

Dean Whitaker Named U-M Provost

# Dividend

*The Magazine of the School of Business Administration • University of Michigan • Fall 1990*



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Dear Alumni and Friends,

This will be my last letter to you in *Dividend* as Dean of the Business School.

While I look forward to the challenges of my new post of University Provost and Vice President for Academic Affairs, I leave the Business School with considerable regret. My tenure here has been the most satisfying experience of my professional life, and with your help and support and the efforts of our excellent faculty and staff, we have worked hard at the task of improving our excellent school. I believe we have succeeded even though much always remains to be done.

Over these years, the School has received a great deal of support from our alumni, corporate friends, and others who care about business education. I am not talking about financial support alone. I am also referring to the hours of time donated by devoted volunteers. This reservoir of support has encouraged us to set our sights high, and will provide a powerful base on which the School can build for the future.

I believe that the next decade will be a truly rewarding one in the history of the Michigan Business School. As a former Dean, I look forward to observing and enjoying its continued progress.

Sincerely,

Gilbert R. Whitaker, Jr.

# Dividend

Dean Whitaker Becomes U-M Provost	2
Managing Turbulence, Downsizing and Decline	4
An interview with Professor Kim Cameron, who has spent many years studying the management of conditions of decline, and who has identified 12 characteristics that appear when turbulence and decline are not well managed.	
A Trial Run for the Ph.D. in Business <i>By Jeanne Fitzgerald</i>	8
The Business School hosts a national program to encourage minority students to consider college teaching careers.	
The David Plaza	12
Our front entrance has now been transformed into an inviting plaza in memory of Edward David, who received his BBA here in 1948.	
U-M's Solar Car Wins GM Sunrayce USA	14
The <i>Sunrunner</i> will now go on to compete in the World Solar Challenge in Australia.	
Michigan in Brussels <i>By Kathy Hulik</i>	17
Business education on both sides of the Atlantic and the changing nature of global competition were topics during two days of events held in Brussels.	
And Now, Groupware!	20
A new technology suite at the Business School will help researchers answer questions about the nature of group work.	
Michigan in the Media	22
The Game in the Mind of the Manager <i>By Eric Flamholtz, Ph.D. '69, and Yvonne Randle</i>	24
How well you manage three key inner needs can have profound effects on your career.	
Among Ourselves	28
Faculty News Notes	33
Class Notes	35

Ivelisse Gaya, a marketing major at the University of Puerto Rico, was one of 30 minority students to take part this summer in the first national Summer Minority Institute, designed to encourage minority students to go on to doctoral programs in business. For more on the program and the students who attended, see page 8. (Cover photo by Gregory Fox.)

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# Dean Whitaker Named U-M Provost and Vice President for Academic Affairs

**D**ean Gilbert R. Whitaker, Jr. has been appointed provost and vice president for academic affairs of the University of Michigan.

Whitaker was recommended for the position by President James J. Duderstadt and approved by the Board of Regents at its July 19 meeting. He succeeds Charles M. Vest, who is leaving the U-M to become president of the Massachusetts Institute of Technology.

"We are extremely fortunate to be able to call on someone with the credentials of Dean Whitaker for this important assignment," Duderstadt said. "Dean Whitaker is an energetic and visionary leader with a deep commitment to academic excellence. He will bring to the Provost's Office an unusually thorough understanding of the University, coupled with a deep commitment to our most important academic values and traditions. He and I have worked closely together over the past decade, so we have already developed a relationship characterized by cooperation, openness and trust.

"For the past eleven-and-a-half years Gil Whitaker has provided outstanding leadership for the School of Business Administration," Duderstadt continued. "His strong personal vision has helped to make



the School one of the top schools of business in the country."

In the process of making this decision, Duderstadt said he met with individual deans, faculty members, and members of the faculty Senate Advisory Committee on University Affairs. In addition, a letter to faculty members seeking advice on the provost selection brought more than 200 responses, Duderstadt said.

"This is an excellent appointment," said Professor Robert A. Weisbuch, chairman of the Department of English and a member of

the provost search committee. "Gil Whitaker has a deceptively quiet dynamism, and treats people with an appreciation for individuality that anyone would enjoy.

"In working with Gil on committees and task forces, I have been impressed by his interest in the ways institutions can encourage creativity and sensitivity in individuals," Weisbuch said. "He and his wife are both tuned into the liberal arts and the humanities."

Whitaker's tenure as dean of the Business School has been marked by strong faculty recruitment and development, a dedication to a diversified student body, increased fund-raising, and a commitment to interdisciplinary intellectual activity.

Under his leadership, the School has developed 16 joint degree programs, increased its faculty size from 71 to 122, and added three new buildings — the Kresge Business Administration Library, the Executive Education and Computing Center, and the Executive Residence. During his deanship the endowment of the School increased from \$3 million to \$25 million. This fall over 25 percent of the MBA student body is expected to be made up of minority students, the largest percentage of any major business school in the country. Last fall the School's MBA program was ranked sixth in the

country in overall strength by *Business Week* magazine.

"I welcome the opportunity to serve the University as provost and vice president for academic affairs," Whitaker said. "Our principal challenges will be to manage our resources so we can enhance the intellectual vitality of the institution, and to promote intellectual respect and cooperation across disciplines. These will be years of great challenge and great promise, and I look forward to them."

In discussing his time at the Business School, Whitaker said, "I am most proud of the intellectual development of the School during my tenure. We have brought first-rate faculty to Ann Arbor, and the research productivity of the School is now at an all-time high. And I am proud of our splendid record in minority enrollment. We made it a priority, developed a long-term program, and worked hard at it."

"Gil Whitaker has led the Business School through a remarkable period of growth and development," said B. Joseph White, former associate dean and now interim dean of the School. "In the process, he has earned the trust, respect, and gratitude of our faculty and staff, students and alumni, and many friends."

"Gil has very high academic standards and supports excellence in both teaching and research. In this sense, he is a strong advocate of both faculty and students. The University will benefit tremendously from Gil's leadership in the coming years."

Whitaker, a native of Oklahoma, earned a B.A. in economics at Rice University in 1953, and an M.S. and Ph.D. in economics from the University of Wisconsin. His academic specialty is managerial economics, and he is co-author of "Business Economics: Principles and Cases," a leading textbook in the field for over 20 years. In 1989 he was honored as a distinguished alumnus by Rice University.

Before joining the Business School as dean in 1979, Whitaker

was dean and professor of business economics at the M.J. Neeley School of Business at Texas Christian University, and associate dean and professor of business economics at the Graduate School of Business, Washington University in St. Louis. He began his academic career as a

## B. Joseph White Named Interim Dean

**B. Joseph White, who has been appointed interim dean of the School, joined our faculty in 1987 as associate dean, and in that post was responsible for the MBA and BBA programs, faculty development, and information resources. His teaching and research interests are in the areas of quality, human resource management, and management education. He is a core faculty member of the School's Executive Program, lectures in the Manufacturing Executive Program and Human Resource Executive Program, and teaches an MBA course on quality.**

**White is a member of the 1990 board of examiners for the Malcolm Baldrige National Quality Award, and a member of the boards of directors of Gordon Food Service, Inc., Three D Inc., the Cummins Engine Foundation, and the Kaleel Jamison Foundation. He is also a member of the Advisory Council for Human Resources of The Conference Board.**

**Before coming to the University of Michigan in 1987, White served as vice president of personnel and public affairs, Cummins Engine Company, Inc., from 1984-87. He was vice president of management development at Cummins from 1981 to 1983. Before joining Cummins, he was assistant professor and then associate professor at the Michigan Business School.**

**White received his B.S. from Georgetown University, his MBA from the Harvard Business School, and his Ph.D. from the University of Michigan.**

**White will serve in an interim role while a U-M committee conducts a national search for a permanent business dean.**

faculty member of the School of Business (now the Kellogg School of Management) at Northwestern University.

Whitaker has been a leader of a number of professional organizations in management education. He served as president of the American Assembly of Collegiate School of Business in 1989-90; chairman of the Washington Campus Program, an educational consortium of leading business schools, in 1985-88; and chairman of the Graduate Management Admissions Council in 1974-75, among many other positions.

He has also been active in community affairs, currently serving as vice chairman of the campaign cabinet of the Washtenaw County United Way, and a director of the University Musical Society. He is also a member of the board of directors of several corporations.

Within the University, Whitaker has served on a number of committees and executive bodies, including the advisory or executive boards of the Gerald R. Ford Library, the Michigan Historical Collections, and the School of Information and Library Studies. He has also served on the executive committees of the Institute of Public Policy Studies and the Institute for Social Research. Most recently, he chaired the University Task Force to Study the Costs of Education.

Whitaker married Ruth Tonn in 1953. She has a bachelor's degree in English and psychology from Washington University. She has been active in civic affairs in Ann Arbor, and currently serves as vice president/president-elect of the Ann Arbor Women's City Club, secretary of the Ann Arbor Summer Festival, and is a current member and former treasurer of the Ann Arbor Thrift Shop Associates.

The Whitakers have three children: a daughter, Kathleen, of Canton, MI, and two sons, David and Thomas, both of Ann Arbor.

ID

# Managing Turbulence, Downsizing and Decline

*An interview with Kim S. Cameron  
Professor of Organizational Behavior and  
Human Resource Management*

effective downsizing is a transformation of the firm's culture as much as it is a reduction in personnel," says Professor Kim S. Cameron, whose most recent study of downsizing in the U.S. auto industry identified several paradoxical processes characteristic of effective downsizing. "Unless management is very good, the employees can perform worse after cutbacks. In only five or six of the organizations I studied did I see a marked increase in productivity. In all the rest, performance went down."

Cameron, who has spent many years studying organizational downsizing and redesign, the management of conditions of decline, and organizational effectiveness, has identified twelve characteristics that appear when turbulence and decline are not well managed. In this interview, he discusses his research into various aspects of organizational effectiveness. His studies on these topics have centered on the tobacco industry, institutions of higher education, and the auto industry. He is the author of five books, including *Coffin Nails and Corporate Strategy* and *Paradox and Transformation*. He received his BA and MS from Brigham Young University, and his MA and Ph.D. from Yale. He joined our faculty in 1984.

*>^ Let's begin by talking about your most recent research on downsizing.*

**A I recently completed a three-year study** involving 30 firms related to the auto industry, all of which were engaged in downsizing. Almost all downsized during the years of the study, and many were planning to downsize in future years as well. The smallest of these organizations employed about 100 employees; the largest employed over 6,000. We interviewed the CEO in each of these firms four times during the three years, with each interview lasting about two hours. We also collected about 2,500 questionnaires from white-collar employees asking for perceptions of strategies, corporate culture, leadership, and outcomes of downsizing.

*V^, And what did you find?*

**A One of the purposes of the research** was to look at the differences between effective and ineffective downsizing. Ineffective downsizing produces what we call "the dirty dozen" — that is, twelve dysfunctional organizational attributes we found in our studies of organizations going through turbulence and decline. They also appear when the downsizing process is not well managed. (See chart on page 6). Effective downsizing turned out to be a paradoxical process.

*V^ What do you mean by "a paradoxical process"?*

**A Paradoxes exist when two** apparently incompatible or contradictory processes are present at the same time and are equally true. Our research showed that the presence of paradoxical implementation processes seemed to be the best overall descriptor of the difference between effective and ineffective firms that are downsizing.

*V^, Can you talk specifically about the paradoxes you found?*

**A Yes. We found six general propositions** that highlighted the best practices; all of them are paradoxical. One was that the most successful downsizing was implemented from the top down as well as from the bottom up. Effective downsizing was managed and led by top managers; it did not happen on its own accord. On the other hand, the best downsizing strategies were recommended and designed by employees, not top managers. In other words, it took bottom-up analysis to identify innovation and improvements that would not have been possible if top management simply mandated headcount reductions. But the improvements identified by bottom-up analysis needed to be coupled with top-down assurance, motivation, and mandate to implement them.

V<sup>^</sup> *What did your research show about downsizing across-the-board?*

A Again, that was paradoxical. We found that the most successful downsizing used short-term and across-the-board downsizing practices as well as selective and long-term downsizing processes. Across-the-board cutbacks were an effective means of capturing employees' attention, mobilizing the energy of all the organization's members, and overcoming resistance to change by highlighting the seriousness of conditions faced by the firm. On the other hand, nonprioritized downsizing was similar to tossing a grenade into a crowded room. There could be little systematic prediction of who would be eliminated, and several undesirable consequences resulted.

><sup>^</sup> *Can you give an example of a consequence of the "grenade" approach?*

A Sure. In one firm where incentives for early retirement were offered as a way to reduce the workforce across-the-board, more workers took advantage of the program than had been estimated, and by and large, the most competent and most marketable employees were the first to leave. In one case, a person who had been with the organization for 30 years was the primary agent for ordering steel. Over the years, modifications in the types of steel and alloys being ordered had been made, but changes in the written specifications had not kept pace. Shortly after this purchasing agent left, an order was placed unknowingly for the wrong kind of steel. This eventually produced a \$2 million loss in downtime, rework, and repair. The organizational memory, as well as the expertise needed to do the work, was lost without any chance of replacement or retraining because of the non-prioritized method used in downsizing.

V<sup>^</sup> *What other differences did you find between effective and ineffective downsizers?*

A The most successful downsizing; involved managing the transition

both for employees who lost their jobs and for survivors as well. Effective downsizing firms provided outplacement services, personal and family counseling, relocation expenses, and active sponsoring of employees whose positions were eliminated. But special attention was also paid to the transition experienced by employees who remained with the organization.

V<sup>^</sup>, *What problems were faced by survivors?*

A Survivor guilt was a problem in many of the firms, and in addition, practical work problems were noteworthy. As a result of downsizing, fewer employees were left to do more work and frequently to do a more complex set of tasks than before. Management burn-out was a common complaint. While outplacement support and attractive incentive packages were being provided to those leaving the organization, survivors received more work, smaller or no raises, loss of cost-of-living allowances, the same or a reduced title, as well as demands to learn new tasks and to broaden areas of responsibility.

V<sup>^</sup> *How did the successful firms handle the problems of the survivors?*

A They paid special attention to communicating. Some top managers reported going the extra mile to make sure that all employees knew of the rationale and the circumstances that initiated the downsizing effort. Openness in sharing information with employees at all levels was a priority. Data that might have been confidential before was shared with organization members so they were included in downsizing planning. Also, in organizations that downsized most effectively, changes in the human resource system (i.e., selection, appraisal, reward, development) *preceded* as well as followed the implementation of downsizing strategies. For example, in one organization, human resource training and development activities began a year before the downsizing was implemented, so that white col-

lar employees were prepared for the structural and management process changes that were to occur. In another firm, every employee attended a 40-hour training workshop on the implementation and implications of downsizing. The point is, incentives were put in place to motivate and reward survivors who faced new demands in a downsized organization.

V<sup>^</sup>, *Was all downsizing limited to just reducing numbers of employees?*

A No. We found that the most successful downsizing was internally targeted as well as externally expansive. Firms that downsized effectively used a surgical procedure. That is, they identified precisely where redundancy, excess cost, and inefficiencies existed within the organization, and they attacked those areas specifically. On the other hand, they also were expansive in that they included the entire system of suppliers, customers, and distributors in planning and implementing downsizing. For example, one firm reduced the number of suppliers from 28 to one, but then they involved that one supplier in most aspects of design, production, marketing, and service of the final product. So in addition to surgical internal downsizing, these firms also approached downsizing as a system concept.

V<sup>^</sup>, *Did large firms downsize differently than smaller firms?*

A The best downsizing was associated with the advantages of both small and large organizations. Effective downsizing created unit managers who were empowered with the necessary discretion and control over resources to improve efficiencies and contain costs at their small organization level. At the same time, efficiency was enhanced by centralizing some functions and creating large organizations. For example, the information processing function was taken away from geographically dispersed subunits in one organization to form a huge centralized system. Savings were estimated at tens

of millions a year in eliminated duplication costs. So we saw the successful formation of simultaneous small and large organizations during downsizing.

V^ Were there any other differences worth mentioning?

A At least one other process was noteworthy. The most successful organizations emphasized downsizing as a means to an end as well as a targeted end in itself. Faced with an unequivocal need to retrench, the most effective firms on the one hand targeted downsizing as the central,

critical outcome, and on the other, treated downsizing as just one in a cluster of strategies designed to achieve organizational improvement. Downsizing was embedded in an approach to quality that helped make downsizing a means to an end.

V^, Can you talk a little about this approach to quality?

A Yes. When a firm focuses on error detection, it mainly emphasizes inspecting and detecting errors. The goal is to avoid poor quality, to reduce waste, and to find and fix mistakes. When a firm focuses on error

prevention, the goal is to produce zero defects. The emphasis is on finding root causes, adjusting the processes that produce the outcomes, and responding to customer preferences. When a firm focuses on creative quality and continuous improvement, it emphasizes reaching levels of quality never before obtained. The most effective firms in our study coupled downsizing with error prevention and/or a creative approach to quality.

V^ / believe you said that the approach to quality was a predictor of how well downsizing was being managed.

A A continuous improvement mind-set is the same as a continuous downsizing mentality. It says: we're going to do this tomorrow with fewer resources than we did today; faster than we did today with fewer people and less money. These attitudes lead to continuous downsizing, and all that translates into higher productivity if it is well managed. The best quality is consistent with this kind of downsizing mentality. It takes a long-term improvement view as well as a short-term headcount reduction view. Many organizations in our research implemented only short-term strategies when they decided they had to downsize. A few did medium-term organization redesign, but very few used long-term improvement strategies.

V^, What distinction do you make, if any, between downsizing and organizational decline?

A Organizational decline refers to the involuntary loss of resources, generally revenues or market share. Downsizing refers to intended reductions of personnel. Downsizing may be implemented when the organization is growing as well as when it is declining, so downsizing and decline are not necessarily correlated. It was while we were doing research on organizational decline that we identified the twelve dysfunctions that we nicknamed "the dirty dozen."

