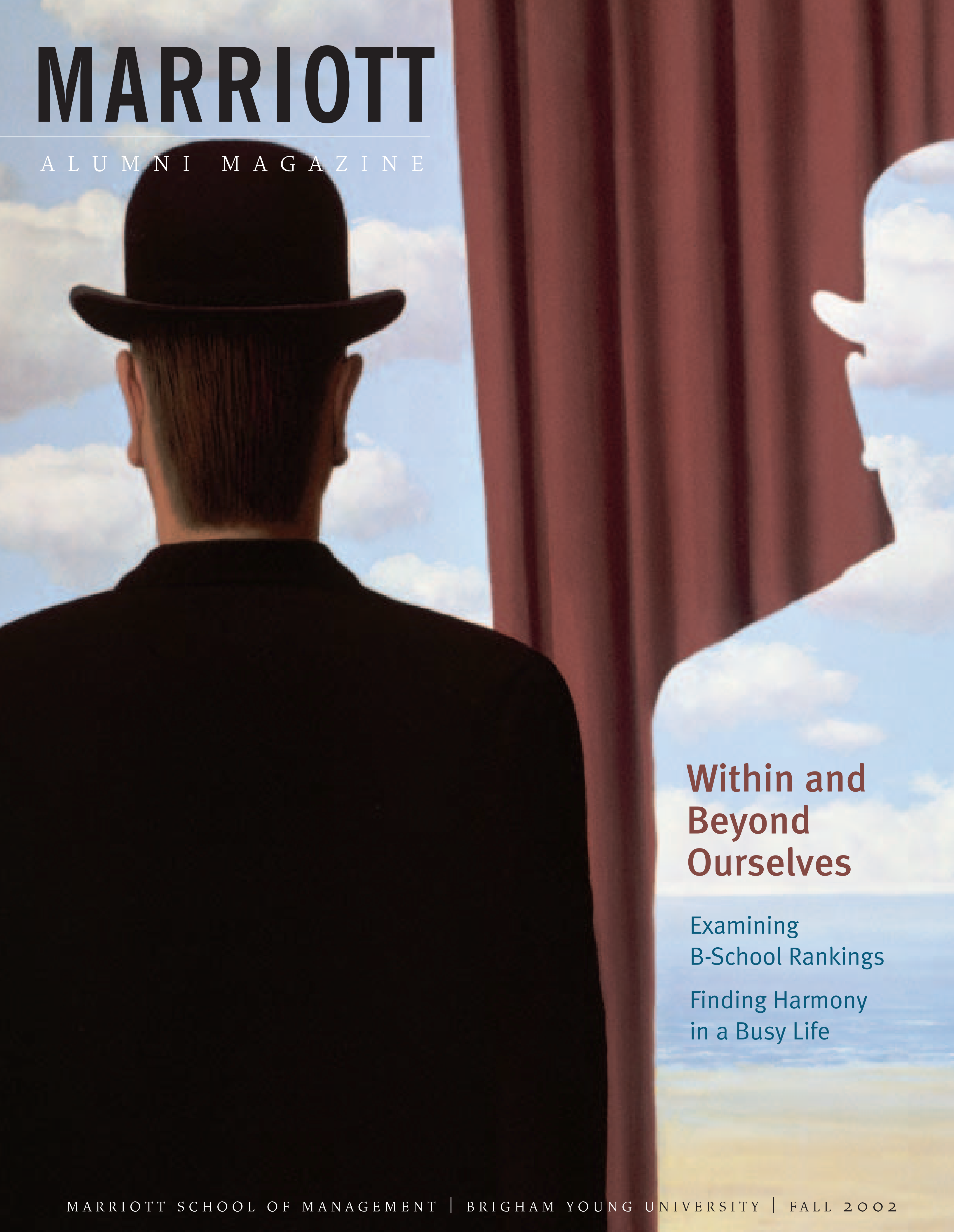
MARRIOTT

ALUMNI MAGAZINE



Within and Beyond Ourselves

Examining B-School Rankings

Finding Harmony in a Busy Life

MARRIOTT SCHOOL OF MANAGEMENT | BRIGHAM YOUNG UNIVERSITY | FALL 2002

Students experience the challenges of getting around in an emerging economy on a recent business study program in Vietnam. Foreign business programs are sponsored by the Marriott School's Global Management Center and funded in part by a four-year U.S. Department of Education grant. Students studied supply chain management, finance, marketing, and economics in China, Japan, and Vietnam during spring 2002.

