the number and size of academic degree programs serviced by the faculty) ; and second, that an obvious opportunity for addressing budgetary levels relative to benchmark schools is to seriously consider instituting some form of undergraduate program fee or tuition supplement specific to the School. We recognize, from discussions during the visit, that there are institutional policies which make such program fees challenging to initiate but also want to stress that the absence of such undergraduate program fees may well become a source of competitive disadvantage for the Foster School in a very competitive business school landscape.

### **Academic Programs**

Based on materials within the Self Study document, conversations with faculty, staff and students during the site visit, and review of curriculum descriptions and materials accessible through the School's website, the Review Committee is satisfied with each degree program's overall quality and educational value. It is our assessment that these programs are consistent with the expectations that one has of a quality institution such as the Foster School and the University of Washington. Among the School's academic programs, the program that is in some sense the least settled in curriculum and in program features is the MSIS program. This is understandable in that the program is relatively young and very much still in its shakeout period.

With respect to the academic programs offered by the Foster School, we make a couple of specific observations. First, we are impressed with the general sense of “connection” which faculty exhibit toward the academic programs. Faculty and staff leadership across the academic programs are engaged,

conversant, and committed to excellence. These leaders generally seem to have “the pulse” of the programs which they lead. This was evident on a number of occasions as the issues identified by the program academic leadership “matching” well with issues raised by students or others. Second, we are impressed with the extent of student “attachment” to their respective programs. There is a clear sense of Foster student “pride” in the academic programs with which they are affiliated. This is perhaps best exemplified by the attachment felt by full and part time MBA students and their achievement giving back/paying forward behavior around a very significant class gift to the School. Third, the Self Study Report notes that the Foster School has adopted a specific emphasis on leadership and strategic thinking in its academic programs, in part as an effort to differentiate its programs in the marketplace. The document also suggests that the School is potentially revisiting this as a differentiation strategy. Our point here is not that of commenting on this as a differentiation approach but rather to simply state that we are impressed by the specific and concrete actions taken by the school, particularly in the MBA program, to create substance around this strategy. Examples include incorporating an ethical leadership course into the MBA core curriculum and instituting a robust series of self-analyses and individual development activities into the program’s start up orientation, following up on these over the course of the student’s first year on campus. Finally, the Review Committee is impressed with the willingness of the School's leadership to take calculated risks in the form of significant steps to academic program improvement, even in the face of budgetary challenges. A prime example is the School's move to create a business school specific career services unit for the Foster undergraduate program. Based on experience at other business schools, experience suggests that this will be a great contributor to undergraduate student satisfaction and to student placement results.

The Committee also met briefly with representatives of the School’s Executive Education team during the site visit. Two things stand out from that interaction that are worthy of note and praise. First, we are impressed with the extent of programmatic connections to Pacific Rim countries, Korea in particular. This is a natural “play” for Foster, one that distinguishes them in the marketplace, and one which the School appears to be leveraging quite nicely. Second, the School is to be praised for the efficiency of its Executive Education operation in net revenue terms. Our understanding is the Foster Executive Education is an approximately \$4 million revenue unit, generating approximately \$1 million in net revenue after costs. We believe this to be an excellent return relative to benchmark institutions.

### **Support Units**

The Review Committee visited with staff representatives of various academic degree programs, career services, research and outreach centers, and the School's advancement team. By way of observations, the following stand out: First, the Review Committee is very impressed with the School's investment in the Advancement Team, comprised of external relations, fundraising, alumni, and marketing and communication functions. Our impression is that the School has differentially invested in marketing and alumni functions relative to many benchmark institutions and that the differential investment shows signs of serving the School well. We are impressed with the general direction and messaging of the School's marketing campaign and believe, based on our personal observations, that Foster has benefitted in terms of external visibility. We have a similar sense of the School's alumni relations unit, one evidence being the successful on-going class gift initiative referenced earlier. Second, while our

interaction with Center representatives was brief and did not allow a full exploration, the Review Committee is full of praise for the Centers with which we interacted (Center for Innovation and Entrepreneurship (CIE), Global Business Center (GBC), Business Education and Economic Development Center (BEDC), Center for Leadership and Strategic Thinking (CLST), and the Sales Program). In each case we came away with a sense that Center mission is understood and being actively pursued, that there is clarity between Center and College leadership as to performance expectations and financial goals, that there is diligent oversight and monitoring of Center activities, and that each Center contributes in tangible and value producing ways to the educational mission of the School. In the spirit of constructive critique, our primary suggestion related to these Centers is a sense that in one or two cases (the Sales program perhaps being the primary example), there may currently be insufficient full time faculty (more specifically tenure track faculty) in the academic departments with relevant interest or expertise to provide research and academic programming leadership in the domain and addressing any such gaps might be advisable.

### **Student Concerns**

Among the materials made available to the Review Committee is a document reporting on a student survey and focus group conducted by the Graduate & Professional Student Senate (GPSS). The Committee is most grateful for receipt of this document in advance of our site visit for it provided us with information upon which we could base questions and further our exploration. We view the survey results as very positive. As the Senate report clearly indicates there is a high level of student satisfaction across all academic programs at Foster and the students have a generally high opinion of the intellectual quality of the Foster faculty. The satisfaction indicators are somewhat less positive for the MSIS program, this being understandable given that the program is currently in start-up phase and experiencing the range of issues that accompany the start of any new program.