## THE DIRTY DOZEN

### (Dysfunctional Consequences of Turbulence and Decline)

<i>Attributes</i>	<i>Explanations</i>
Centralization*	Decision making is passed upward, participation decreases, control is emphasized.
No long-term planning*	Crisis and short-term needs drive out strategic planning.
Innovation curtailed	No experimentation, risk-aversion, and skepticism about non-core activities.
Scapegoating	Leaders are blamed for the pain and uncertainty.
Resistance to change	Conservatism and turf protection lead to rejection of new alternatives.
Turnover*	The most competent leaders tend to leave first, causing leadership anemia.
Low morale	Few needs are met, and in-fighting is predominant.
Loss of slack\$	Uncommitted resources are used to cover operating expenses.
Fragmented pluralism	Special interest groups organize and become more vocal.
Loss of credibility	Leaders lose the confidence of the subordinates.
Nonprioritized cuts*	Attempts to ameliorate conflict lead to attempts to equalize cutbacks.
Conflict	Competition and in-fighting for control predominate when resources are scarce.

\* Top management responses to decline.

f Organization member responses to decline.

\$ Characteristic of both top management and organization member responses.



>£, Will you talk a little more about "the dirty dozen"?

**A** Our research showed that "the dirty dozen" or the twelve dysfunctional organizational attributes, manifested as strongly under conditions of stability, or decline-as-stagnation, as they did under conditions of absolute decline, or decline as cut-back. Only institutions with growing revenues appeared to avoid them. This suggests that an important distinction for managers as well as researchers is between growth and non-growth, rather than the one between decline and non-decline now prevalent. Non-growth, unless well-managed, produces the dirty dozen.

V^, And what about turbulence? How do you differentiate that from decline?

**A** Turbulence exists when changes faced by an organization are non-trivial, rapid, and discontinuous. A clear conceptual distinction should be made between the *rate* of change and the *unpredictability* of change. The rapid and hard-to-predict change that is characteristic of turbulence is different from the substantial, absolute decrease in an organization's resource base over a specified period of time that is characteristic of decline. However, both turbulence and decline are associated with uncertainty, and uncertainty leads to "the dirty dozen" if it's not well managed.

V^, But you found a fascinating difference in the way "the dirty dozen" manifests in organizations, depending on whether they are going through turbulence or decline, didn't you?

**A** Yes. Attributes in "the dirty dozen" that are characteristic of top-manager responses were significantly affected by turbulence but not by decline. That is, significantly more centralized decision making, absence of long-term planning, non-selective cuts in resources, top-administrator turnover, and loss of leader credibility occur when high turbulence is experienced by the organization.

V^, And what about conditions of decline?

**A** Organization member responses are most powerfully associated with decline, but not with turbulence. They include: more scapegoating of leaders, resistance to change, low morale, fragmented pluralism, withdrawal of leader credibility, conflict, and curtailment of innovation. Our research implies that the *source* of the uncertainty can have differential effects on different parts of the organization. Who bears the costs of different forms of uncertainty? During times of turbulence, the brunt of the consequences of uncertainty falls on top management and the buffering function of top management is activated.

V^ You have said that decline can be both a good thing and a bad thing. Would you explain what you mean by that?

**A** Decline can serve as a **motivation** to think about the business in new ways. But in our research only about 30% of the cases actually admitted they were declining. The other 70% used various methods of denial, ranging from arguing with the numbers, to calling decline by other (and softer) names. The power of calling it "decline" is that you create readiness to change. The downside may be that you cause people to feel threatened. Decline can wake us up and create humility. It can also create the threat rigidity response and "the dirty dozen." One danger in decline is when it's incremental — so that a crisis is not created; the issues are not forced; and therefore people don't start *managing* the decline.

\J Can you expand on that a little?

**A** Yes. Much management literature has a set of certain prescriptions that are suggested. The problem with many of them is that they don't capture the real complexity that appears in the life of managers. You have to be both soft AND hard, know what's going on inside

AND be focused outside on factors that need to be monitored, so that you need to be both internally AND externally focused. You also need to have both short-term reactions AND long-term cultural changes. Whether decline results in positive or negative outcomes can depend on how it is managed.

>^ You have said that decline and the dysfunctional attributes of organizations ("the dirty dozen") are related. But how do we know whether decline causes them; or whether the dysfunctional attributes themselves cause the decline?

**A** Of course, without longitudinal data it is impossible to determine which theoretical explanation is valid — whether decline causes dysfunctional attributes or vice versa. Most likely, both are at least partially true. By clarifying the concept of decline, however, and separating it from related concepts, research will make it possible to investigate this question. I would like to see the research expanded both beyond the auto industry and beyond the U.S. We are going to have a lot of change in the post-industrial environment. Some of it will be unpredictable change (turbulence). Downsizing will stay with us for the future. We simply can't continue to expand. Decline is also going to be with us. If we're going to cope with any of these factors, we have to learn how to manage them effectively. Practicing managers as well as organization theorists will benefit from researchers paying attention to issues of causality. Another productive avenue for research is to investigate cultural changes and long-term changes produced by downsizing.

## II

# A TRIAL RUN FOR THE PH.D. IN BUSINESS

*The Business School Hosts a National Program to Encourage Minority Students to Consider College Teaching Careers*

By Jeanne Fitzgerald

**W**hat do you get when you throw two and a half dozen high-achieving, ambitious, individualistic, minority group undergrads together for six weeks? You get a "marvelous," "amazing," "challenging," "wonderful," "stimulating," "great," "interesting," "go-go-go," and "sleepless" experience that the 30 vow they will remember for a lifetime.

What's more, their experiences at the Minority Summer Institute hosted by the Business School have provided at least some of these young adults with a clearer picture of what to do with their skills and intelligence after they graduate.

The purpose of the Institute is to encourage promising Black, Hispanic and Native American students to think about going into business doctoral programs and faculty careers. The six-week program was structured to provide the participants with a substantive and well-rounded look at the demands, responsibilities and rewards of an academic business career.

"They did a great job of accomplishing their immediate goal which was to get minority students interested in a Ph.D. program," says Alvin Jackson, a finance major from Tuskegee Institute in Tuskegee, Alabama. Jackson, who describes himself as systematic, logical, laid back, and observant, reads *Barron's* daily and is interested in financial investing.

Clearly set on going for his MBA after graduation, he is now "seriously considering" a Ph.D. after that, something he had never thought about before entering the program. "I like the idea of working in a university setting," he says, "knowing that I was contributing something to the human race."

The idea for the Minority Summer Institute originated at the American Assembly of Collegiate Schools of Business (AACSB), which was concerned about the low representation of minorities in business doctoral programs. In 1989, of U.S. citizens graduating from such programs,

only 2.2 percent were Black and 0.7 percent were Hispanic. There were no Native Americans graduating.

The Institute, funded by a \$1.2 million grant from the Graduate Management Admission Council (GMAT), with oversight by the AACSB Minority Opportunities Committee, could also help to raise the number of doctoral faculty in business schools, where a 15 percent vacancy rate for such posts has been the norm for several years. The University of Michigan was selected from among eleven AACSB member schools that applied to serve as host campus for the Institute.

From among 367 applications sent in by students attending 150 colleges and universities, a five-member selection committee found the academic stars they were looking for. Nineteen Blacks, ten Hispanics and one Native American — 15 men and 15 women — were chosen to attend this first Institute.

Since spending the summer in Ann Arbor, Ivelisse Gaya, a marketing major at the University of Puerto Rico, is even more certain about what she wants to do. "I think this is a great program. I learned so much! I want to enter a Ph.D. program after I graduate and do research on how consumers react to advertising," she says. She definitely plans to apply to Michigan, but adds that she is open to any opportunity that comes her way.

Striking, green-eyed, with a drop-dead smile, Gaya has been entering beauty competitions since age 5 in Puerto Rico. She attributes some of her interest in consumer response to her experience as a beauty queen. "We had to be very sensitive to how people would react to a presentation," recalls Gaya. She learned a lot of "people" skills, which, fused with her strong math capabilities, pointed to marketing research as a career interest.

Both Taylor Cox, assistant professor of organizational behavior and human resource management and George Siedel, professor of business law, the Institute's Director, feel confident that some of the students will apply to Michigan's Ph.D. program. "We hope that they will enter

other business school Ph.D. programs, too," says Cox, "so eventually we can recruit them onto the faculty here."

"One thing that impressed me was a presentation by one of the teaching assistants who is currently in the Michigan Ph.D. program," says William Faucette, a Rochester, New York native who is going into his fourth year at Stanford. "A lot of people take the angle that getting a Ph.D. is sort of a necessary evil. This guy was really excited about what he was doing. He wouldn't have it any other way. He showed us articles he had helped write. I really got a lot out of listening to him."

Already planning to go on to law school, the soft-spoken, thoughtful Faucette is now considering a double degree in law and business. He's been inspired by Robert Thomas, a member of the Institute's faculty, who holds those two degrees. Thomas taught one of its two for-credit courses entitled "Economics of Consumers, Firms, Organizations, and Markets."

Thomas found the 30 to be very enthusiastic, eager, and game to try anything. The course was geared to the Ph.D. level and covered sophisticated techniques such as game theory and event studies.

Working in groups, the students did an event study on "poison pills" (maneuvers by a corporation's management in response to a threatened hostile takeover). Although the data had already been gathered and a packaged program was applied to its analysis, "they had quite an experience in getting the data up," says Thomas. "It ended up giving them a more realistic sense of the frustrations of research than I had originally intended."



**IVELISSE GAYA:**  
Born and raised in Mayaguez, Puerto Rico. Attends University of Puerto Rico, Mayaguez. Marketing major. Interested in the impact of advertising on consumers; effects of supervisors knowing employee's native languages; responses of consumers to presentations; marketing research in general;

teaching. Did summer internship in Milwaukee in English language during freshman year in college. Competitor in beauty contests and model since age 5.

*Future plans:* Wants to enter Ph.D. program after graduation next year. Plans to apply to Michigan.

Most of the students in the program were not familiar with MTS (Michigan Terminal Systems — the U-M's mainframe computer system). Combined with their lack of experience in data analysis, the project became a real pressure cooker towards its finale.

"I went into this cold-turkey," says Karen Allen, whose major is Japanese at her home university, Arizona State. "It was all new for me. Fortunately we had a few geniuses among us who were more than willing to share their

knowledge and manipulate the numbers provided we treated them to a beer. We all had the same goal and nobody wanted to see anybody go down. Plus Dr. Thomas was very compassionate."

Academics was just one of the components packed into a very full six weeks. Every Friday the group attended a seminar led by faculty members from the U-M and other leading business schools. One of the Friday seminars covered preparation for the GMAT (Graduate Management Admissions Test). A few of the speakers hailed from outside of academe, too.



**WILLIAM FAUCETTE:**  
Born and raised in Rochester, New York. Attends Stanford University in Palo Alto, California. Economics major. Moonlights as a deejay for campus radio station. Is also interested in writing. Member of Omega Psi Phi fraternity.

*Future plans:* Go on to graduate education. Is looking at getting both law degree and Ph.D. in business.

"Meeting these people was very important for networking," says Luis ("Andy") Garcia, an accounting major from Colorado State University in Fort Collins, Colorado. "Plus I now feel much more confident about applying for a Ph.D. program because I understand what it takes to go for a doctorate."

A slender, intense man with a probing intellect, Garcia is fascinated with accounting because he sees it as the language of the business world. People who understand accounting understand business, says Garcia, noting that several important CEOs — Lee Iacocca included — have accounting backgrounds.

Weekends and evenings were packed with planned and unplanned social events. Institute students went everywhere from Top of the Park to Greenfield Village to Cedar Point. The entire group went to Detroit to hear Nelson Mandela speak when he was there.

"Adding these social activities to the program acknowledged us as complete people," observes Garcia. He also enjoyed hanging out a little in Ann Arbor. "I loved hearing lofty conversations and grand ideas being shared in cappuccino shops by people from everywhere in the world," he says.

Dave Wooten, a Black Ph.D. student in marketing who was the resident advisor at Markley Hall where Institute students lived, saw yet another side of them. When he heard about their backgrounds — an overall 3.46 grade point average, many of them first in their college classes — he thought he was going to have a quiet summer with a bunch of "nerdy bookworms."

"They sure surprised me!" says Wooten. "They were really interesting people in addition to being very

smart." One was a track coach, another was on a diving team, another a disc jockey on a college radio station, another a karate expert.

Wooten greeted more than one morning with bags under his eyes because he had been up with the group until 3 a.m. engaging in heated discussions on "everything imaginable."

"I've worked with undergraduates before," says Wooten, "but never with people of such high caliber. I miss them and I never expected to become attached. The group became very close-knit. I've been asked to do this next year, and I've said I would love to."



**KAREN ALLEN:**

Grew up in Tempe, Arizona. Attends Arizona State University in Tempe, Arizona. Interested in languages. Speaks Spanish, French, German. Japanese major. Spent 9 months studying in Japan. Is interested in teaching and working with

- underprivileged children of all

« ^ . H races and cultures.  
*Future plans:* Graduate degree in education. Possible MBA in international business arena.

Everyone involved in the program mentioned the esprit de corps that evolved in the group. "We learned a lot from each other," says Shelley Woods who hails from Tufts University in Medford, Massachusetts. "We were 30 minorities, all from different areas and cultures." Woods, a chemical engineering major/engineering management minor, is Black and comments, "I never knew a lot of Hispanics or the problems they've faced. I think the Hispanics in the class learned a lot from the African Americans too. We had a lot of discussions about racism, but we don't all think alike, even though we're all minorities."

As the only person of Native American heritage, Karen Allen was a minority of one within the Minority Summer Institute. A woman of strong opinions, Allen sometimes found herself clashing with other people in classroom debates.

For instance, Allen does not believe that minority group members need always be hampered by a lack of role models in their lives. She says, "I never had an Indian teacher to identify with in the classroom, and I never once thought I couldn't do things because of it. I think we're selling minorities short if we think that way. It's condescending."

Others believe that role models are important in helping minority students succeed. They appreciated meeting and working with the minority faculty who presided over the Friday seminars and with Professors Thomas and Taylor Cox who taught their courses.

Passionate in his beliefs, Andy Garcia says that Hispanics do need role models. He has never had a Hispanic

professor in college, but he did have a Hispanic counselor. When the going got tough, it was this counselor that helped Garcia pull through. Says Garcia, "He made me realize that succeeding and doing well is the best way to respond to people who have offended you."

Some day he hopes to serve as a role model himself for young Hispanics, although he admits the thought is slightly intimidating. Nevertheless, he says, "I think I can make a difference if I become a college professor. I can be living evidence that minorities can succeed. I can put something back for all that's been given to me by helping young people coming up behind me."

Shelley Woods looks forward to paving the way for the next generation and says she will take it as an honor. One of the very few minority group members in her chemical engineering program, Woods is already asked to give talks to incoming freshmen at Tufts. "I tell them, if you think you can do it, you can. I'm not talking about just minorities either," says Woods. "A lot of people, Black or white, get discouraged and drop out of the engineering programs."

Woods was both pleased and surprised when she found out that 20-30% of students pursuing advanced degrees in business schools have undergraduate degrees in engineering. She too is interested in a Ph.D. program in business and "just loves" her minor in engineering management. "It's really cool to combine that with my technical background," she says. "Engineers often have problems being supervisors and managers. People with that kind of training are really needed."

Everyone involved agreed that the program met its objective of raising interest in business school Ph.D. programs admirably.



**LUIS ("ANDY") GARCIA:**

Born in South Texas, grew up in Colorado. Accounting major at Colorado State University, Fort Collins, Colorado. Likes intellectual climate of Ann Arbor.

*Future plans:* Had definitely planned to go for a master's but is now seriously considering applying to a Ph.D. program.

"What we didn't realize was that we had created an ideal academic environment with this program," says George Siedel, who directs the Institute. "When we examined what we had done over the six weeks, we saw that we had a model for what all higher education should be like," he notes.

While the students had many disagreements with each other, expressed in the classroom as well as in the Markley student lounge, on certain topics their voices spoke in unison.

Asked what inspired them to stay on their long road of accomplishment, each gave the same answer: "My parents."

Shelley Woods' parents taught her to "go for it," no matter how impossible it seemed, and to work for everything, not expecting to have things handed to her. She gives them a lot of credit for staying together for 26 years when society suffers from a divorce rate of 50% or better.



**SHELLEY WOODS:**

Born and raised in Providence, Rhode Island. Attends Tufts University, Medford, Massachusetts. Chemical engineering major, engineering management minor. Went through "Times Square," a competitive, statewide math and science program for minority group junior high and high school stu-

dents. Has done an internship in Photographic Sciences in industrial setting and an internship at an engineering firm. *Future plans:* Go for an MBA, work a couple of years, and consider entering a Ph.D. program.

William Faucette's parents, both teachers in an inner city school, played active roles in their students' lives and pursued professions of service without a lot of monetary reward. "I really admire them," he says.

"My parents are the best in the world," says Karen Allen. Adopted off a Sioux reservation as an infant, she says she was made to feel special and wonderful and that good values were instilled in her, something she believes is woefully lacking in many homes today.

Ivey Gaya, Alvin Jackson, and Andy Garcia all credit their parents with giving them unrelenting love and encouragement to succeed in life.

The students all voiced the same message about minority groups making it in academe and in corporate settings. "We are qualified! Just give us the opportunity."

In addition to hiring minorities, corporations and universities need to think about bringing minorities and non-minorities together to talk out issues and understand one another's positions, recommends Shelley Woods.

Consider people on their individuality and what they can do, not on the color of their skin, suggests Karen Allen. One of her pet peeves is being asked, "What she is."

This question arose constantly when she studied in Japan. "I speak Japanese reasonably well," says Allen, "so they assumed I must be at least partly Asian, since they don't think Americans can ever master Japanese. I wanted to say, 'I'm more American than most people you think are American,' but I restrained myself."

