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Wayne State University  
School of Business Administration  
Report to the Board of Governors  
June 2004

**Executive Summary**

During the past seven years, under the leadership of the current dean, the School of Business Administration (SBA) has had significant achievements and is poised to respond to future challenges. The SBA enters the academic year 2004-2005 re-positioned to meet the demands of a changing market place and an uncertain economic environment. The School's future is bright as a result of recent efforts to strengthen our programs, enhance our faculty, and expand our reach into the communities of Southeast Michigan and beyond.

The SBA expects to address the second half of this decade with the implementation of a PhD program, a streamlined administrative structure, a stronger and more diverse faculty, a greater presence in the region and beyond, and a strong Board of Visitors (BOV), approaching 60 members, prepared to assist the School in advancing into a top 50 public research school of business. As part of this total initiative, the SBA and its Board are committed to generating the funds necessary to build a new state-of-the-art facility for the School on the main campus.

**Academic Programs**

In 1997 the School faced undergraduate and graduate programs that were significantly deficient as assessed by AACSB International, our accrediting agency. The SBA received reaffirmation of our accreditation for the maximum period of 10 years in 2002. Programs were revised by removing redundant, outdated, or under subscribed courses from our curricula. More undergraduate emphasis was delegated to the liberal arts to ensure sound educational underpinnings for our students. A comprehensive assessment program was implemented to ensure that current students and graduates provided feedback to ensure that we were meeting the needs of the marketplace for students and the job market for graduates.

In 2003 the School launched an online MBA with a highly innovative delivery design. This program was not publicized during the development and initial implementation stages. Today the program is oversubscribed and we still have not advertised it. To date, all online sections have been fully enrolled, students report extremely positive experiences that are supported by repeat enrollment in online courses. The innovative delivery design ensures that we have not succumbed to the widely publicized problems of other online programs: excessive expenses against marginal revenues, lack of confidence in student performance, and failure of students to complete the course. Additionally, our faculty report comparable academic performance from online students who take the same exams as our students in traditional courses.

To meet the demand for these on-line MBA courses, the SBA has invested more than \$300,000 in technology as well as additional funds in faculty training and development in the use of the

technology. Now that we are in a position to offer an appropriate number of sections, the School expects to advertise the program in Fall 2004 for Winter 2005 enrollment.

Through a section of the MBA capstone course that focuses on entrepreneurial initiatives with emphasis on technology and innovation, there is a direct connection with the University's Technology Transfer Office and TechTown. Students assess the marketability of WSU patents and present their analysis to venture capitalists who have committed several million dollars to selected projects.

The SBA has enhanced the international business elements in our graduate and undergraduate programs in several ways. One of the most exciting is a course that offers our students the opportunity to work with German students at partner universities on case discussions and projects through Interactive (live) TV broadcasts. These students also travel to Germany for 10 days over the Winter term break to meet their partner students in Germany and jointly tour major German business facilities.

With the support of University administrators, the School will move forward to develop off-campus, contract Executive MBA (EMBA) programs for specific businesses in the community. These programs will fully pay for their costs as well as contribute to enhancing the visibility and reputation of the School in the business community.

Looking forward, with the encouragement of the Provost, our faculty are designing a PhD program that we expect to advance in the coming academic year. A quality PhD program is critical for the School to fully participate in our Carnegie Research Extensive mission as well as to ensure that the School meets the demands of future accreditation.

### **Enrollment and Students**

In 1997 our graduate enrollments were approximately 1,650 headcount students (665 FTE). While the graduate enrollment dipped to 1,379 students in 2002, the ratio of full-time to part-time students has increased which resulted in a much lower drop in FTE students during this same period (665 v 618). Changes in the University Admissions Office seem to have caused our graduate enrollment to "bottom out" and "point upward" for Fall 2004 with a 24 percent increase in applications to date.

Additionally, the University implemented Differential Tuition (DT) for students in our graduate classes beginning in Fall 2003. This change did not adversely impact enrollment as measured against the fall 2002. The School seeks to grow our graduate enrollment back to the 1997 level and will do so through contract EMBA programs and advertising of our programs, especially the online MBA.

Undergraduate enrollment has been relatively level in terms of headcount from 1997 through 2003 (987 v 1,027), but the FTE has grown by more than 14 percent over that same period (561 v 640). The School seeks to hold undergraduate headcount enrollment at current levels but expects to increase FTE enrollment as a result of the increased FTIACS students stemming from the building of residence halls and the development of a living-learning community in the new facility.

To support our students, the SBA has raised funds historically from the private sector and alumni. During the past seven years, the School has annually enhanced its support of our students from the private sector. In 1997, the School awarded its own students about \$100,000 in scholarship support. By April 2004, the School awarded more than \$375,000 in scholarships.

In response to the growing number of full time students and the longstanding and extensive complaint of our graduate and undergraduate students about limited internship and placement for them, the SBA will move forward to establish a satellite Career Planning/Placement Office in the Prentis Building. Some funds to support this initiative have been developed from the private sector and a strong commitment for this activity has been secured from our BOV for additional fund raising.

### **Faculty**

In 1997 the Faculty numbered 100 (64.2 FTE), today it numbers 82 (61.07 FTE). In 1997 the full-time faculty numbered 49 and today it is 56. Clearly there has been a shift from part-time to full-time faculty in the face of a reduction in both headcount and FTE students over this same period. Some of this reduction is explained by the curricula efficiencies and enrollment reductions noted above. Today, the faculty is appropriately sized for the programs we offer and the number of students we teach. However the proposed PhD and projected enrollment growth are likely to require additional positions, some of which can be met through differential tuition.