A number of the issues identified in the GPSS report can be commented on from our conversations during the site visit. Students indicate some dissatisfaction with limitations placed on student access to the school/university alumni database. This is an issue faced by many business schools and a number of viable approaches exist for handling access in such a way as to support student career management objectives while not overwhelming alumni with student requests. These are worthy of further exploration by the School. The survey indicates some student concern over a lack of “bonding” between Ph.D. students and their faculty advisors. Based on our conversations with students, our assessment is that this sentiment varies significantly across departments and across individuals, possibly concentrated in the Finance area where reportedly no student has passed the qualifying exam on the first attempt in at least the last three years. This warrants further exploration as well. In both the survey and in our site visit meetings, MBA students expressed concern over what they perceive to be a lack of sufficient electives in specific areas: operations management, strategy, and leadership being those most mentioned. These perceived gaps are likely attributable to faculty turnover and to constrained financial budgets, and warrant attention as the School considers hiring priorities. In some cases concerns expressed by the students surveyed are reflective of the underlying nature of business school academic programs and consequently are likely to appear in the survey results of almost any business school and therefore less likely to be actionable. One such example is that of a perceived lack of flexibility in some

program requirements and curricula. Particularly in the case of executive oriented degree programs, the standard format industry wide is that of a lock step program in which electives are relatively few in number and often selected through a group process. Where increased flexibility in offerings would be nice, the economics of executive programs, in terms of the size of the student population and the costs of section delivery, preclude greater flexibility. In terms of other student comments, students in EMBA and other executive oriented programs expressed some concern over the youthfulness and lack of corporate work experience of some of their faculty. This type of comment is not unique to programs at Foster but possibly could be helped by staffing pressures brought on by unanticipated exits among senior faculty due to the financial crisis. Related to one possibility discussed earlier in our report, this type of situation is often improved by the presence of a clinical or professional practice faculty track for these faculty tracks generally increase a school's ability to attract Ph.D. qualified individuals who have also held high level positions in corporate life. These faculty who have in essence lived dual lives, with part of their career in academia and part of their career in corporations, are generally very much appreciated by executive level student populations. One other comment stands out in the student survey, one that again is not unique to Foster. This is the increase in calls for enhanced career counseling services for students in executive and evening graduate programs. While these program segments have historically been populated by employed students planning on progressing in their current organizations, these programs increasingly are populated by students seeking a more fundamental change to their career path or who are currently without employment that they view as adequate. From our discussions, we believe that Foster leadership is aware of this issue and considering whether to ramp up career management support to these program segments.

### **Conclusions and Recommendations**

Simply put, the Review Committee concludes that the Foster School of Business is doing well that which they should be doing. In this report we have tried to highlight some of what the School is doing well and to provide suggestions on what they can do better, as well as ways in which the University of Washington can assist the School.

The Committee recommends that all degree programs currently offered by the Foster School of Business at the University of Washington be granted continuing status. Consistent with institutional policy at the University of Washington, we recommend that the School be permitted a ten year period before the next review.

Based upon our review activities, we further recommend that:

1. The University and the School move as aggressively as possible to resolve faculty and staff salary issues resulting in salary compression and inversion and putting the School's competitive standing seriously at risk. We realize that this is a system wide situation of which the institution's leadership is well aware, and we applaud the leadership for the manner in which the crisis has thus far been handled. We underline the severity of the situation and repeat our sense that the stakes are high, that the situation is dire, and that should a systematic exit of talent commence, that it could be most difficult to stop and from which to recover.

2. The University and the School seriously explore instituting some type of undergraduate program fee or college specific tuition supplement as a funding source for growing the faculty to address student concerns around elective availability and for financing important enhancements such as the launch and maintenance of Foster School specific undergraduate career management services.
3. The School actively monitors and addresses the competitiveness of the support package (stipend and teaching workload) offered to Foster Ph.D. students, recognizing quality of entering students to be a significant contributor to faculty research productivity and to Ph.D. student placements in Research I institutions.
4. The School examines its past practices and its current opportunities for proactively increasing the gender diversity in its leadership ranks. Where efforts have been made in the past and opportunities extended but declined, there may be opportunity to learn from further diagnosis and evaluation.
5. The School consider possible adjustments to its faculty performance management system, possibly addressing tenure track faculty perceptions as to its mechanistic approach and non-tenure track faculty concerns as to whether the system adequately recognizes valued non-teaching contributions.
6. The School and the University assess whether establishment of a clinical or professional practice faculty track might be an appropriate mechanism for addressing career aspiration goals of highly performing non-tenure track faculty and the concerns of some executive students about the work experience level of some faculty teaching in their programs.
7. The School re-examine its communications and promises related to the availability of faculty summer support beyond the initial hiring contract, making sure that expectations are being set with mutual understanding.
8. The School continues to nurture the truly extraordinary efforts and accomplishments of the School's Centers, these Centers being well aligned with the strategic direction of the School.
9. The School seriously considers the relatively few student concerns raised in the GPSS survey and highlighted in this report, with the goal of acting on those items which can improve further on the already very high satisfaction expressed by Foster students.
10. We note that the School has identified a strong market niche, taking advantage of the characteristics of the Seattle workforce to provide graduate business training to students with superior quantitative and engineering skills. We also approve the School's move to create a specific Business School career services center to link graduates with these rapidly-changing

professional markets. We might add a recommendation noting that we commend their expansion of business-related career services.