Most minorities or people of color have gotten where they've gotten because they can assimilate, believes Allen.

Realize that they have that adaptability, she says. Treat them the way you'd treat anybody else.

"In Puerto Rico we are all together, black, brown or white," says Ivey Gaya. "There's not much racial prejudice. We know people can do the same things, regardless of color."

As a Hispanic woman, she is interested in the question of whether employee satisfaction increases when a supervisor speaks the employee's native language, e.g., Spanish. Gaya plans to research the topic. "People who are going to work in international marketing departments might find that knowing the language of the target market can be useful," she reflects.

However, during the summer Institute, Gaya and her fellow Hispanics spoke English, even among themselves. "It seemed funny," she said, "but by speaking English, we weren't leaving the others out." A lot of her fellow students from the Institute are now interested in learning Spanish and plan to visit Puerto Rico.

Issues relating to cultural diversity affect all of us, not just minority group members, says George Siedel, the only non-minority person in the Institute. He put two years of hard work and effort behind the Institute because he believes that it is important for non-minorities to become involved in minority training and recruitment.



**ALVIN JACKSON:**

Grew up in Carson, California. Attends Tuskegee Institute in Tuskegee, Alabama. Majoring in finance. Wants to specialize in investing. Would like to do graduate level research in financial investing area. Likes Ann Arbor for its social and educational resources.

*Future plans:* To graduate and go for an MBA at one of the top ten business schools. Will consider entering a Ph.D. program after that.

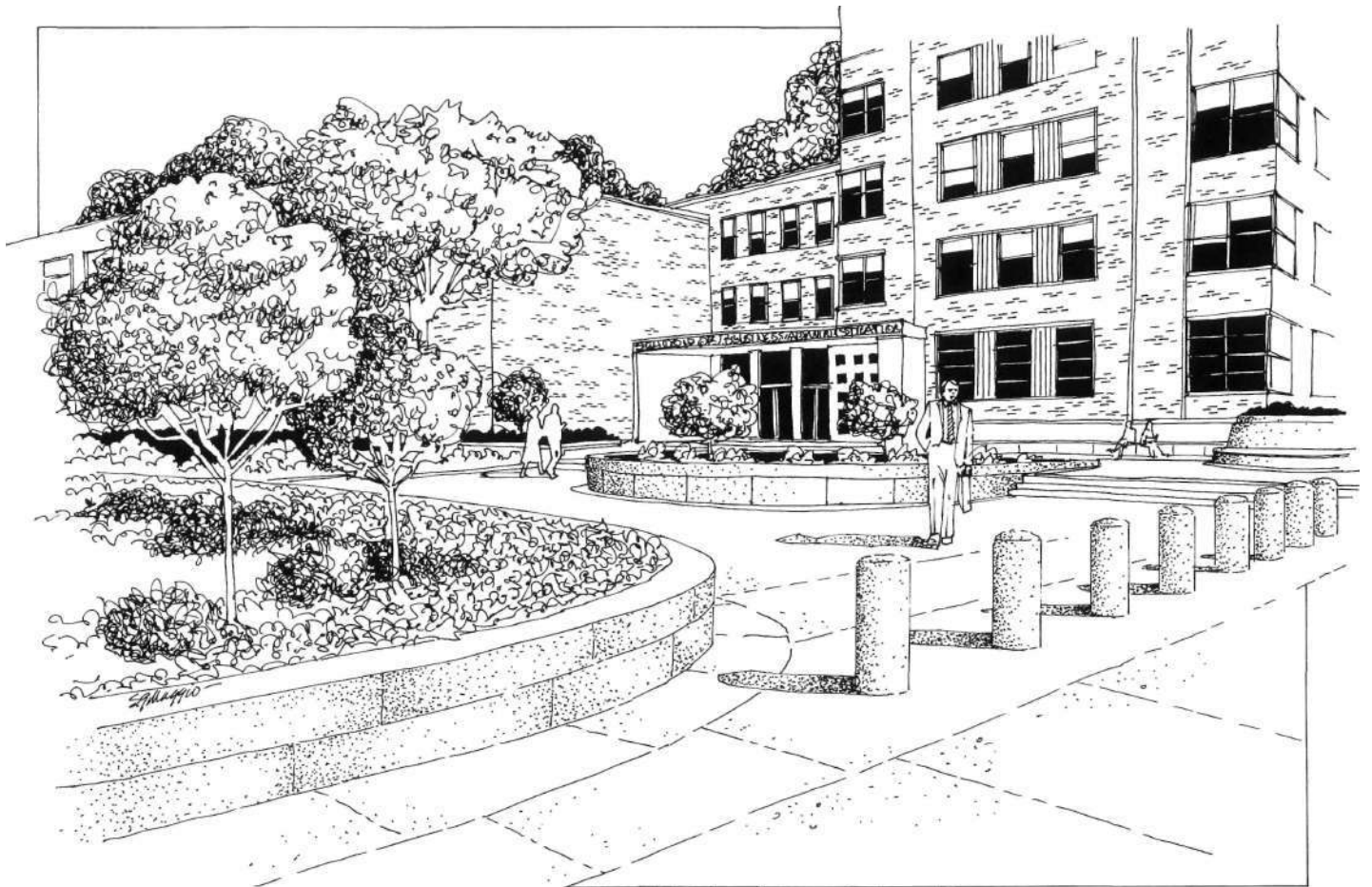
"I received the universal, enthusiastic support of the entire Business School faculty," says Siedel. "Dean Whitaker and all of us at Michigan have been concerned for several years about the low numbers of minority faculty. We were delighted when we were chosen to host the GMAC-AACSB program at Michigan for three years."

Siedel feels very positive about future outcomes resulting from the program, i.e., students from the Institute entering Michigan's or someone else's Ph.D. program. He looks forward to welcoming them back to Michigan. "My overriding impression is that these students are very bright, very well-rounded, and have strong leadership potential. They were not only a joy to be with in the classroom, but during social events as well."

**m**

# TIEE DAVID PLAZA

*Landscaping in Memory of  
Edward David, BBA '48,  
Now Beautifies Our Front Entrance*



**T**he wide (and barren) cement front entrance to the original Business School building, which had not been upgraded since the building was new in 1947, has now been transformed into an inviting plaza in memory of Edward David, who received his BBA here in 1948.

Raised beds with curving walls that contain shrubs and flowers now adorn each side of the steps leading to the entrance and are just at the right height to provide comfortable seating. The old cement has been replaced with bricks, and the limestone on the seating walls matches the original limestone. Plantings in the beds include Mary Potter crabapple trees, rhododendron and blue holly bushes, blue myrtle ground cover, tulips and red and white annuals.

Family and friends of Mr. David gathered at the Business School June 12. They unveiled a plaque that has a likeness of Mr. David on it along with the inscription, "David Plaza — In memory of Edward N. David, BBA '48, made possible by a generous gift to the School of Business Administration from the David family." Members of the family who attended the ceremony included David's widow, Marcella David; his two sons, Joseph and Roger David; his sister, Margaret Salhaney; and his niece, Beth Rinvelt, and her husband, Robert.

BBA student Roger David spoke eloquently about his father at the dedication. "I can describe my father in one word," he said. "P.R.I.D.E. Each individual letter of that word represents a characteristic my father possessed:

"The P. stands for persistence both with himself and with his family. I know I could not be where I am today if it had not been for my father's persistence in helping me to realize my potential.

"The R. is for realism. My father approached things in a no-nonsense manner. Many times he did not necessarily like what he had to do, but if it made sense he would put his own feelings aside and go through with what he was faced with.

"The I. is for integrity. There were many times my father could have taken an easier way. But with the values he possessed, he took the long route. He chose to work hard and confront any obstacle he might run into, or chance of failure, rather than take the easy way out and compromise his beliefs and principles.

"The D. stands for determination. My father was a double amputee as a result of diabetes. He walked for nine years on artificial legs. He still serviced all of his customers like nothing had happened, and went to every one of his sons' little league baseball games no matter how hard it may have been for him to walk or how painful his legs would feel at various times. He confronted the adversity of losing his legs, determined to maintain the lifestyle he was accustomed to.



Pictured at the David Plaza dedication are members of the David family. They are (from left around the plaque): Mr. David's widow Marcella; Richard Rinvelt, the husband of his niece Beth; David's son Joseph; his sister Margaret Salhaney; his niece Beth Rinvelt; and his son Roger.

"The E. is for energy. Even as my father got older, he never lost the energy needed to reach the goals he set for himself. Even the cancer and diabetes that took him from us could not extinguish this burning energy until his final breath.

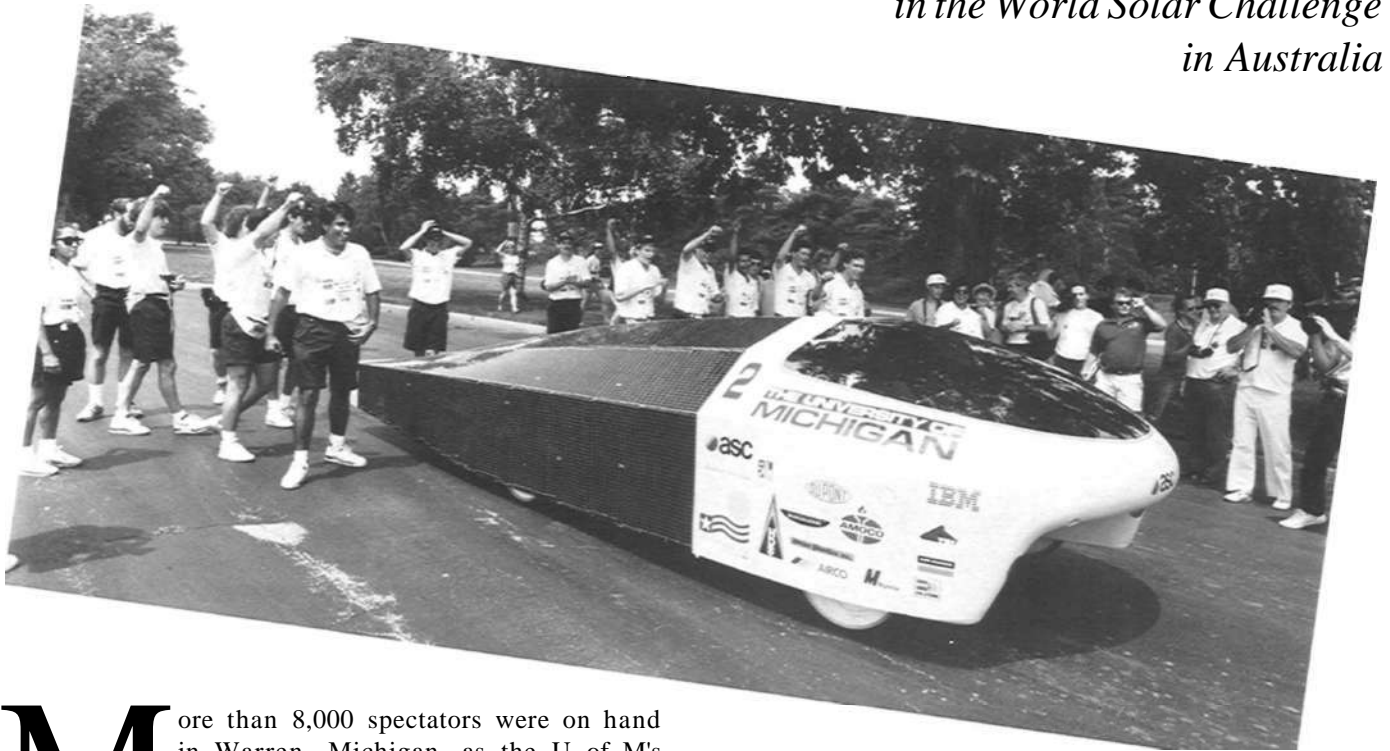
"When I think of pride, I think of two things my father was most proud of. His family, and the University of Michigan. At every football game, every campus visit, and every alumni meeting, the pride he possessed in this great institution showed through. This plaza is only a small token of love and gratitude for all that he has done for us. We love you, Dad, and always remember, as I know you will — Go Blue!!"

The David Plaza was designed by landscape architects Johnson Johnson & Roy.

*m*

# U-M's Solar Car Wins National 1,650 Mile Race

*The Sunrunner Will Now Go on to Compete  
in the World Solar Challenge  
in Australia*



**M**ore than 8,000 spectators were on hand in Warren, Michigan, as the U of M's *Sunrunner* crossed the Sunrayce finish line first. Bringing the solar car to a halt directly in front of a bank of television cameras, driver Paula Finnegan jumped out into the arms of project manager Susan Fancy, while 25 jubilant members of the team sang "Hail to the Victors."

"We're going to Australia," yelled Fancy as reporters, parents, and Michigan alumni swarmed around the U-M car to congratulate the team.

Fancy's first official act was a cellular phone call confirming the victory to President James J. Duderstadt, who was presiding over a meeting of the Board of Regents.

"For an engineer like me, this is the equivalent of making Phi Beta Kappa, winning the Rose Bowl and NCAA Basketball Championship all rolled into one," Duderstadt said. "It exemplifies the Michigan spirit — the willingness to go all out and be the very best."

The *Sunrunner* competed against 31 college teams and their sun-powered cars in the 11-day, 1,650 mile race that began at Florida's Disney World and ended at the General Motors Technical Center in Warren, Michigan on July 19.

The U-M's entry won first place in the GM Sunrayce USA by an hour and 10 minutes. There were a few scary moments when the car slipped a drive chain in Pontiac just 20 miles from the finish line. However, students were able to fix the breakdown in 15 minutes, allowing them to cross the finish line in 72 hours, 50 minutes, and 47 seconds. The second place winner, Viking XX from Western Washington University, finished in 74:10:06. The third place winner was the University of Maryland.

The top three winners will be flown to Australia, compliments of GM, to compete in the World Solar Challenge Race against cars sponsored by universities and corporations from all over the world. The race, which will take place in November, is a flat-out drag race across the desert from Darwin to Adelaide, Australia. The first car to the coast wins.

The *Sunrunner* was the result of a team effort between students at the engineering school and the business school, as well as graduate and undergraduate students from law, LS&A, journalism and natural resources. About 120 students were involved. The administrative



branch of the Solar Team included 20 Business School students and was responsible for fundraising, public relations, logistics and treasury functions for the project. That committee also coordinated all the daily activities such as meals, accommodations, and PR events in the cities along the route.

General Motors Corp. gave \$5,000 in seed money to each qualifying team, boosted by another \$2,000 from the U.S. Department of Energy. Teams had to raise hundreds of thousands more to build sophisticated machines capable of running only on the sun's power.

The budget for the solar car was thought to be about \$440,000 when Michigan was selected by GM to be one of the participating teams based on design proposals submitted in March, 1989. However, Business School and other students raised more than \$750,000.

The money raised made it possible to buy the very best solar cells — like those that generate power for satellites, and the price tag for them was about \$200,000, the largest single expense. Said Susan Fancy, undergraduate student in mechanical engineering who was the solar project manager, "There's no question in my mind that if we didn't have Business School students working on fundraising we would either have one-tenth the money we raised, or it would have taken the rest of us ten times as long to raise the money. And money counts."

Said *Time Magazine* in a story on the race, "The University of Michigan's chief innovation was to enlist students in the business school to raise funds and manage the team's financial affairs. Every school got \$7,000 in seed money from the race's sponsors, and most raised many thousands more. But Michigan's team gathered nearly \$800,000. Not only is its *Sunrunner* computer-designed and wind-tunnel-tested, but it is also assisted by a scout vehicle carrying weather forecasting equipment and by a rolling metal shop (complete with lathes and drill press) to help make any needed repairs. The Michigan racers have a computerized map of every traffic light and speed zone along the course, a film crew, and a public relations manager."

Snaking their way along back country roads, the solar powered cars drew crowds of curious onlookers at every stop. Some vehicles looked like flying saucers on wheels; others like hot dog buns suspended beneath flat panels of glossy, dark solar cells.

"Everywhere we went, we saw people line the streets, sitting on their porches or in pickup trucks," said Dave Smith, an MBA student and the team's administrative manager. "They were fascinated by the cars."

National media picked up the Sunrayce story and television cameras greeted the cars at every pit stop. Stories featuring the *Sunrunner* appeared in *The New York Times*, *Time* magazine, on the ABC evening news and in hundreds of local newspapers along the race route.

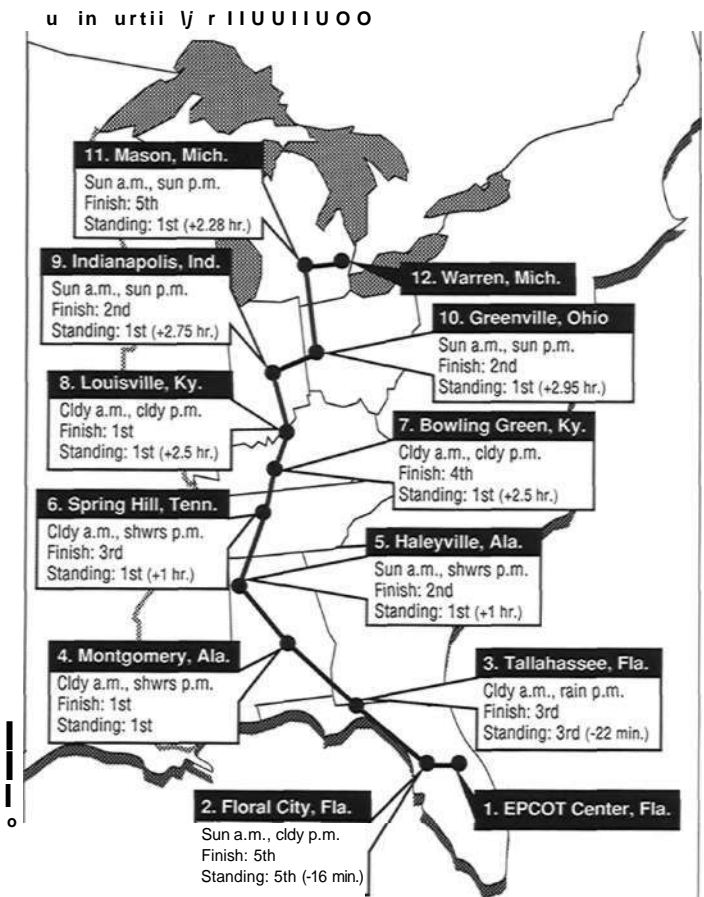
In an interview before the race, project manager Fancy said that the U-M's solar car differed from other race entries in two major ways. "It will have 30 percent more

surface area for solar cells, and in addition, will not require as much bright sunlight. You should pray for clouds," she said, "because we'll clobber everyone." Race rules limited dimensions of the panels of solar cells on top of each car, but the U-M's design also gathered light reflected from the pavement, a big advantage on the many overcast days early in the race.