While the faculty numbers tell one story, they do not tell the story of the evolving transformation of the faculty. In 1997 the AACSB Accreditation Team was highly critical of the scholarly activity of the faculty. Since then, as less scholarly faculty members retire, they have been replaced with strong junior faculty or superior senior faculty. The School expects to continue this transformation in Fall 2004 when two full professors in finance with scholarly records placing them in the top 5 percent of their peers nationally join the School. Additionally, a full professor in Marketing with a similarly distinguished record will start in September. We have hired an Assistant Professor in Information Systems from the University of Michigan and an Assistant Professor in Accounting from the University of Minnesota both to start in September 2004. Key to this transformation is the presence of two endowed chair positions in the School made possible through the generosity of the private sector and alumni.

This transformation must continue to ensure that the School's PhD program be at the high quality expected of our University. Hiring qualified faculty in business is difficult. The supply of PhD qualified faculty is well below the demand, and the supply of faculty trained to teach and do research at a major research university is even more out of balance with demand. It will be increasingly more difficult to hire faculty with the necessary qualifications due to the high cost of business faculty. In many research schools, starting salaries for new PhDs in many business disciplines are \$125,000 or more, with guarantees of 2/9ths summer research support for 3-5 years, and appropriate GRA support.

The School presently has seven tenured faculty members who are 60 years of age or above, suggesting that there will be some retirements in the next several years. These retirements represent further opportunity to continue the transformation of the faculty.

## **Administrative Structure**

During the past few years the School has reviewed its non-instructional administrative structure and made changes that resulted in cuts of nearly \$400,000 in the central administration of the School. This included moving our Professional Development Division (PDD) from having heavy general fund support to a fully self-supporting operation with a positive cash flow that provides a financial contribution to the operation of the School.

Recognizing the need for further efficiencies, a restructuring plan has emerged from administrative leadership that will consolidate our five departments into two containing discipline coordinators. To gain input for this process, an *ad hoc* faculty restructuring committee was formed that conducted meetings with many members of the faculty. Additionally, the School's administration held meetings with the full professors in the School, the Faculty Senate, and the Faculty Assembly. This proposal for a revised administrative structure will realize \$250,000 in savings, add to the teaching capacity of the faculty, and lead to Chairs charged with the responsibility of integrating the full educational experience within our programs and our majors. These administrative savings will be achieved while strengthening the teaching and research mission of the academy. Net savings from the consolidation will be used to assist with the costs of the proposed PhD program and other academic initiatives within the School.

## **Outreach Activities**

Located in the heart of our urban setting, we are building a "different" kind of business school. One that is committed to reach beyond our University walls to support and enhance the lifelong education and professional development needs of our extended community while providing traditional business education through our academic programs.

## **Board of Visitors**

The School has one of the most influential BOV groups on campus with 37 committed and active members. Our BOV roster is a list of the "Who's Who of Metro Detroit" and offers vital perspectives on aligning the School's research programs, educational goals, and professional and development activities with the needs of the business community.

BOV members are instrumental in promoting the School's image, programs, and activities in the community, as well as supporting our development goals. The BOV is prepared to take a prominent role in leading our capital campaign goals. The School seeks to build the board to 60 members while continuing to enhance the prominence of its membership.

## **Professional Development Division**

The Professional Development Division (PDD) provides proven, practical solutions to business challenges through executive education, business training, and consulting. The Division offers its expertise and programs to clients that include Blue Cross Blue Shield of Michigan, UAW-Ford, UAW-GM/Delphi, City of Detroit, Comcast Cablevision, and Children's Hospital.

PDD program expertise includes skill training and development in Leadership, Strategic Planning, Customer Service, Business Process Improvement, Communications, Motivating

Employee Performance, Change Management, Quality and Customer Focus, Financial Management, Organizational Communication, Team Development and General Management.

PDD houses the Small Business Programs unit which assists those who want to learn how to start and run their own small businesses and offers Small Business Consulting Workshops to assist accountants in expanding their practices by growing their consulting services.

PDD includes the Procurement Technical Assistance Center (PTAC) that assists qualified businesses in the Detroit area to bid for government contracts by providing small business owners with knowledge of opportunities and marketing and technical assistance. PTAC services resulted in qualifying small business to win government contracts totaling more than \$5 million.

### **Institutes and Centers**

The School houses the Institute for Organizational and Industrial Competitiveness (IOIC) and the Manufacturing Information Systems Center (MISC). Both initiatives were formed to enhance the outreach mission of the School. Neither receives any general fund budget support. The MISC assists in the introduction and assessment of information systems in the manufacturing processes prominent in the Southeast Michigan economy.

The IOIC seeks to bring a better public understanding and awareness of issues that impact and enhance competitiveness. In partnership with Detroit Public Television, the IOIC launched a weekly television program that provides an inside look at how prominent executives confront the many challenges of leading major organizations. *Leaders on Leadership* premiered in 2004 and is hosted by Larry Fobes, Director of the IOIC. The program features in-depth conversations in an interview format with an audience comprised of WSU business students. Among the guests on this year's 18-show season include J.T. Battenberg III, CEO of Delphi Corporation; Nancy Schlichting, President and CEO of Henry Ford Health System; Ron Gettelfinger, President, United Auto Workers; Peter Karmanos, Chairman and CEO, Compuware Corporation; Jim Press, COO Toyota Motor Sales US; and Dave Bing, President and CEO, the Dave Bing Group.

### **E-Commerce Summer Camp**

In response to the concerns of the business community that there will be an insufficient number of people in tomorrow's workforce trained to work with technology and that the trained workforce will not be sufficiently diverse, the School created the E-Commerce Summer Camp in 2001. Through a partnership with the business community, area high schools and the School, 84 of 86 low-income minority students have completed this award-winning program. All students completing the program remain in or have graduated from high school. Of the Camp students who have graduated from high school, more than ninety percent have continued with postsecondary education.