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NEWS

Cover painting by Rene Magritte
Inside cover photo courtesy of Jeremiah Christenot

Business Is E-Business

BY ASSOCIATE DEAN LEE TOM PERRY

While the investment community continues to punish stocks in the technology sector, the commitment of the Marriott School's Kevin and Debra Rollins eBusiness Center to information technology and e-business shows no signs of wavering. The leaders of both the Marriott School and the Rollins eBusiness Center believe that today's business is e-business. The fingers of information technology are leaving their prints on all business activities—increasing speeds and efficiencies throughout the global economy. Dean Ned C. Hill observes that during the recent, unofficial recession, productivity has actually increased, and he attributes this mostly to new e-business applications. The Rollins eBusiness Center will continue to push the envelope of established business practices by pursuing its mission to become a leader in e-business through teaching, research, and innovation.

Certainly, the capital markets' loss of faith in e-business has hurt the technology sector. The loss of so many promising technologies, simply because companies could not raise the capital to sustain themselves through the early growth stages, has been a painful chapter in business history. The future, however, still promises hope. Economist Joseph Schumpeter described the process of creative destruction in which new opportunities arise from the ashes of failed businesses.

There has been a shakeout in the technology sector, and only the strongest and luckiest have survived. The survivors of the recent famine of investment capital merit commendation. Hopefully, they have weathered the worst part of what has been a longer than expected storm. The victims, however, deserve more than our sympathy. They also deserve our admiration and respect, because they acted on their visions and dreams. They created something important, whether or not it stood the test of time. They showed immense courage by continuing to believe and act on their belief in the promise of e-business.

Recent challenges in the technology sector have strengthened, not weakened, the Rollins eBusiness Center. Much like both successful and unsuccessful e-business entrepreneurs, challenges have increased our spirit of resolve and commitment to the future of e-business. We are more excited than ever about the promise of new information technologies and other electronic business applications to further and forever alter global business practices.

The activities of the Rollins eBusiness Center are organized around five focus areas: 1) curriculum, 2) research, 3) extended education, 4) international business, and 5) entrepreneurship. Each focus area is directed by a committee, and each committee has an advisory board lead, a faculty member lead, and a student lead. The work of these focus area committees is divided into projects, and each project has a faculty coach, an advisory board mentor, and a student team assigned to it. Some of the center's current projects include:

Personal finance CD—A project team is working with Professor Bryan Sudweeks to develop course material in personal finance that can be delivered on CD-ROM or streamed over the Internet to BYU students and members of the Church throughout the world. The team intends to create thirty modules that can be accessed for specific information or combined into a personal finance course.

"Next Step Video"—This is a series of projects all growing out of the creation of a video lab where faculty can digitally record narration of PowerPoint slides. These narrations can be used by students to study and/or review fundamental concepts or other material that does not require two-way, student-teacher interaction. Professor David Cottrell is the faculty coach on this series of projects, and interest is growing rapidly among other faculty and students.

eContent and eStreaming—The goal of this project is to extend the reach of the Marriott School and its resources through eContent and eStreaming. In conjunction with LexisNexis and WebCE.com, the Rollins eBusiness Center recently streamed several business lectures to determine the feasibility of making the school's e-business, entrepreneurial, executive, and MBA lecture series available on the web. The center is also exploring new methods and techniques for delivering eContent and streaming and archiving material.

BusinessGrams—This project is a collaboration between the Marriott School's Global Management Center, the Rollins eBusiness Center, and Axiom Press. The goal is to create thirty to seventy BusinessGrams—eight to twelve page summaries of economic conditions and business practices in specific countries. Leaders in this effort are Professor Monte Swain of the School of Accountancy and Information Systems and Rollins eBusiness Center; Tad Brinkerhoff, managing director of the Global Management Center; and Kristine Widtfeldt of Axiom Press.

Many of the above projects are also influenced and assisted by Owen Cherrington, director of the Rollins eBusiness Center. In his inimitable way, Owen has organized and orchestrated the support of key business leaders, interested faculty, and enterprising students to create something greater than the sum of the parts. We greatly appreciate Owen's contributions and the contributions of everyone affiliated with the Rollins eBusiness Center. M

ALUMNI EXCHANGE

A forum for alumni to share ideas about challenges facing Marriott School graduates.

HOW DO YOU MOTIVATE UNDERPERFORMING EMPLOYEES?

AN EMPLOYEE WHO UNDERPERFORMS usually belongs to either the "can do/won't do" or the "will do/can't do" category. Those who can but won't have motivation problems and those who will but can't have performance problems associated with lack of skills.

First, identify the cause(s) of the underperformance—is it a motivation or a skills problem?

If the employee is a "can do/won't do," the behaviors are: he/she is a complainer, performance is inconsistent, can be informal negative leader, absenteeism, and/or will often have a reason for not performing.

Solutions: Counseling by supervisor, confronting the employee's poor performance, providing clear expectations, giving performance feedback.

If the employee is a "will do/can't do," the behaviors are: he/she will make mistakes, usually can only perform simple tasks, is positive, and asks a lot of questions.