Indeed, the U-M car was one of only two to cross the finish line under cloudy skies on the 4th leg of the race. The other thirty cars chose to take a nine-hour penalty and bring their cars to the finish line on flatbed trailers rather than use up energy stored in batteries. The only other car that chose to compete under cloudy skies was the *Galaxy* from MIT, which finished that leg of the race 15 minutes behind the U-M car.

Although the *Sunrunner* could achieve speeds over 40 miles per hour, it averaged just 22<sup>1</sup>/<sub>h</sub> miles an hour because, in the words of one student, "the sun doesn't always cooperate."

Energy management was more crucial than speed, and the Sunrunners had a strategy team that decided how fast the car should go, taking into account how much energy would be sapped by terrain ahead, how much energy would be produced by weather ahead, and how



Standings: '+' means lead over 2nd place, '-' means how far behind 1st place



many hours were left in the day. "We have a saying: slower is faster," said Mike McAlear, a member of the strategy team.

"The most efficient approach to conserving electricity is to try to maintain speed as constantly as possible throughout the day and between days," said David Bell, chief of the strategy team. "For example, accelerating from 20 to 40 mph and back several times takes more energy than simply cruising along at 30 mph."

The Sunrunners had a plan, and they stuck with it, no matter how bright the sun was or how many cars managed to pass them. If they thought it would be best to go 30 miles per hour while the others went 50, they did it, because it usually meant having more juice in the batteries at sundown than they had at sunrise that day.

*Sunrunner* was the only car in the field to drive every mile of every day under its own power. The *Sunrunner* team also looked after the little details to get an edge. Knowing that their solar cells collected energy more efficiently at cooler temperatures, the team constantly blasted the array with water from a squirter during charging periods and at brief roadside stops.

Michigan also was the only team to think of bringing its own meteorologists. In a white U-M van that traveled as much as two hours ahead of *Sunrunner*, three weathermen and a strategy team member used a cellular phone and a modem to download weather radar and satellite images into a personal computer. The strategy team used a customized software program written by U-M students to calculate the most efficient operating speed based on daily weather conditions, energy reserves in the *Sunrunner's* batteries and data on upcoming race terrain stored in the team's on-board computers.

When California State and Western Washington blew past *Sunrunner* in the first few miles of Day 10, the *Sunrunner* crew smiled confidently. "We know it's going to be cloudy in Michigan. They don't," said team administrative manager David Smith, first-year MBA student.

The teams that sprinted and used up battery reserves had less juice for the all-out 83-mile sprint on the last day of the race. By the end of Day 10 of the race, the skies grew dark with thunderstorms, and the nightly charging period from 6 to 8 p.m. was lost. But because *Sunrunner* had been conservative with its use of energy during the day, it had not used up its battery reserves.

Following the race, the *Sunrunner* team was honored in Washington, D.C. The car itself and other competitors were displayed outside at the Department of Energy in the morning and early afternoon on the Monday following the race (July 23), and then went to Capitol Hill for a press conference with Senate and House leaders in front of the reflecting pool. Late in the afternoon, the solar cars took part in a victory parade down Independence Avenue to the Department of Energy.

Before going into a crate for its trip to Australia sometime in October, the car will lose some weight, and the silver zinc batteries will be replaced. "It'll be ready to run a different kind of race," said David Bell, chief of the car's strategy team, who has been given much of the credit for the thrifty use of energy during the race.

In the words of GM chairman-elect Robert Stempel, who was present at the finish line, the sun-powered cars were "winners, every one. We hope many students will see this as an inspiration to develop interests in engineering and solar power. We really need them," said Stempel.

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## *Michigan in Brussels*

# Business Education on Both Sides of the Atlantic

By Kathy Hulik

Dean Gilbert R. Whitaker, Jr. emerged as the acknowledged "star" of an international panel discussing the partnership between business schools and industry, held recently in Brussels, Belgium.

Sharing the podium with representatives of a major global firm and an organization composed of European businesses and business schools, Whitaker described programs at the Michigan Business School which are meeting many of the needs cited as vital for a healthy business-academic partnership.

"Because of these partnerships, new knowledge is gained by the faculty, new knowledge is gained by the firms," Whitaker said. "We hope it spills over ultimately into the public arena, and will affect many businesses."

The discussion, "Business Education on Both Sides of the Atlantic," featured William Braddick, director general of the European Foundation for Management Development; Hugh Stevenson, director of executive management and employee development for IBM Europe; Dean Whitaker, who as president of the American Assembly of Collegiate Schools of Business, represented American business schools; and the moderator, Robert Taylor, Brussels correspondent for "The Economist."

Braddick, whose organization represents both major businesses and business schools in Europe, was willing to give the existing relationship between business schools and industry "two cheers."

"There has been much progress towards partnership," he said, "but there needs to be a great deal more." He cited a shift in thinking about how to become a good manager that entails being an active agent in your own learning. Knowledge alone is not sufficient, he said, and effective managers are not made by staying in the classroom.

"What we need is a partnership between the people whose job it is to organize formal learning, and the people who know how to help people learn at work," Braddick said. There are business schools which respond to this need by tailoring programs to specific firms, he said. There also are companies which organize courses for themselves.

"That I regard as a danger signal," he said. "These companies feel they can't get what they want from uni-

versities so they do it for themselves, not because they want to, but out of desperation because they feel they have no option. "I think we have to be very careful about these warning signs, because there's nothing God-given about the right of business schools to teach business."

One company which has organized its own courses is IBM Europe. "We talked to several different companies, to many business schools and independent consultants," said Hugh Stevenson of IBM Europe. "What we found was we had to do it ourselves. We also found that sitting and listening to people for two or three weeks once a year was not the answer. It was learning by doing.

"Based on this learning method, we constructed programs. I found it impossible to get what I wanted from a business school. But for a whole raft of reasons — keeping staff numbers low, keeping staff outward-looking, keeping staff in front of our customers — I don't want to construct my own programs.

"My vision of the future would be that I am a member of a consortium of business schools and like-minded companies, and we put programs together using outsiders mainly. What I would like to see is a very needs-based education, which is exactly what I'm doing now."

Whitaker opened his remarks by describing the "social roles of universities" as being both servant and critic of society. The servant role includes teaching and research, while the critic role can involve knowledge which may make part of society uncomfortable.

"It takes a good deal of discussion between us and our business customers to understand this dual nature of our social roles," Whitaker said. "And we in the business schools also need to know that some of our understanding and learning comes from those businesses we deal with. This interaction is critical because our state of knowledge is never complete.

"I do believe partnerships can be structured to protect the independence of the university. To succeed, they must be structured so the learning continues to take place on both sides of the table."

Whitaker described several programs at the Business School which are examples of successful partnerships. They include:

- *Prof Noel Tichy's Global Leadership Program.*

A total of 36 firms — 12 European, 12 American and 12

## *Michigan in Brussels*

# The Changing Nature of Global Competition

The Michigan Business School — Brussels Branch — opened for a day in May, as U-M alumni, Dean Gilbert R. Whitaker, Jr., and Professors C. K. Prahalad and Gunter Dufey gathered at the Brussels Hilton.

The topic, "The Changing Nature of Global Competition: A Perspective," attracted participants to the program from all over Europe. During the day-long seminar, they were challenged by probing questions from Dufey and Prahalad, who applied their expertise directly to issues participants' companies are facing. They also enjoyed the opportunity to greet old friends, establish new contacts and re-ignite the "Go Blue" spirit.

Dean Whitaker used the opportunity to showcase the Business School's expertise and strengthen alumni ties among the University's European contingent. Ann Walton, director of Executive Education at Michigan, and Ron Bendersky, associate director, took on and ably met the challenge of putting the whole thing together.

Participants in the seminar included representatives from Shell International, Procter & Gamble, Dow Corning Europe, Ford New Holland, Philips International, Texaco, Euro Disneyland S.A., Colgate Palmolive, several banks and law firms and even one self-employed opera singer.

Prahalad, professor of corporate strategy and international business, gave an in-person synopsis of two recent articles he authored for the *Harvard Business Review*, one of which earned him the prestigious McKinsey Award for one of the two best articles published by HBR in 1989. He talked of the need for companies to develop a strategic intent and exploit their core competencies to compete in a global market. A strategic intent, he said, is a pervasive attitude in the entire company that constitutes an obsession with winning.

"Strategy is innovation, not imi-

tation," he said. "It's not just product innovation, but competitive innovation." Global competition is shifting to the arena of core products, and to core competencies. These are the sum total of a firm's technologies, social organization and collective learning that transcend, but are common to, its products. Honda's core competency; for example, is small engines while Sony's is miniaturization.

"Ninety-five percent of companies focus on products or markets," he said. "Competition in core competencies and core products is hidden."

In Prahalad's analysis, applying his theories of strategic intent and core competencies, Western firms fall far short of what companies in the Pacific Rim nations are doing. "Does this bother you?" he asked participants. "Is this true? What does your company do?"

Prof. Dufey issued another warning for corporate financial managers. With the evolution of three major financial blocks — the dollar market made up of the United States along with Canada and South America; the yen market consisting of the Pacific Rim nations; and the European market, with the Mideast and Africa — there will be considerably less currency exchange *within* the blocks. However, he stressed that this change will mean tremendous rate fluctuations *between* the dollar, yen and EC currency. By the same token, there will be greater volatility of interest rates.

"For corporate risk management this means much greater exchange rate risks and much greater interest rate volatility," he said. "Volatility will be a fact of life and must become a much more important part of business planning."

In a global market, any heavy equipment company in France has to compete with Caterpillar Inc., and its prices are affected by the strength of the dollar. "The key question is: How do your prices be-

have relative to the currency of your major competitors?" Dufey asked. "A separate issue is: against whom are you playing when trying to forecast currencies? With greater liberalization in financial markets, corporations play increasingly against professional traders rather than governments. You need to spend more time forecasting what happens to your company if your projected rate is wrong."

Dufey said there is no general rule for forecasting what will happen if the projected exchange rate is wrong or what impact exchange rate changes will have on a business. "The impact will be different from company to company or even division to division," he said. "They can impact all over the place in operations."

In Dufey's view, some rate risk management problems begin with a company's assets, their measurement and definition. "When you deal with real assets, there is no currency sign on them," he said. "You can't assign a value, and real assets such as core competencies, have no dollar sign in front of them. The first step for the company is to know how the value of its assets changes with respect to relevant currencies," he said. "Then, management must decide which portion of the company's debt should be denominated in the relevant currencies to minimize the impact of surprises in exchange and money markets.

"Fundamentally, corporations take risks in markets, products and technologies," he said. "But financial risks pose an additional threat to positive returns from successful business strategies and the development of corporate core competencies. They need to be eliminated as much as possible by using the tools of global financial markets: innovative debt structures as well as derivative products such as swaps and option products."

Asian — send one person to the Ann Arbor campus. They form international groups, taught by international faculty, and they visit countries such as India, China and Brazil during the five-week course. Each group must do a country assessment and produce a written and video report on their work. "This is action learning, the groups have experienced multinational team work, multinational learning and multinational report writing," said Whitaker. "When it's over, if they are still speaking to each other, they have had a tremendous learning experience. Managing a partnership with 36 firms and four universities is a challenge to everyone concerned."

- *Prof. Kim Cameron's research on downsizing in the auto industry.*

This government-sponsored project involves 30 business units at General Motors and ITT, and analyzes which attempts at downsizing were successful, which were failures and why. "This partnership is solely on the research side, but I think it will lead to many educational innovations," Whitaker said.

- *The Leadership Education and Development Program.*

This program was developed for and with the direct involvement of Ford Motor Co. Over 3,000 Ford middle managers will attend a week of classes at the Business School designed to change the way they think and deal with leadership issues. Six months later they return to Ann Arbor and report the changes they practiced on the job.

Whitaker cited one LEAD participant from the auto loan division of Ford. The company had worked to bring loan approval time down from two weeks to four days. Working on her own, and taking risks, she brought the time down to one day during the six-month period between the initial LEAD classes and the follow-up. "It's the kind of change that companies need to undergo if they are going to progress into the future," Whitaker said. "And that attitude toward learning has to be included in all the programs we offer. Learning is not a process that ends when your education formally ends."

As representative of industry, Stevenson said much of a successful partnership depends upon how business schools perceive themselves. "Do they see themselves as institutions which take a broad look at a country or a continent or an entity like Europe and say, 'How can we make it more competitive?' Do they think they should be knocking on my door saying, 'I can improve your competitive performance in the short, medium, and long term?' I don't think they perceive themselves as such."

Audience members also remarked that the two entities often fail to talk to each other. "There's not enough confidence in each other to really go through a probing exercise to find out what one another's needs are," said A. T. Springer, dean of the European Business School in Brussels.

Charles De Meyer, former chairman of IBM Belgium, echoed that sentiment, remembering a meeting of a

business school advisory board he was asked to join. "The meeting went in such a way that we were sitting across the table with people from the faculty who were taking extremely theoretical views," he said. "Very, very academic views. And we simply were unable to get a dialogue running. After some time, the dialogue stopped because we never got it started."

Whitaker agreed that a communication gap exists, and referred to the report issued in 1988 by Lyman W. Porter and Lawrence E. McKibbin which accused American business schools of complacency.

"There is a real communication problem here, and the issues of complacency are ones that we all need to worry about," he said. "The company-sponsored research programs, to be most successful, need to integrate the faculty's research life with their teaching life. And the companies must be willing to let data be collected on a longitudinal basis so faculty research obligations, teaching obligations, and knowledge of the real world are all put together. When you get that combination, as we have in the Ford program, you've got a winner on all sides."

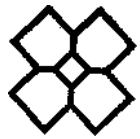
Whitaker added that at the Michigan Business School, new faculty are encouraged to attend executive education programs. They sit with the managers taking the course, and listen to their faculty colleagues as they teach and are challenged by real-world practitioners.

"I think it's a common belief in faculties that once you've earned your Ph.D., you're through learning," he said. "That's a failing because most people are going to have 40 years or more as an academic. They need to engage, not only in individual learning, but in group learning during part of that career."

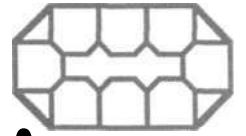
They also need other experiences, he said, such as Michigan's program of sending senior faculty to work for companies during summer internships. He cited Accounting Prof. Eugene Imhoff's six-week stay with Citicorp London this summer, working to understand accounting standards across the European Community. "For Citicorp and Prof. Imhoff it's going to be a fantastic learning experience," he said. "When he returns, he's charged with redeveloping our initial accounting course to make sure it's more global than it's been in the past."

"I think the more opportunities we can create for our faculty to do those kinds of things, the better off our faculty is going to be." Whitaker added that several faculty and five MBA students will join the Global Leadership Program as the groups trot around the globe.

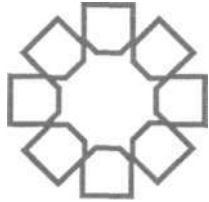
"I'm sympathetic with the notion that business schools need more real-world, practice-oriented teaching but that can go too far," Whitaker said. "Educators still have to look for generalizations and theories. But I am excited to hear that you want more joint ventures between industry and business schools. Another generation may see a new model for a closer and more successful partnership."



# AND NOW, GROUPWARE!



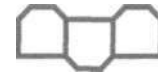
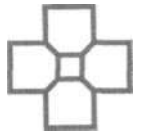
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*(With Help from ELMER)*

LLLU

*New Collaboration Technology Suite  
Will Help Researchers Answer Questions  
About the Nature of Group Work*



**A** special laboratory now exists at the Business School to facilitate research into how the environment itself can enhance or inhibit people who are working collaboratively.

The laboratory, called the Collaboration Technology Suite, is a flexible, computer-equipped meeting environment that has extensive facilities for videotaping and recording the activities of groups using the meeting room. It has been built as part of the Cognitive Science and Machine Intelligence Laboratory (CSMIL), and is furnished with custom modules (called ELMERs) designed and donated by Steelcase, Inc. that allow researchers to array the computing in highly flexible ways.

The facility was made possible by major gifts from Arthur Andersen & Co. under a \$1 million package that combines funds from Arthur Andersen's technology service organization and U of M alumni support through a corporate matching gift program. Apple Computer has provided a gift of equipment to help furnish the suite.

ELMER (which stands for ELectronic MEeting Room) is an individual workstation designed with a removable and changeable table top. The workstation houses a computer monitor that adjusts to different viewing angles. One of the researchers' primary goals in the development of the units was to provide not only the ergonomic features appropriate for comfort, individual work, and social interaction, but also to allow rapid, easy reconfigurability to support the variety of styles of group work.

The ELMERs are on wheels, and because their table surfaces can be different shapes owing to the removability and changeability of the designs, totally different

configurations of work groups are possible. The flexibility of ELMER is such that it allows for everything from a formal U shaped or rectangular conference table, to circular or informal, scattered sorts of groups. The monitors can be constantly adjusted from person to person, from task to task, and from group to group.

The Collaboration Technology Suite has an observational area and control room that looks into the conference room, and allows researchers to study the behavior of the collaborators as they are using the conference room, and to observe how the adjustability of the ELMERs is used to support various meeting styles.

For example, the researchers have found that when a group task is being chauffeured by one person, that person's monitor is usually raised to nearly full height, allowing easy readability for the person most in need of it. Others in the meeting keep the monitor at about a 20 degree angle, sufficiently raised to make it readable, but not high enough to interfere with the eye contact necessary. When all members are nearly equally active in controlling the shared display, the researchers have found the monitors to be set at about 45 degrees, and almost all uniform.

"We want to find out which processes in natural group work seem to work well and which create pitfalls," explains Judith Olson, professor of CIS at the Business School who is involved in this project. "That way, any technology we design to assist group work is more likely to fit with what groups already do and has a better

The figures on this page show some of the different configurations that are possible with the specially designed ELMER workstations.

chance for acceptance. Also we want to establish a baseline of understanding about current practice, so that as we introduce technology, we understand what happens."

CSMIL has just received an \$825,000 grant from the National Science Foundation for research on how information technology might support the collaborative activities of small work groups, focusing on the domain of software system design. The NSF grant, which is \$275,000 per year for three years, was given to stimulate multidisciplinary research on coordination and to create knowledge which can be applied to the solution of information intensive problems affecting the advancement of science and the competitiveness of our economy.

The research itself is a collaborative undertaking, involving CSMIL and external organizations, including the Software Technology Program at the Microelectronics and Computer Technology Corporation (MCC) of Austin, Texas; and the Center for Strategic Technology Research (CSTR) at Arthur Andersen & Co. in Chicago.

Group use is described as many individuals simultaneously directing their computers to address a common "work object," whether it's a document, drawing, database, spreadsheet, or other computerized entity.

Efforts to mesh group work and technology are still experimental. Suppose, for example, you are working on a word processing program for groups. Groupware clearly calls for each member of the group to be able to make changes and additions, but should all group members have equal access to the document, able to make changes anywhere? Or must one member's cursor be

given control, able to lock away some portions of text from modification by others? What do these schemes do to the way the group members participate? How is social power centered in the locking cursor?

Answers to such questions should begin to appear during tests of a new groupware program developed as part of this research, explains Lola Killey, a system project coordinator at CSMIL. This experimental tool has been dubbed ShrEdit by its makers, a contraction of "shared editor."

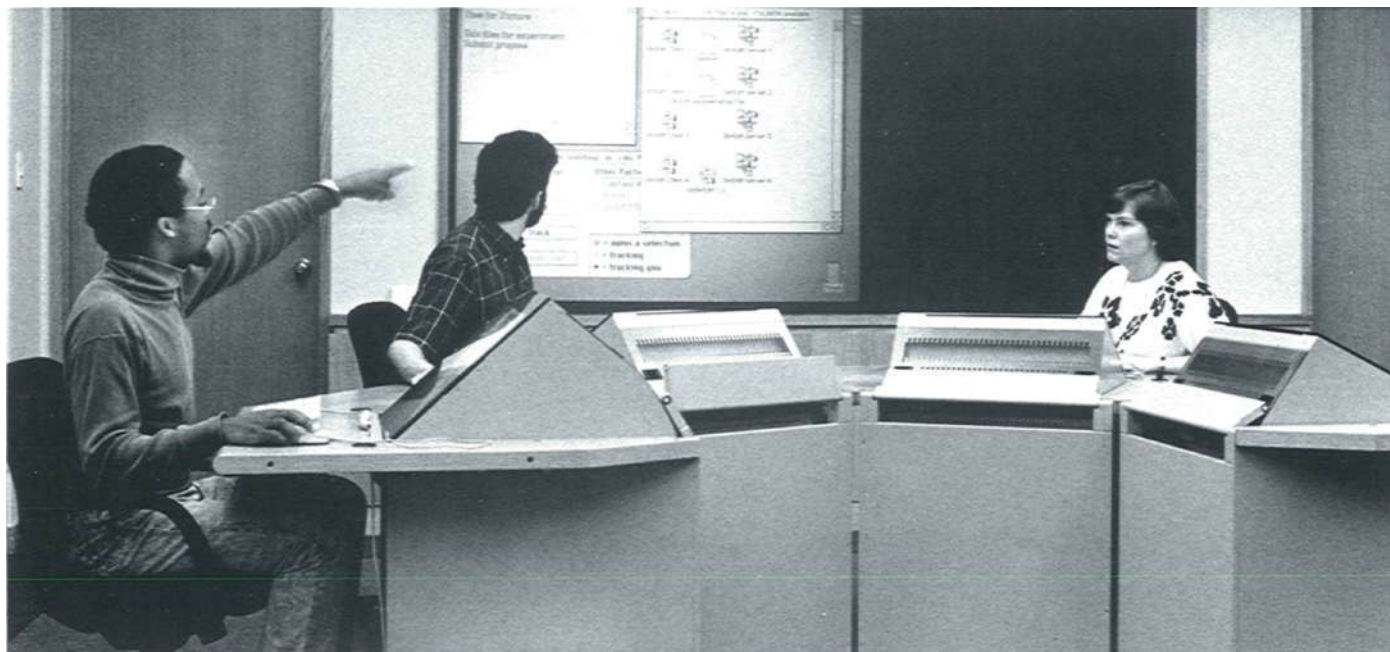
ShrEdit will give researchers an opportunity to learn more about the features groupware will need if it is to keep up with the rapid pace typical of many group tasks, such as brainstorming, according to Gary Olson, director of CSMIL.

CSMIL is a collaborative effort, being a venture that is sponsored by the Business School, the College of Engineering, and the College of Literature, Science, and the Arts (LSA). It is an interdisciplinary organization, spanning the fields of artificial intelligence, cognitive science, human-computer interaction, and collaboration technology.

Most research into computer supported cooperative work has focused on developing new kinds of flexible software and new social or organizational procedures for facilitating group work. But the physical environment is also an important component. With the completion of the Collaborative Technology Suite, researchers can provide collaborative groups some of the flexibility in configuring their work environment that is also achieved through the use of groupware. In ELMER, they have gone a long way toward creating a research platform for today's technology that will allow them to study flexible physical environments for collaborators.

Part of the technology available at CSMIL's Collaboration Suite is the shared screen which allows group members each to be able to make changes and additions to the common "work object," whether a document, a spreadsheet, or other computerized entity. (Photo by Gregory Fox.)

Hi



# Michigan in the Media

## A Summer in Poland for the MBA Corps

CBS Evening News sent a camera team to campus to follow nine Michigan MBA students during an entire day of their three-week cram course in Polish language, culture and economics at the U-M Center for Russian and Eastern European Studies.

The students, who dubbed the course "Polish Boot Camp," were preparing themselves for three-month internships in Polish companies or in government agencies. The new program was featured in a segment on CBS News in May right before the students left for Poland.

The *New York Times* wrote up the new program in the "Careers" column on May 15, and also discussed the students in a feature story about the search in Eastern Europe for those with business skills able to help transform state-owned enterprises into self-sustaining businesses.

The *Detroit Free Press* also carried a story about the program, which was developed by the Business School in March in response to requests by the

U.S. government for aid to emerging democracies in Eastern Europe.

Known as the Michigan Business Assistance Corps (MBA Corps), the program is being partially funded by Sam Zell, chairman of the board of Equity Financial and Management Company, and by the Business School. In addition, a business school alumnus persuaded American Airlines to donate round-trip airfare for the group from Chicago to Frankfurt.

## Raising Rhetorical Consciousness

Research on words in business documents has been a focus for Priscilla Rogers, assistant professor of business communication. The *Wall Street Journal* discussed her research in its "Managing" column June 14.

"Pull out your handy corporate mission statement and read carefully," said the WSJ story. "If you tally the pronouns and words like 'should' and 'might,' you'll have a reading of your company that goes beyond the gussied-up talk of values, says a University of Michigan study.

"Statements that use mostly 'you' have a 'laying-down-the-law' flavor, and tend to use a lot of 'shoulds,' notes Ms. Rogers. Those that use 'we' have an 'inclusive' tone, suggesting less distance between management and employee."

The *Dallas Morning News* also discussed Rogers' research in a media and marketing column published in May.

## How About Some Customer Satisfaction?

Robert Reno's column in *Newsday* on May 27 discussed the research of Claes Fornell, Donald C. Cook Professor of Business Administration, who got a grant from the Swedish post office to construct a "satisfaction barometer" for major corporations in Sweden. The column quotes Fornell as follows: "Customer satisfaction is another measure of success, and it is not as easily manipulated as some of the accounting measures. Especially for companies without a lot of other assets, high customer satisfaction says something about the value of the company, that its strength lies in customer relations and its revenues come from its customer base. . . . What is quality? Only your customers can tell you. I relate that to satisfaction and relate that to profit."

## Treating the Sick S&Ls

"Roger Kormendi, an economics professor at the University of Michigan, says all 86 sales of sick S&Ls by the now defunct Federal Home Loan Bank Board during 1988 were too favorable to the buyers," said a story in *USA Today*, July 11.

Kormendi, who is professor of business economics and public policy at the Business School, is further quoted as follows:

"Kormendi predicts that the government will pay \$80 billion to the buyers of the 86 S&Ls over the next



ten years in the form of tax breaks and asset management fees.

His suggestion: renegotiate the contracts as soon as possible. That could bring the cost down to \$50 billion."

A story in the *Wall Street Journal*, July 26, discussed the S&L crisis and included a paragraph about Kormendi's work which said:

"Some industry analysts say the government assistance distorts the health of the S&Ls, and that those sold in 1988 wouldn't be profitable without the assistance. 'The incentives they created were all wrong,' asserts Roger Kormendi, professor of finance at the University of Michigan, who studied the transactions for the government a year ago. 'They have guarantees regardless of performance.'"

## Do Computer Aids Help Decision Making?

People who used a computer to help them make decisions were significantly more confident in their performance than those who did not use a computer, according to Jeffrey E. Kotteman, assistant professor of computer and information systems, whose research was discussed in the "Managing" column of the *Wall Street Journal*, June 1.

Kottemann simulated a manufacturing-production process in a growth industry. He had MBA students decide on output and staffing, given uncertain demand, over 24 mock quarters. One group used a spreadsheet-oriented computer aid that helped members evaluate

alternatives. The other group was on its own, relying on intuition and experience.

The *Journal* reports, "Contrary to Mr. Kotteman's expectations, the computer-assisted people significantly underperformed the unaided, in the initial experiment as well as two follow-ups. With the computer aids, he says, people appear to have sought short-term results by understaffing and underproducing. But those decisions, over time, meant lost sales and extra costs.

"Oddly, the computer-aided group didn't recognize that using the programs led to poor decisions," said the *Journal* article, adding that Kotteman and two colleagues, Fred D. Davis, Jr. and William Remus, plan further work to help explain when and how computer aids affect actual and perceived performance.

## Managing Diversity

Asked by *Newsweek* to comment on the new trend of "diversity management," Taylor Cox, Jr., assistant professor of organizational behavior, said some companies don't feel the demographic changes in the work force will affect them. "I've heard things like 'we're in upstate New York and the population there is still pretty much white,'" *Newsweek* quotes Cox as saying.

"Yet companies that don't commit resources to making better use of minorities may pay a bigger price in the long run," says the *Newsweek* story, which was published in the May 14 issue. "They will experience higher rates of turnover, differences in productivity and absenteeism," says Professor Cox.

'They will sacrifice enormous benefits in problem solving, creativity and marketing to a diverse marketplace.'"

## A Supertanker, Not a Sailboat

*Business Week* of May 28 carried an article entitled "What's Behind the Bombshell at Philips" in which they discussed the unexpected replacement of the president a year ahead of schedule and the efforts the company is making to restructure itself. The article quoted C. K. Prahalad, professor of corporate strategy who advised Philips on its restructuring, as follows: "People expect Philips to turn around like a sailboat, but they're working with a supertanker."

ID



A CBS News crew is shown filming nine Michigan MBA students as they were getting ready to spend the summer in Poland working with private firms and government offices that are trying to make the switch from a controlled to a capitalist economy. The segment ran on CBS Evening News just before the students left. They spent the summer either on the Baltic seacoast in Gdansk or Sopot, in Warsaw or in Krakow. Their work assignments ranged from government bureaus in the Ministry of Finance, to a private consulting firm, to a manufacturer of generators, to the biggest supplier of computer equipment in Southern Poland.

Photo by Gregory Fox

# THE GAME IN THE MIND OF THE MANAGER

*How well you manage  
three key inner needs  
can have profound  
effects on your career*



**By Eric Flamholtz, Ph.D. '69,  
and Yvonne Randle**

business schools have a plethora of courses that deal with the psychology of managing other people, but few, if any, that deal with the critical issues surrounding how an individual manages his or her own inner needs.

Whatever the reason for the omission of this subject from academic curricula and scholarly inquiry, it is a serious deficiency. Our research and consulting experience with managers for more than a decade have indicated that the primary reason for their career difficulties or failures is not the lack of technical management skills, but their inability to master the principles of what we have called the Inner Game of Management.

Like other games, the game of management has an outer and inner component. The outer game involves performing the tasks of planning, budgeting, decision making, time management, performance appraisal, and the like. The Inner Game of Management is the game that takes place in the mind of the manager.

There are three key dimensions or requirements for playing the Inner Game of Management successfully:

*1 Being able to manage your own self-esteem so that you derive satisfaction from the things managers are supposed to do.*

Self-esteem is basically the desire to value ourselves, to experience a sense of self-worth. This underlying need manifests itself in the need for achievement, confidence, independence, prestige, and recognition from others. The need for self-worth has profound effects on people and their behavior, both at work and off the job.

In the doer's role at work — for example, as a salesperson, a computer programmer, or an engineer — an individual tends to derive self-esteem from his or her own performance. In the manager's role, an individual must develop a different source of self-esteem. You need to shift your source of self-esteem from pride in your own technical performance to pride in the performance of your "players." You must thrive on being the orchestra leader who holds it all together and makes it happen, rather than on being the best virtuoso violin player.

*2 Being able to manage your need for direct control over people and results.*

The need for control is as important as the need for self-esteem. The way the need for control manifests itself can differ from individual to individual. The more things are perceived as threatening, the more we seek to control. At an extreme, if everything is perceived as threatening, then we must control everything.

The ability to exercise direct control over results in the work environment depends, to a great extent, on the role one occupies. In an entry-level role, direct control over results is at the maximum. However, as soon as the position of first-line supervisor is reached, the relationship between personal effort and control over results becomes more indirect and tenuous. As a manager, a person must accept a decreasing degree of direct control. Becoming effective at giving up control involves learning how to

delegate authority and responsibility, but the underlying prerequisite is that the individual must learn how to manage his or her need for control.

Another aspect of the need for control concerns the control over other people. The ability to control the behavior, or even the lives, of others can become addictive to certain people who define their own sense of self-worth or adequacy in terms of the power they wield over others. In a management context, the need for this type of control must be managed, or problems will emerge.

*3 Being able to manage your need to be liked so that it does not interfere with performing the managerial role.*

Individuals not only want to be valued for what they do; at another level, they want to be accepted by others. Depending on the individual, this need can have more or less weight than other needs, such as the need for control. Some individuals will go to great lengths to avoid being rejected by others; others will believe that it is more important to accomplish the task than to please everyone. At one extreme, the person will avoid conflict at all costs; at the other, the person will be more apt to face conflict and attempt to resolve it.

In entry-level or technical roles, one is very much concerned with whether or not one "fits in" with the rest of the work groups. In a manager's role, an individual must recognize that not everyone is going to like him or her. A manager's job is to direct other people so that their actions are congruent with the goals of the organization. A manager is responsible for group performance and therefore is frequently placed in situations where there is conflict between what he or she needs the group to accomplish and what the members of the group want to do.

To play the Inner Game of Management successfully, you must operate under the assumption that not everyone is going to like you, and learn to face and deal with interpersonal conflict. Inability or unwillingness to deal with conflict may result in considerable costs to the organization.

As people are promoted into managerial roles, they can begin to experience a variety of symptoms indicative of a failure to master the Inner Game of Management. These symptoms, if not "cured," can eventually result in a number of dysfunctional inner games that can lead to serious management difficulties.

Here are the 11 most common symptoms:

1. Tendency to emphasize performance rather than supervisory activities.
2. Inability to deal with the ambiguous nature of the managerial role.
3. Inability or unwillingness to make decisions in a timely fashion.
4. Feeling in competition with subordinates for the position of technical "guru."
5. Tendency to hire people who are technically or interpersonally less skilled than oneself.
6. Desire to be recognized by others as powerful.

# HOW GOOD (BAD?) IS YOUR GAME?

The following questionnaire is designed to help you assess the extent to which you (or one of your subordinates) suffer from the symptoms of ineffective Inner Game Playing.

## THE INNER GAME MASTERY QUESTIONNAIRE

<i>Question</i>	<i>A</i> <i>Very</i> <i>great</i> <i>extent</i>	<i>B</i> <i>Great</i> <i>extent</i>	<i>C</i> <i>Some</i> <i>extent</i>	<i>D</i> <i>Slight</i> <i>extent</i>	<i>E</i> <i>Very</i> <i>slight</i> <i>extent</i>
1. I tend to spend more time on performance/ doer activities than on supervisory activities.					
2. I feel uncomfortable because my managerial responsibilities are ambiguous or ill-defined.					
3. I tend to made decisions only when I am forced to.					
4. I prefer to check with my superiors before making decisions.					
5. At some level, I feel that I am competing with my subordinates for the position of technical expert.					
6. I tend to hire people who are less skilled than I am.					
7. I tend to hire people with weaknesses I can exploit.					
8. I like to be seen as someone with power over others.					
9. I frequently do not delegate tasks to subordinates, because I'm not sure they'll accomplish the tasks correctly.					
10. I believe my subordinates should check with me before making "significant" decisions.					
11. I tend to evaluate myself on my own performance rather than on the performance of die people I supervise.					

12. I tend to avoid criticizing my staff to avoid conflict.
13. I don't like to set goals for others and ask diem to do tilings they don't want to do.
14. I do not feel the need to praise my subordinates — as long as I don't criticize, they know they are doing a good job.

### SCORING

### EXAMPLE

<i>Question</i>	<i>A</i> <i>Very</i> <i>great</i> <i>extent</i>	<i>B</i> <i>Great</i> <i>extent</i>	<i>C</i> <i>Some</i> <i>extent</i>	<i>D</i> <i>Slight</i> <i>extent</i>	<i>E</i> <i>Very</i> <i>slight</i> <i>extent</i>
W Add the total number of responses in each column and record numbers here.	1	3	3	2	5
X Multiply the number on line "W" by the number on line "X" and record on line	5	4	3	2	1
Y Result of line W times line X.	5	12	9	4	5
Z Add up the numbers on line Y, columns A-E, and place the total on this line.	35				

### SCORES:

- 14—19 — You have a good mastery of the Inner Game of Management. Provided you have developed the skills to play the Outer Game of Management effectively, it suggests that your chances of failing as a manager are minimal.
- 20-29 — You are able to play the Inner Game effectively on most levels, but there are certain areas in which you could improve.
- 30—39 — You have some problems that are preventing you from playing the Inner Game as effectively as you should. The problems may not be too serious yet, but they require corrective action before they become serious.
- 40—49 — You may be severely handicapping your ability to be an effective manager. The results of the questionnaire may give you a clue about where to look for the source of your problems.
- 50—70 — High potential for managerial failure.

7. Inability or unwillingness to delegate tasks to subordinates.
8. Inability or unwillingness to delegate decision-making responsibility to subordinates.
9. Need to be evaluated on one's personal performance rather than on the performance of subordinates.
10. Tendency to avoid rather than deal with conflict.
11. Inability or unwillingness to praise subordinates.

The questionnaire on page 26 is designed to help you identify what areas of your Inner Game need attention. If your overall score is above 29, a more in-depth analysis to identify the problems and develop recommendations for future action is probably required. Scores above this number indicate that you probably have not yet learned to play the Inner Game of Management effectively. The seriousness of your problems may not be evident to you currently. But as you move up the organizational hierarchy, your problems with the Inner Game of Management can create major difficulties.

Some fortunate people have the natural ability to do the things required by the Inner Game of Management. There are always some people who seem to have a greater innate ability to play any game. However, it is possible to learn how to play most games reasonably well even if you are not a natural.

Here are suggestions for improving your Inner Game.

#### *Step 1: Self-Assessment*

Understand the dimensions of the Inner Game and be able to evaluate your ability on each dimension. Use the questionnaire to do this. No matter how painful such an assessment may be, it is important to be honest with yourself. If you do not accept your weaknesses, you will be unable to improve. Don't get overwhelmed with guilt and feelings of inadequacy. Few people are Inner Game naturals. Nearly all of us have at least some area of our game plan where we can make improvements.

#### *Step 2: Formulate a Plan for Self-Improvement*

Choose an area in which you wish to concentrate and then design a plan for that area. Below are three examples of how you can do this, given particular symptoms of poor Inner Game playing.

#### *Example 1 — If You Have a Tendency Not to Delegate Tasks or Decision-Making Responsibility.*

If you tend not to delegate tasks (or decisions) to subordinates because you fear that they will not accomplish them (or make decisions) in a way that meets your standards, pick a particular task or decision that you normally would not delegate and ask a subordinate to do it for you. Once you've delegated, try not to intervene unless your subordinates ask for your help. See what happens. Meanwhile, analyze your own feelings and think about what will happen if your subordinates fail to live up to your standards. Chances are, they will perform the task adequately, even if it is not exactly as you would have

done it. If it isn't done well enough the first time, remember that your role is to motivate others to achieve organizational goals, not to do all the work yourself. Try the same exercise again.

#### *Example 2 — If You Have a Tendency to Emphasize Performance Tasks Rather than Supervisory Activities.*

If you tend to spend a lot of time on performance activities, try to organize your time so that you spend increasingly more time on administrative activities. Use an hourly log to plan your day so that it consists mostly of meetings, writing reports, and advising subordinates rather than actually "doing the work."

#### *Example 3 — If You Feel in Competition with Subordinates.*

If you feel threatened because one of your subordinates has greater technical knowledge than you do, your objective might be to overcome these feelings of inadequacy. First, you must recognize that when this person comes to you with the solution to a technical problem, he or she is not trying to humiliate you. Rather, your subordinate is legitimately looking to you for praise. He or she assumes that you will be proud. Therefore, one goal for you to have in working to overcome your feelings of inadequacy might be: "To offer legitimate praise to technical stars whenever they solve a problem."

#### *Step 3: Implement and Evaluate Your Plan*

Once you've picked a particular area in which you want to improve your ability to play the Inner Game of Management and you have designed a plan you think you can live with, begin implementing it. Keep a list of your goals and evaluate your progress on each. You may want to keep a written record of your feelings and the extent to which you achieved your goals. This will help you clearly see the progress you are making and identify other areas for improvement.

During this personal development period, you will need to be patient. It takes time to change behavior patterns and their accompanying feelings and to become comfortable with the changes. It may be very difficult, but you will find that with a little work and thought, you can learn to overcome your problems and begin playing the Inner Game of Management effectively.

**About the authors: Eric Flamholtz, Ph.D. '69, is president of Management Systems Consulting Corporation, which he founded in 1978, and professor of management at UCLA, where he heads the Center for Research on Human Resource Management. This article is derived from his book, *The Inner Game of Management*, published by the American Management Association. Yvonne Randle received her Ph.D. in 1990 from UCLA and is a consultant with Management Systems Consulting Corporation, where she specializes in helping firms overcome problems associated with their growth. Their book has now been published in Great Britain, and will be published in Japanese, along with an accompanying audio tape.**

# AMONG OURSELVES

*An informal collection of items, including news of the faculty, of alumni, and of the school, and assorted other information, opinion or comment that we think will interest you.*

## New Financial Research Center Funded by \$3 Million Gift

Asian financial markets — including the largest and fastest growing stock markets in the world — are the focus of a new research center at the University of Michigan School of Business Administration.

The center, which opens this fall, will be financed through a \$3 million gift from Mitsui Mutual Life Insurance Company, and will be named the Mitsui Life Financial Research Center.

"Very little academic research has been conducted on the Tokyo Stock Market, which is the largest stock market in the world, or on the stock markets in Singapore, South Korea, Hong Kong and Thailand, which are the fastest growing in the world," said E. Han Kim, professor of finance at the Business School and director of the new Center.

"We intend to penetrate that area of academic inquiry. Our research goal will be to arrive at a better understanding of Asian and global financial markets. We will examine how the events in Asia affect the American economy and financial markets and vice versa.

"This information is vitally important to international money managers and corporate financial managers who want to raise funds abroad by issuing stocks and bonds in global capital markets."

The Center will sponsor faculty and doctoral student research, sponsor periodic symposia in Pacific Rim financial topics, and house a researcher from Mitsui Life.

To insure strong ties with the Japanese academic community, Takaaki Wakasugi, professor of finance at the University of Tokyo, has been named the center's co-director. Wakasugi recently was a visiting scholar at the Business School.

The 63-year-old Mitsui Mutual Life Insurance Company is one of Japan's largest life insurance companies and is a member of the Mitsui Group, one of Japan's foremost corporate groupings. Its membership includes Mitsui Bank, Toshiba Corporation and Toyota Motor Corporation.

"The work of this center promises to add substantially to our understanding of this critical region of world economic activity," said Dean Gilbert R. Whitaker. "The center's activities also will complement existing programs in Asian business at the Business School, and in Asian Studies at the University."

Kim added that the Michigan Business School is well positioned to carry on the center's research. "We have one of the most active young financial research groups in the country," Kim said. "They are very capable of dissecting the different issues concerning global finance and extracting new knowledge from which future financial managers can benefit."

## 17 European Executives Take Part in New MBI Program in Ann Arbor

Seventeen senior European managers and executives spent six weeks this summer in Ann Arbor as participants in the new Executive MBI program, developed as a joint venture between the Michigan Business School and Erasmus University of Rotterdam, The Netherlands.

MBI stands for Master of Business Informatics, and the Executive MBI program trains experienced managers to solve interdisciplinary and complex practical management problems in which information systems and technology aspects play an important role.

In the Program, which began in Fall, 1989, aspects of informatics and technological problems are presented against a broader background of organizational change, innovation, project management, and an international legal framework. The program is closely linked to business practice, and involves the use of real-life cases with an international character for study material.

The international orientation of the program is also realized in the way some of the subjects are treated. For example, the management of message handling systems and services is treated in the context of European standardization. Information systems management in a multinational corporation, and logistics

systems for transportation networks in Europe are other examples of this international approach.

The two-year program, which was developed by Erasmus University in close cooperation with the Michigan Business School, consists of four semesters and two summer sessions. The first semester lays a foundation by discussing major concepts relevant to the information sciences, and the second semester deals with the use of information systems in different functional areas. These are taken in Rotterdam.

During the first summer session, students come to the University of Michigan for a six-week "learning by doing" approach. During this time, they receive training in strategic management and information technology planning; data management and DBMS; management of information system development; and strategic information technology decisions in practice. Michigan faculty teach in the program, and in addition there are guest lecturers from industries and visiting professors from cooperating universities. The Michigan part of the program is directed by Elaine Didier, director of information resources.

The third semester focuses on the implementation aspects of information systems and their organizational impact. The fourth semester and last summer session offer the opportunity for participants to specialize in a specific kind of application area.

Erasmus University Rotterdam is a medium-sized university with approximately 16,000 students and about 2,000 faculty. The Rotterdam School of Management, part of Erasmus University, with which the University of Michigan Business School has had a cooperative arrangement for more than 20 years, was ranked in first place by the *Financial Times* of London when they recently published a list of the "Top Ten" European business schools.

The Michigan Business School also has a student exchange program with the Rotterdam School of Management at the MBA level. Six of our students spend one term there, and six of their students spend a term here.

## Alumni Board of Governors Gives Achievement Award to Eugene B. Power, MBA '30



The Business School's Alumni Society Board of Governors chose Eugene B. Power, MBA '30, to be the recipient of its first Alumni Achievement Award at its semi-annual meeting held this spring at the School.

The award was presented to Mr. Power by James A. Parsons, MBA '81, representing the Alumni Board of Governors, and Dean Gilbert R. Whitaker, Jr. at Business School Recognition ceremonies in May.

"Eugene Power and his career symbolize what the University of Michigan Business School is all about: educating men and women who contribute mightily to the economy, who serve unswervingly their country and state, and who support loyally their university," said Parsons in presenting the award.

Eugene B. Power's three careers — in business, in public service and in philanthropy — span more than 60 years.

After earning his degrees from the University of Michigan — a BA

in 1927 and an MBA in 1930, Power joined Edwards Brothers Inc., an Ann Arbor publishing firm, where he developed his interest in microfilm as a publications medium.

He founded his own company, University Microfilms, Inc. (UMI) in 1938, and through it virtually invented the data base publishing industry. He pioneered the application of microfilm to the storage and reproduction of scholarly materials.

By marrying microfilm to xerography, he solved the historic out-of-print book problem. By publishing dissertations in microfilm form he both slashed the cost of scholarly publishing and radically increased the availability of cutting-edge research.

When he merged his company with the Xerox Corporation in 1962, UMI was the world leader in its field. Power founded and was the first president both of the National Microfilm Association and the International Micrographic Congress.

During World War II, Power directed large scale microfilming of rare books and materials in British libraries to save them from bombing, and organized filming and the transmission of intelligence material from the Continent to the United States.

He was elected a Regent of the University of Michigan in 1955 and was re-elected in 1963; his service with the Association of Governing Boards of Universities and Colleges led to his election as president in 1970. In 1968 he was appointed by President Lyndon Johnson to a six-year term as a member of the National Council on the Humanities.

Power's philanthropic interests have been directed mainly toward education, the arts, and health care. He and his family gave the Power Center for the Performing Arts to the University of Michigan. In addition, he instituted the Ann Arbor Summer Festival, an annual event with the Power Center as the main performance venue. In 1953 he began promoting an awareness of the art of the Canadian Eskimos through the establishment of a not-for-profit enterprise, Eskimo Art, Inc., which continues active today.

Power established the Power Foundation in 1967 to further his

philanthropic interests. Among its activities, the Foundation sponsors the Exchange Scholarship Program between the University of Michigan and Cambridge University in Great Britain. The Foundation also supports numerous projects in Ann Arbor, Washtenaw County, and at the University.

### B. Joseph White Appointed Examiner for Quality Award

**B**. Joseph White, professor of business administration and interim dean of the School, has been appointed to the 1990 Board of Examiners of the Malcolm Baldrige National Quality Award.

The Award, which was initiated in 1987, is given annually to American companies that demonstrate the highest levels of total quality management.

In his role as an examiner, White will be responsible for reviewing and evaluating applications submitted for the Award. The Board is comprised of 178 leading quality experts selected from industry, professional and trade organizations, and universities.

Awards have been presented to Motorola, Inc. (1988); the Commercial Nuclear Fuel Division of the Westinghouse Electric Corporation (1988), Globe Metallurgical, Inc. (1988), Milliken & Company (1989) and Xerox Corporation's Business Products and Systems (1989).

### Thomas C. Kinnear Named *Journal of Marketing* Editor

**T**homas C. Kinnear, associate dean and professor of marketing at the Business School, became the new editor of the *Journal of Marketing* as of July 1.

The *Journal of Marketing* is a scholarly publication, published quarterly since 1948 by the American Marketing Association. It has a circulation of 16,000.

Kinnear has served as director of the American Marketing Association and as its vice president of

## Dennis Severance Wins Teaching Award

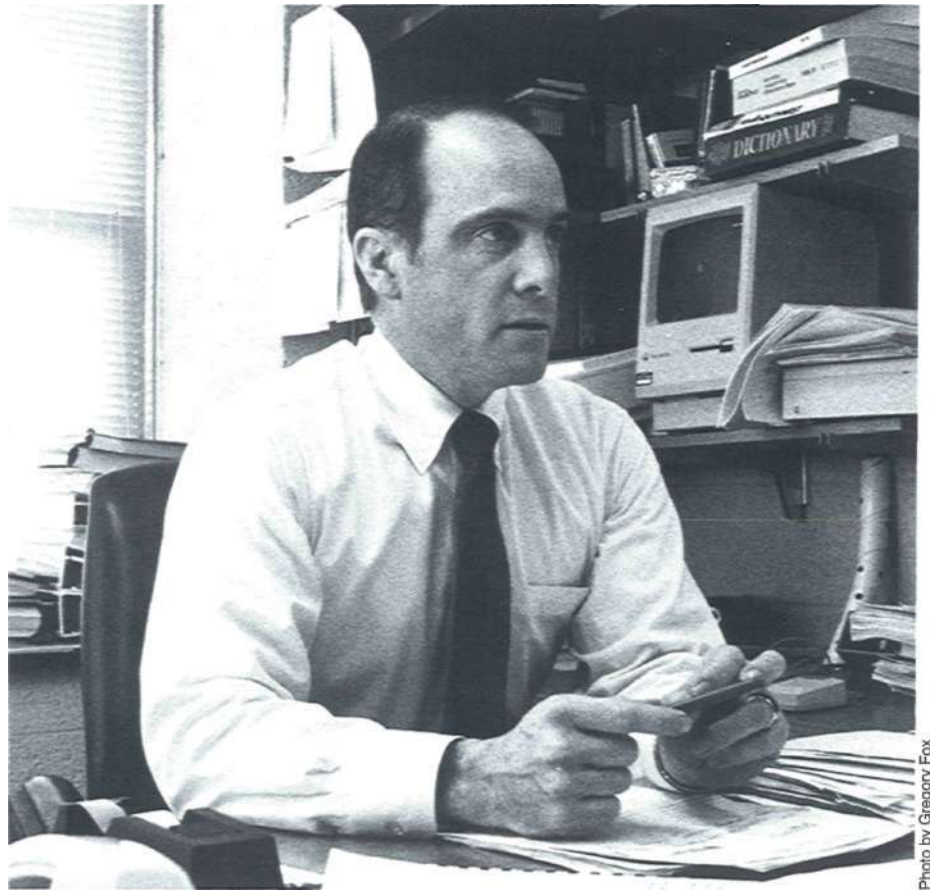


Photo by Gregory Fox

Dennis G. Severance, Arthur Andersen professor of computer and information systems, received the ninth annual Student Award for Teaching Excellence at Business School Recognition ceremonies in May. Selection of the winner was based on student nominations, students' comments, and course evaluation scores. Previous winners have been George B. Cameron III, professor of business law; C. K. Prahald, professor of corporate strategy; W. A. Spivey, Clare E. Griffin Distinguished Professor of Business Administration; F. Brian Talbot, professor of operations management; David W. Wright, assistant professor of accounting; and Eugene B. Imhoff, Ernst & Young professor of accounting. In accepting the award, Severance said, "Teaching is the aspect of my profession as a university professor that I cherish most highly. It is the thing that regenerates my belief that this nation (and this world) will find solutions to her problems.

marketing education. He is on the editorial review boards of the *Singapore Marketing Review*, the *Journal of Public Policy & Marketing* and the *Journal of Macromarketing*.

He has published extensively in a number of marketing and general business journals, on issues such as the use of marketing research and marketing strategy and planning.

Kinnear received his bachelor's degree at Queen's University, his master's at Harvard and his doctorate at U-M. He came to the Michigan Business School in 1975 and was named associate dean in 1986.

He is the co-author of several books, including "Principles of Marketing," "Cases in Marketing Management," and "Marketing Research: An Applied Approach."

Kinnear has major consulting relationships in the electronics, automobile, petroleum, malt beverages, appliance, and communications industries. He is an associate of the MAC Group Consultants and the Center for Executive Development, as well as being a member of the boards of directors of several companies.



## Attention! Here Are the Five Least Necessary Tax Complexities

Rules defining what interest deductions taxpayers may take topped the list of the five least necessary tax complexities, according to a poll of tax experts conducted by the Business School's Office of Tax Policy Research.

The poll listed the rules governing passive losses as the second most bothersome complexity. Rounding out the list: the qualification standards for a dependent exemption, which defines who taxpayers may list as dependents; the new "kiddie tax" provisions, which governs the rate at which children's investment income is taxed; and the alternative minimum tax, which is designed to ensure that all taxpayers pay some tax regardless of deductions and other tax loopholes.

"Simplicity often takes a back seat to other objectives of the tax system," said Joel Slemrod, professor of business economics and public policy, and director of the Office of Tax Policy Research. He said those objectives include fair distribution on tax burden, minimal adverse effect on the economy and raising sufficient revenue.

"Simplicity should be balanced against the other objectives of the tax system, but it should not be overlooked as an important goal of tax policy. Policymakers give insufficient attention to reducing the complexity of the tax system in spite of the fact that taxpayers spend about two billion hours annually on tax matters," he said. "The annual cost of operating the tax system, including taxpayers' time, is now between \$35 and \$40 billion, and nearly half of all taxpayers pay for professional tax assistance."

Slemrod said under current law, whether interest is deductible depends on precisely how the taxpayer uses the borrowed funds, and, in the case of mortgage interest, on the loan's collateral.

"Many of those surveyed favor replacing the multiplicity of limits on interest deductions with a single restriction," Slemrod said. "For

example, the rule might limit non-mortgage interest deductions to investment income plus some additional amount."

The tax experts polled, who included individuals from universities, think tanks and accounting firms, did not all agree on how to remedy identified complexities.

For example, there was no consensus on what to do about the rules on the alternative minimum tax. Slemrod said some experts favored outright repeal, while others wanted less extreme changes such as eliminating the separate calculation of depreciation when figuring out the minimum tax. "Complexity arises when the tax rules are difficult to understand and are difficult to comply with," said Slemrod.

"It also arises when there is a reward to taxpayers who take advantage of loopholes in the tax law. This type of complexity is minimized by eliminating differences in how investments are taxed. Some tax experts emphasized that reintroducing a preferential tax rate on capital gains would greatly increase complexity."

The 1986 Tax Reform Act reduced complexity by eliminating several million taxpayers from the tax rolls, reducing the number of taxpayers who need to itemize their deductions, and by eliminating certain complicated provisions. But it also introduced some complex new provisions, including three of the top five unnecessary complexities cited in his survey, Slemrod said.

Participants in the survey were: Henry Aaron of the Brookings Institution; Alan Auerbach of the University of Pennsylvania; Gerard Brannon, tax consultant; William Duncan of Ernst & Young; Deborah Schenk of New York University; John Scholz of the State University of New York; Donald H. Skadden of the American Institute of CPAs; C. Eugene Steuerle of the Urban Institute; Don J. Summa of Rutgers University; and Emil M. Sunley of Deloitte & Touche.

## U-M Study Finds 10% of Employees Account for 66% of Health Costs

A U-M health and fitness survey of 2,000 employees at Steelcase, Inc., found that just 10 percent of the employees accounted for 66 percent of the firm's health care costs. Many of the health problems were related to smoking, alcohol consumption, drug abuse, high-fat diets, lack of exercise and uncontrolled high blood pressure.

"The findings raise several questions," said D. W. Edington, director of the U-M Fitness Research Center, and Louis Yen, research assistant. "Should all employees bear the health care costs of a minority who persist in unhealthy lifestyles? Does a company have the right to insist that its employees adopt healthier lifestyles? And do employees have the right to demand fitness and employee assistance programs?"

"We are swiftly moving into an era of increasing conflict between two prized American values — access to health care and the freedom to choose how we live."

More than half of all chronic diseases, including cancer and heart disease, are related to lifestyle, Edington pointed out. "When we correlate lifestyle, disease and health care costs, it seems to me that the policy implications are clear," Edington said. "Companies must begin to require employees to try to change their lifestyles though employee assistance and fitness programs and employees must begin to demand such programs."

If managers and employees do not pursue such positive measures, Edington believes, corporations will soon be turning to a more negative one: insurance surcharges on those who lead high-risk lifestyles.

U.S. health care costs now amount to more than \$500 billion a year — 12 percent of the Gross National Product — compared with the 1960s when they were \$100 billion a year or 5 percent of the GNP. Currently, U.S. companies collectively lose about \$33 billion a year because of impaired employee productivity due to drug or alcohol use.

## The 1990 Pryor Award Winners



Photo by D. C. Goings

Martin Byle (left) and Brian Linman, MBA '90, are two of the four winners of the 1990 Pryor Award. Martin is currently working for Hewlett Packard and Brian is working for the Ann Arbor firm of Enterprise Management. The other two winners, Andrew Saporoschenko and Jodi Schroll, are 1990 graduates of the MBA program, but were out of town when this picture was taken.

### Business Plan for Multimedia Software Wins 1990 Pryor Award

A plan for multimedia software developed by four business students won the 1990 Pryor Award for the Michigan Individual Entrepreneur Project.

The winning business plan was developed around an existing product which provides easy-to-use software for capturing, storing, and processing high-resolution images and sounds on the NeXT computer system.

Team members produced the plan as part of course requirements for the class in entrepreneurship taught by Andrew Lawlor, adjunct lecturer in corporate strategy.

The business students are: Martin Byle, Andrew Saporoschenko, and Jodi Schroll, all of whom received their MBAs in 1990, and Brian Linman, an evening student who is completing his MBA part-time while working for the Ann Arbor firm of Enterprise Management.

The Pryor Award was created by Millard H. Pryor, who established the award with a \$50,000 grant to the School as a challenge "to commit the entrepreneurial dreams of students to paper."

The Pryor Award competition is open to all undergraduate or graduate students who are registered during the academic year. Proposed business ventures may center on consumer or industrial products and services or real estate products.

## High-Tech Directory Published by U-M

A new directory of Michigan's high-tech firms shows a dramatic increase in technology parks located near Michigan's research universities. In 1970, Michigan had only three research parks with less than 400 acres. The 1990 directory lists 33 high-tech industrial parks in 15 counties totalling nearly 7,000 acres.

Produced by the U-M Industrial Development Division, the "Directory of Research, Development and Testing Capacity in Michigan: 1990" includes information on 376 companies based on their responses to a written survey.

"More than 580 companies responded to the survey, but only those with research and development testing facilities, significant numbers of engineers or scientists on staff, or a major focus on research and development were included," said Michael Conboy, research program manager for the Industrial Development Division in the College of Engineering.

Michigan's technical diversity is reflected in more than 100 specialty categories of products, processes of services listed in the directory. In the academic section of the directory, 69 major laboratories in 15 universities list their research capabilities, equipment, and scientific personnel.

"This directory is a great vehicle for helping our state's firms get in touch with Michigan's abundant research, development and testing capacity," said Mark Murray, director of the Business Research Office in the Michigan Department of Commerce.

The directory may be obtained for \$20.00 by writing the U-M Industrial Development Division, 1ST Building - Room 2113, 2200 Bonisteel Blvd., Ann Arbor, Michigan 48109-2099.

# FACULTY NEWS NOTES

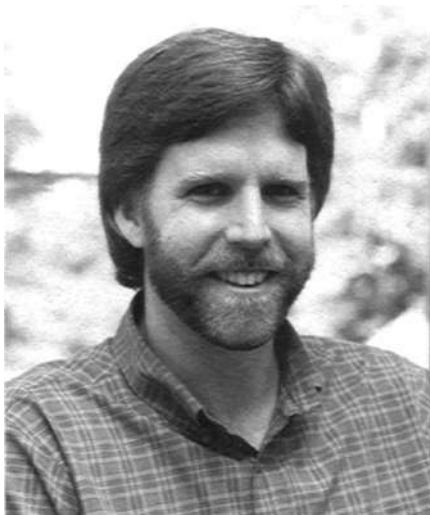


Professor Judy S. Olson



Professor Kim S. Cameron

Promotions of six faculty members have been approved by the Regents as follows: Kim S. Cameron, associate professor of organizational behavior and industrial relations, to professor; Judy S. Olson, associate professor of computer and information systems, to professor; Scott E. Masten, associate professor of business economics and public policy, to associate professor with tenure; Michael C. Johnson, associate professor of marketing, to associate professor with tenure; Edward A. Snyder, assistant professor of business economics and public policy, to associate professor (without tenure); and M. P. Narayanan, assistant professor of finance, to associate professor (without tenure).



Associate Professor (with tenure)  
Scott E. Masten



Associate Professor (with tenure)  
Michael C. Johnson

## Other Faculty News

This year we welcome four new assistant professors to our faculty. They include William N. Lanen, assistant professor of accounting; Ojelanki K. Ngwenyama, assistant professor of computer and information systems; Archie Lockamy III, assistant professor of operations management; and Sumit K. Majumdar, assistant professor of corporate strategy.

Janet Weiss has been awarded the sixth annual Harold Lasswell prize for the article published in *Policy Sciences* that contributes the most to the theory and practice of the policy sciences. Her prize-winning article was entitled "The Powers of Problem Definition: The Case of Government Paperwork."



Associate Professor Edward A. Snyder



Associate Professor M. P. Narayanan

David Ulrich's article, "Human Resources at Baxter Healthcare Corporation Merger: A Strategic Partner Role," won the first annual Best Article Award given by the Human Resource Planning Society (HRPS). The article, which appeared in a 1989 issue of *Human Resource Planning*, was picked from over 60 entrants. Ulrich and his two co-authors describe the important role human resources played in the successful merger of two firms in 1985.

**Lynda Oswald's** paper, "Rethinking the Business Losses Rule: Judicial Reforms," received the 1990 Outstanding Paper Award of the Tri-State Regional Business Law Association Conference.

Kathy Stecke's figure of a flexible manufacturing system has been selected for the front cover of the July-August 1990 issue of *Operations Research*, where her article with Yves Dallery, "On the Optimal Allocation of Servers and Workloads in Closed Queueing Networks," appeared. She has been invited to serve on the editorial boards of the *Journal of Entrepreneurship* and the *Journal of Production and Operations Management*.

Taylor Cox has two articles forthcoming: "Problems with Organizational Research on Race and Ethnicity Issues," to be published in the *Journal of Applied Behavioral Science*; and (co-authored with Stella Nkomo) "Invisible Men and Women: A Status Report on Race as a Variable in Organization Behavior Research," forthcoming in the *Journal of Organization Behavior*.

**Edward Snyder** presented his paper, "Misuse of the Antitrust Laws," at the 65th annual conference of the Western Economic Association in San Diego at the end of June. The paper, co-authored with Thomas Kauper of the Law School, will be included as part of the conference dealing with the theme "One Hundred Years of Antitrust: A Blessing or a Curse?"

**Pris Rogers, Herb Hildebrandt, and Bob Quinn** presented a plenary session entitled "A Competing Values Model for Management Communication" at the Management Communication Association Conference, which was held here at the Executive Residence in April. The Management Communication Association is a colloquium of professors from peer institutions, including Columbia, Darden, Dartmouth, Duke, Harvard, MIT and Wharton. Also, Rogers has been invited to serve on the editorial boards of the *Management Communication Quarterly* and the *Journal of Business Communication*.

**Elaine Didier** has been selected the recipient of the 1990 Distinguished Service Award, the highest award given by the Association for Educational Communications & Technology (AECT). The award is given for "outstanding leadership in advancing the theory and practice of educational communications and technology." Elaine served as president of the organization during 1987. She received the award during the AECT's annual meeting, held in Anaheim, California.

**Alfred Edwards** was elected secretary-treasurer of the National Economic Association at their meeting held in Atlanta in December. His election means the central headquarters of the Association will now be at Michigan. The NEA is an organization of economists devoted to finding solutions to the economic problems of the Black community and enhancing the professional growth of Black economists. He is also a member of the evaluation panel for the Ford Foundation Doctoral Fellowships for Minorities Program. The purpose of the program, administered by the National Research Council, is to increase minority presence on college and university faculties.

**Bill Moller** was selected to serve with six Detroit-area business/trade individuals on an International Trade Advisory Panel which will work on the development of an export development strategy/plan for the State of Michigan.

Debra Meyerson has two papers forthcoming: "How Much is Enough? Psychological Aspects of Decision Making in Security Dilemmas" (with Roderick Kramer and Gerald Davis) in the *Journal of Personality and Social Psychology*, and "Normal Ambiguity: A Glimpse of an Occupational Culture," to be published in P. Front, L. Moore, C. Lundberg, M. Louis, and J. Martin's *Reframing Organizational Culture*.

**David Wright** has had a paper accepted by the *Journal of Education for Business* entitled "Can Experts Outperform the Market?: Classroom Use of Evidence and Conclusions

from the Ongoing Wall Street Journal Study." Another paper, entitled "Strict Liability in a Principal-Agent Model," has been accepted for publication in the *International Review of Law and Economics*.

**Cindy Schipani and Lynda Oswald** presented a paper entitled "Director and Shareholder Liability Exposure for Environmental Hazards" at the 1990 Midwest Regional Business Law Association meeting in Chicago. Lynda also participated in the ABAs Conference on "American Citizenship and the Constitution," held in May in Lake Geneva, Wisconsin. She was also recently appointed as a Superior Township Planning Commissioner.

Youjae Yi's papers, "The Effects of Contextual Priming in Print Advertisements" and "Cognitive and Affective Priming Effects on the Context for Print Advertisements," have been accepted for publication in the *Journal of Consumer Research* and *Journal of Advertising*, respectively.

**Bill Cooke** has had his article "Conditions Under Which Collaboration Improves Supervisor-Employee Relations" accepted in the *Industrial & Labor Relations Review*. He and Susan Schurman of the Joint Labor-Management Relations Center have received a \$75,000 research grant from the Michigan Departments of Commerce and Labor for their study, "Union-Management Collaboration and Union Effectiveness."

Arthur Southwick has published an article entitled "Managed Care: Established Law Finds New Applications" in *Perspectives in Healthcare Risk Management*.

## The Class of 1940 Celebrates its 50 Year Reunion

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Members of the Class of 1940 and their spouses returned to the Business School in June to celebrate their 50th Reunion. Pictured are: (left to right) standing: Donald Runck, A. William Rhodes, Arthur Bartholomew, Jr., Max Schoetz, Ned Deming, James Gribble, Stewart Geelhood and Julius Mellema, all of whom received their MBAs in 1940. Seated (left to right) are Loretta M. Gribble, Betty Runck, Betty Bartholomew (who also is an alumna of the U-M, having received her BA in psychology in 1940), Anne Deming, Florence Geelhood and Shirley Mellema. (Photo by D. C. Goings)

Harold M. Beam, MBA '35, reports that he and his wife, Rowena, celebrated their 60th wedding anniversary June 21. When they married Rowena had her RN degree and worked at University Hospital. They now live in San Clemente, California.

Kenneth I. Shevin, BBA '56, MBA '57, recently moved to Naples, Florida, where he is a full time practicing CPA. After 23 years in public accounting, including partnerships in national and then "Big Eight" firms, he co-founded a local firm which had a staff of over 25 people when he resigned after ten years to take on the challenge of starting fresh in Southwest Florida.

Bryce R. Adie, BBA '61, has been promoted to vice president-human resources of Wisconsin Tissue Mills Inc., a wholly owned subsidiary of Chesapeake Corporation. Bryce joined Wisconsin Tissue in 1973 as personnel manager and safety director. Before being promoted, he was director of human resources. Wisconsin Tissue produces napkins, placemats, tablecovers, tray covers, facial tissue, toilet tissue, towels and wipers.

## Joel Tauber, MBA '63, is Chosen Michigan Manufacturing Entrepreneur of the Year

Joel D. Tauber, BBA '56, JD '59, MBA '63, has been honored as the 1990 Michigan Manufacturing Entrepreneur of the Year in a competition sponsored by Ernst & Young; *Inc. Magazine*; and Merrill Lynch. The National Entrepreneur of the Year will be chosen from among the regional winners, and will be featured in the January issue of *Inc.*

Tauber qualified for the award by building a three plant \$20 million family business into a 30 plant \$500 million group of private companies in a 20-year period. He is chairman of the board of Key Plastics, Key Manufacturing Group and the Keywell Company.

While a BBA student at the Business School, Tauber roomed with Louis Kwiker, BBA '56, JD '60, who also is a successful entrepreneur. He is now chairman and CEO of Reid Plastics, Inc., a major manufacturer of plastic containers for the bottled water and other industries. (Both Kwiker and Tauber were featured in articles in the Spring, 1990 *Dividend*.)

**David Tull, BBA '70,** has been promoted from senior vice-president to executive vice-president of Michigan National Bank. He also serves as senior vice-president and treasurer of Michigan National Corporation, and has recently assumed the responsibilities for the investment banking division of the corporation. David began his career with Michigan National Bank in 1971 and has held several management positions including commercial credit manager and manager of special loans. He also was division head/commercial lending and was subsequently responsible for all lending activities for Michigan National Bank of Detroit from 1985-86.

**Jeffrey J. Hodgman, MBA '66,** has been named to head a new corporate planning department of Metropolitan Life Insurance Company. He was formerly senior vice-president, portfolio strategies. Jeffrey joined MetLife in 1966 as a financial analyst in the corporate investments department, was named an assistant vice-president in 1974 and a vice-president in 1977. In 1979 he assumed responsibility for the corporate investment department's Midwestern office in Chi-

cago. He was named to head portfolio strategies in 1986. Hodgman is president and CEO of Metropolitan Series Fund, Inc., and a director of several MetLife subsidiaries, Alcoa International Holdings Company and G. S. Blodgett Corporation. He has represented MetLife on several creditor committees, including LTV and Texaco. He attended the advanced management program at Harvard Business School. MetLife provides or administers coverage to more than 42 million people in the U.S., Canada and other countries around the world.

**Tom Hresko, BBA '72,** has joined Network General Corporation to direct the major account program. Network General designs and manufactures LAN network analysis and diagnostic equipment used to troubleshoot networking problems and optimize network performance. The company has grown rapidly with its "Sniffer" family of network analysis tools. It was the fastest growing large IPO in 1989. The Sniffer Analyzer is used by almost every major computer company and 43 of the Fortune 50, as well as many leading educational and government organizations.

## Richard Rogel, BBA '70, is President of Michigan's Fastest Growing Private Company

PPOM, the company founded by Richard Rogel, BBA '70, in 1982, this year became the fastest growing privately held business in Michigan. PPOM climbed to first place, up from second place last year, in the Michigan Private 100 ranking compiled annually by the *Detroit News* and *Michigan Business Magazine*.

PPOM makes arrangements with a network of health care providers who agree to perform services at set rates. The reimbursement methods developed by the firm are supposed to help keep costs down by directing the flow of payments so that a doctor makes more money for basic patient contact and less for ancillary services.

The Southfield company's revenues grew at a compounded rate of 97.18 percent over the past five years.

Ranked companies had to be privately held and Michigan-based, with 1985 net sales between \$100,000 and \$30 million, and had to submit five full years of net revenue and full time employee figures. Nearly 250 companies submitted information for tabulation.

**Ronald H. Hoffman, MBA '72,** has been elected senior vice-president and chief financial officer of Structural Dynamics Research Corporation in Milford, Ohio. Before joining SDRC, he was employed at Baxter International Inc., a leading worldwide manufacturer and marketer of health-care products, systems and services. Over the past 13 years at Baxter, Hoffman held a number of senior division and corporate financial management positions, including manager of corporate reporting, vice-president/controller of the Pacific International Division and vice-president/controller of the Hospital Supply di-

vision. In 1988 he was promoted to vice-president of finance and operations of Global Businesses, which represented \$3.8 billion of Baxter's 1989 revenues. Hoffman began his career as a CPA for Arthur Andersen & Co. before joining Baxter International. SDRC is a leading international supplier of mechanical computer-aided engineering software and engineering services used by automotive, aerospace, and industrial manufacturers for the design, analysis and testing of sophisticated mechanical products. It employs more than 800 people in 34 offices in 10 countries throughout North America, Europe, and the Far East.

Robert F. Mull, MBA '73, BSIE '71, writes that he has been in Hiroshima, Japan since February, 1989, where he is executive director of Ford Hiroshima Operations. He says he is obtaining extensive exposure to Japanese systems and operating styles. Before going to Japan, he spent three years in Melbourne, Australia, where he was in charge of all product programs for Ford's Asian operations.

Ann E. Thomas, MBA '75, chief financial officer of the Hartford Region YWCA in Hartford, Ct., has been elected to the board of directors of the Association of Junior Leagues International, the international voluntary organization representing 182,000 women in 277 Junior Leagues in the United States, Mexico, Canada and Great Britain. She took office at the closing session of the Association's 68th annual conference, held recently in Toronto. Ann is immediate past president of the Junior League of Hartford, a member of the board of the Foodshare Commission of Greater Hartford, and community co-chairman of the 1990 Walk Against Hunger. She is also the Junior League of Hartford representative to the Connecticut Women's Network.

## Savvy Magazine Finds Mary Kay Haben, MBA '79, One of Their Forty "Women Worth Watching"

In a special feature about 40 young women who are changing the way America does business, and who are rising stars in their own right, the June, 1990 Savvy Magazine described Mary Kay Haben, MBA '79, as follows:

"Nobody could have predicted that Mary Kay Haben would grow up to be the pricing police for Kraft's Velveeta cheese. But after eight years as a Kraft brand manager and a few more as a marketing vice-president, Haben has made dairy products her obsession, keeping her eye on milk markets and farm legislation — any new developments that could change the cost of making Cheez Whiz or Philadelphia Brand Cream Cheese. 'When I go to friends' houses, I open their refrigerators. I ask them why they're using this horrible dressing and not Kraft. Or why they aren't using Velveeta,' she says. 'It drives my husband crazy that I love to go to the supermarket while we're on vacation. But that's why I've stayed so long. I find it fun to live my job all day long.' "

Mary Kay is vice-president, marketing and strategy, of Kraft General Foods, Inc. in Glenview, Illinois.

Michael R. Mosher, BBA '76, writes that he was recently elected a partner with the law firm of Mirick, O'Connell, DeMallie & Lougee in Worcester, Massachusetts, where he concentrates in civil litigation with special emphasis on the defense of medical malpractice claims. He received his JD degree from Saint Louis University School of Law in 1980, and is licensed to practice law in Massachusetts and Michigan.

M. Kay Roth, MBA '78, resigned her position as coordinator of merchandising at Abitibi-Price Corp. in 1981 upon the birth of her first daughter. She had another daughter in 1984, and subsequently began studying accounting part-time at Walsh College. She became a CPA in 1989, and is now working with Zalenko & Associates in Southfield, Mich, as a staff accountant.

Ed Franklin, MBA '78, writes to tell us that he and his wife, April Fujimoto, became the parents of Amy Tomiko Franklin on January 19. He also tells us that about a year ago, he started Transpacific Distri-

bution Ltd., an importer and distributor of laptop computers and accessories. The company sells both to dealers and, through its catalog, to end-users. TransPacific's buying strategy is to find established mid-sized manufacturers in the Far East who wish to penetrate the North American market, but who need local partners to do so. Ed says, "Complementing this is our selling strategy, which is to offer both quality private labeled laptops and the broadest line of portable computer accessories. We have been fortunate enough to find some success, and our ads now appear regularly in Portable Computer, PC Laptop, Byte, and other periodicals." Ed also writes that last summer he and his wife traveled to Europe and visited while in Paris with Lee Lanselle, MBA '78. He says, "Lee is fine and is working for Disney to help open up the new Disneyland in France. If you call him at home, you will hear on his answering machine first Lee speaking in French, then his wife in Japanese, then his eldest daughter in English. Quite a surprise."

Gary S. Caine, MBA '79, has been admitted as an audit partner in the San Francisco office of

Deloitte & Touche. He is a firm-designated specialist in the manufacturing and natural resources/mining industries, and he serves state and local governmental entities. He is also responsible for multinational and SEC engagements. He has been extensively involved in arbitration and litigation support and mergers, acquisitions, and dispositions. He has been with the San Francisco office for 11 years.

Lori Sommers Abel, BBA '79, went to work for Western Electric after graduation, and worked her way up to a market planning manager. She left Western Electric to work with Control Data and then Digital Equipment Corporation. For five years, she sold computer systems and services for DEC, and attended Wayne State University at night to earn her MBA, which she received in 1986. In 1988, after the birth of her daughter, she started her own part-time business doing party planning and balloon decorations from her home in West Bloomfield, Mich. She and her husband have two children, Amy and Brian.

Erm Lepley, MBA '80, has been admitted to partnership in Price Waterhouse, the international accounting firm. He joined the firm's Charlotte, N.C. office in 1980, transferred to the national tax services office in Washington, D.C. in 1988, and returned to the Charlotte office in 1989. He has extensive experience in mergers and acquisitions, business valuations, financial institutions taxation, tax practice and procedures, and with closely-held businesses. He has taught numerous internal and external continuing education courses, lectured at national tax conferences, and been published in *The Tax Adviser*. He writes that his wife, Peggy, is a 1980 graduate of LS&A and has recently helped found a new employee benefits company in Charlotte.

## Scott Wyler, MBA '89, Wins Top Prize in Comedy Contest

Scott Wyler, MBA '89, came away the winner in the finals of the national stand-up comedy contest sponsored by the National Association of Comedy Club Owners (NACCO), held in Atlantic City in April.

Wyler's winnings include \$2,500 in cash, and 40 weeks of bookings in NACCO clubs around the country. Before the contest, his total paid professional club experiences numbered three, all in the Greater Cleveland area. The other six finalists — culled from hundreds of entrants across the country — had national television credits.

Wyler got his start at the Hilarities Club in Cleveland. He went on stage at Hilarities' amateur night, and was immediately offered a job as an opening act on one of the pro nights.

According to a reporter who was present at the contest: "Though all seven of the contestants were extremely talented comedians, the audience went wild over (Wyler's) 15-minute performance, where he speed-talked his way through a drag racing commercial and Olympic narration of the bobsled event."

Deepak K. Goyal, MBA '81, received his JD degree in June from the Suffolk University law school in Boston, and is currently working as a strategic business unit manager in the telecommunications and networks group of Digital Equipment Corporation.

Susan German Cothorn, BBA '82, graduated from the Carlson School of Management at the University of Minnesota in June, and is now working at the Pillsbury Company in Minneapolis where she has joined the marketing management team in the Prepared Dough division.

John Reed, BS '79, MBA '82, has joined a medical start-up company, Greenleaf Medical Systems in Palo Alto, Calif., as director of product development. The company transforms the product rights acquired from high-tech R & D labs into viable commercial medical hardware and software products. He says that his main task is "to guide our team to define and create products out of amorphous research ideas." He graduated from Stanford with a master's in medical informa-

tics in 1989. Before that, he was a financial information systems manager at Hewlett Packard.

Carolyn A. Martin, BS '75, MBA '82, recently took a position with Applied Biosystems, Inc. as a regional sales manager. ABI sells scientific instrumentation for the biotechnology marketplace. She says her sales reps cover the southwestern U.S. Carolyn writes that she got married in Au-soist, 1989, and her husband is an attorney for MGM/UA. They live in Woodland Hills, Calif., along with their four dogs.

Andrea L. Gordon, MBA '83, tells us that after graduation she went to work for Travenol Labs (Baxter) as a treasury associate with responsibility for all systems support in the treasury department. In April, 1985 she left Travenol to form her own independent computer consulting firm, and is helping companies bridge the gap between their technical needs and their users. Her clients include all types of organizations from small social service agencies to large accounting firms. She lives in Chicago.



Donald J. West, BBA '84, graduated from the University of Michigan law school in May, and has accepted a position as associate at the firm of Morrison and Foerster in San Francisco. Before attending law school, he worked at Unisys in international systems development in Detroit.

Daniel J. Wang, MBA '84, recently graduated from St. John's University School of Law in New-York. While going to law school at night, he established Daniel J. Wang-Associates, Inc., a general property and casualty insurance brokerage firm. In addition, he is also president of Wang Brothers Realty Corp., a real estate investment concern. He writes that his wife, Agnes C. Liu, also Michigan MBA '83, is working as a senior system architect with Merrill Lynch Capital Markets at the World Financial Center in New York City.

Edward A. Coppola, MBA '84, has been promoted to regional manager in the Guarantees Department of the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank Group. He will be in charge of underwriting political risk investment insurance for foreign investments being made in Europe, the Middle East, and Africa. He lives in Falls Church, Virginia.

Douglas R. Taeckens, MBA '85, has been appointed to the post of president of Helmac Products Corporation. He will assume responsibility for worldwide operations of the company, which manufactures clothing and shoe care products. Douglas is a seventeen-year veteran of Helmac, where he has been southwest regional manager, national sales manager, and most recently, vice-president of sales and marketing.

Paula Litner Friedman, MBA '85, has been promoted to associate market research manager at General

We would like to include more news about alumni in *Dividend*, and hope you will help us by providing us with information about yourself. We'd like to know where you are working, and other news about you, such as promotions, new business ventures, any business or academic honors, authorship of books or articles, or other information that would be of interest to alumni. If you would take the time to fill out the form below and send it to "Pringle Smith, Editor, *Dividend* Magazine, School of Business Administration, University of Michigan, Ann Arbor, Michigan 48109-1234," we would very much appreciate it.

Name: \_\_\_\_\_

Degree(s) and Class Years: \_\_\_\_\_

Business Position: \_\_\_\_\_

Business Address: \_\_\_\_\_

Home Address: \_\_\_\_\_

Please write below some personal or business news about yourself that we can share with other alumni.

Foods USA, a subsidiary of Kraft General Foods in White Plains, New York. Her responsibilities include all survey and syndicated research for the Crystal Light and Country Time powdered soft drink brands. Before joining General Foods in June, 1988, Paula worked as a senior market research analyst at Kraft, Inc. in Glenview, Illinois, in the new refrigerated products group. In April, 1989, Paula was married to Howard Frederick Friedman and they now live in Stamford, Connecticut.

**Michelle Reichman, BBA '87,** is now working for Roerig, a division of Pfizer Pharmaceuticals as a medical sales representative in the north-west region of Missouri.

**Jean L. Zick, BBA '87,** has been promoted to supervising senior in the Audit Department of KPMG Peat Marwick, and has recently moved to Boston with her husband. She writes that much of her recent work has been for financial institutions and, she says, "Given the present state of the savings and loan industry, I have found myself in a challenging and dynamic area. With the continuing change in the nature of the regulation of that industry, I really have the opportunity to be creative in thinking up solutions for the problems these institutions face."

**James V Camp, MBA '88,** writes that he has left his marketing representative position with Trammell Crow Company's Ontario office and is now a project manager with Burke Commercial Development in Irvine, California, where his responsibilities include site acquisition, development, and marketing.

**Clark E. Chastain, Ph.D. '58,** was named David M. French Distinguished Professor at the University of Michigan-Flint. The award, named for UM-Flint's first dean, was created to honor faculty who have attained national or international recognition for scholarly achievement and teaching excellence. Chastain is the author of more than 68 articles, monographs and books on a wide range of business topics. His work has been published in leading management and accounting journals in Canada, England, France, Germany, India, and New Zealand as well as the U.S.

**Stephen A. Zeff, MBA '60, Ph.D. '62,** received an honorary degree from the three universities of Turku, Finland in May. The special ceremony, at which 22 individuals, most of them Finns and Swedes, received honorary degrees, was held to commemorate the 350th anniversary of higher education in Finland. Turku is the former capital of Finland and is where the first Finnish university was founded. Zeff, director of undergraduate accounting and the managerial studies department at Rice University, was recognized for his pioneering work in the comparative study of international accounting. Among the other recipients of honorary degrees were the King and Queen of Sweden and two Nobel laureates.

**Filip Abraham, Ph.D. '87,** is now an associate professor at the University of Leuven in Belgium.

Several graduates of the U-M Executive Program attended the Michigan Business School's program in Brussels in May entitled, "The Changing Nature of Global Competition." (See page 18 for a report on the event.) Among the EP alumni who attended were Lauri Hintikka, EP '89, executive vice-president of A. Ahlstrom Corporation in Helsinki, Finland; Dr. Leo Mertens, EP '87, regional manager of F. U. Lansckot Bankiers N.V. in the Netherlands; Helmut Ochs, EP '81, Bereichsdirektor of Henkel KGAA in Dusseldorf, West Germany; Meint P. Smit, EP '88, marketing director of Philips Optical Fiber in Eindhoven, the Netherlands; Yves Tourel, EP '88, directeur, General Adjoint, Compagnie Francaise Philips in Paris, France; and Antonius Vervoort, EP '88, managing director, Philips International B.V. in Eindhoven, the Netherlands. Many other business school alumni from all over Europe also attended.

# Heirs Apparent.

## Heirs Unapparent.

Your children. Your spouse. Close friends. Relatives. Your estate plan provides for all the obvious legatees. But what about the heirs who are less apparent? What about, for example, the students of the Michigan Business School?

**A growing number of our alumni are looking beyond the obvious in their estate planning, by including the Business School in their bequests.**

Last year, bequests accounted for 24% of all gifts received from individuals by the University. Which indicates how deeply graduates feel about their relationship with Michigan and its role in their lives. That sentiment was probably best expressed by a '57 alumnus, who explained his generous bequest this way: "I feel so strongly about the need for continuing the Michigan educational *legacy* that I've decided the University deserves to be a co-equal estate member with my children."

**A bequest to the Michigan Business School is a rare opportunity to make a life-transcending gift — one that will perpetuate your ideals, your hopes, your values.** By providing for the Business School in your estate plan, you

can often make a much larger gift than would be possible during your lifetime. And that gift will have far-reaching ramifications, affirming the School's traditions, touching the lives of students for years — even generations — to come. Your bequest will literally form the bedrock of our programs, providing much-needed dollars for faculty support, building renovations, curriculum initiatives, and fellowships and scholarships for future business leaders.

**If you haven't yet made a bequest to the Business School, please consider it. And if you have, please tell us about it.**

If you're interested in making a provision for the Business School in your estate plan, call Ken Eckerd at 313/998-6085 or mail in the attached reply card. We'll send you information about the numerous giving options as well as

preferred bequest language for review by your lawyer. We'll also tell you about the John Monteith Recognition Society for bequest donors.

If you *have* remembered the Business School in your will, please use the reply card to let us know, and we'll contact you regarding the details of recognition.



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## Michigan in Brussels



*University of Michigan alumni from all over Europe gathered in Brussels in May to attend a day-long seminar entitled, "The Changing Nature of Global Competition." Business School Professors C. K. Prahalad and Gunter Dufey, who ran the seminar, applied their expertise directly to issues participants' companies are facing. Prahalad, professor of corporate strategy and international business, talked of the need for companies to develop a strategic intent and exploit their core competencies to compete in a global market. Dufey, professor of international business and finance, discussed interest rate volatility and exchange rate risks between currencies, and how these affect corporate risk management. On the previous day, Dean Whitaker took part in an international panel that discussed business education on both sides of the Atlantic. Members of the panel included William Braddick, director general of the European Foundation for Management Development; Hugh Stevenson, director of executive management and employee development for IBM Europe; Dean Whitaker, who as president of the American Assembly of Collegiate Schools of Business, represented American business schools; and the moderator, Robert Taylor, Brussels correspondent for "The Economist." For a more detailed report on both events, see page 17. Kathy Hulik, our reporter at the events, also took the color pictures of Brussels you see here.*