Solutions: Offer skills training, clarify job specifications, provide positive reinforcement when a task is completed satisfactorily, or transfer the individual to another job—change their task.

Dora Ho-Ellis
BS, Business Management, finance '81
Manager, Centre for Enterprise & Executive Development And Research (CEEDAR)
School of Business, Singapore Polytechnic
Republic of Singapore

AS A MANAGER AND EDUCATOR, I HAVE learned a very important principle: no two individuals are motivated the same way. Even management guru Douglas McGregor had a difficult time grouping all individuals into his Theory X and Theory Y. The following has allowed me to better personalize the concept of motivation and help those who seemingly underperform.

- Remember that employees—not customers—are the most valued asset of any organization. Treat them as such and they will perform.
- Analyze the style of management you exercise with employees. Are you a manager, stringent and autocratic, or are you a leader, dynamic and charismatic? Often the style of management employed stymies the growth of employees.
- Finally, when we choose to implement Dr. Stephen Covey's fifth habit of highly effective people—first seek to understand, then to be understood—we position ourselves for success. Listening to your employees with the intent to understand will make your job of motivating them much easier.

Gene Blackmun III
BS, Marketing '92
Business Instructor
Santa Ana College, California

PARTICIPATE:

Send us your response or question for a future issue.

Next issue: **What tactics do you recommend to manage excessive stress?**

Due date: 1 November 2002
Length: 100–150 words
Each submission should include:
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- Graduation year and program
- Work position or title
- Company name and location

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Finding Harmony in a Busy Life

By E. Jeffrey Hill,
Robin Zenger Baker,
and Jennifer Anderson
Illustration by Dave Black

Results of the Marriott School Alumni Work and Family Survey

Today's graduates enter the workforce in the midst of a tremendous famine—not a famine of bread and water—but a famine of time for what makes life worth living. The realities of a global economy, extensive downsizing by large corporations, new work-facilitating technologies, and the advent of e-commerce have combined to significantly lengthen the time we spend at work.

A recent survey documents that in just five years the average U.S. workweek increased from forty-three to forty-seven hours, equivalent to nearly an extra hour of work each day.[1] A United Nations International Labor Organization study revealed that the United States just passed Japan as the developed country with the most work time.[2]

Not only have the number of hours increased, but employees are working in ways that are more intrusive to family life. Time density is greater than before—people are doing more things at the same time. Employees are often provided with cell phones, pagers, fax machines, and lap-top computers to enable instant communication anywhere in the world. These portable communications devices can interrupt the flow of family activities at any time, on any day, and in any place. It's tougher than ever to successfully navigate work and family roles.

Graduates of the Marriott School, with their additional church responsibilities, may feel this time crunch more acutely. To find out how alumni simultaneously manage demanding business careers with substantial family, church, and community responsibilities, the Marriott School teamed up with the BYU School of Family Life to conduct a work and family survey of Marriott School master-level alumni. We mailed our survey to a random sample of 1,453 alumni and their spouses in the United States and stratified the sample by gender. We received completed surveys from 574 Marriott School graduates for a nearly 40 percent participation rate. [See methodology, pg. 9]

A

Work Life	MEN	WOMEN
Employed full time	94%	51%
Employed part time	1%	22%
Not employed, not seeking	5%	27%
Strong sense of loyalty	90%	85%
Proud to work for organization	93%	93%
Overall job satisfaction	88%	85%
Intention to stay until retirement	62%	45%
Actively looking for another job	24%	22%
Average weekly work hours (FT)	50	46
Average household income (married)	$121k	$112k

B

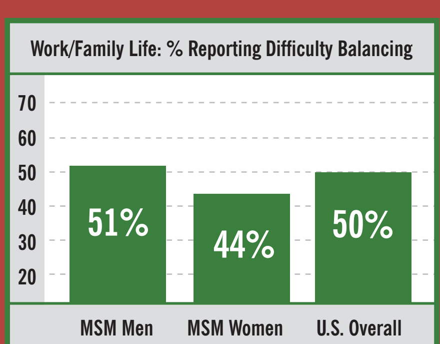
Risk Factors for Leaving Current Employers	MEN	WOMEN
Work/family balance	23%	42%
Compensation/benefits	21%	16%
Nature of the work	12%	12%
Geographical location	10%	6%
Opportunity for advancement	12%	9%
Sense of accomplishment	9%	6%
Other or would never leave	12%	8%

C

Time Crunch: % Reporting "too little"	MEN	WOMEN
Exercise	74%	77%
Sleep	47%	54%
Personal spiritual time	69%	73%
Personal recreation	79%	75%
Marital recreation	66%	60%
Family recreation	62%	42%
Hours of sleep per night*	6.7	6.9
Sleep deficit**	1.5	1.3

*Hours of sleep per night significantly correlated with marital success.
** Based on documented average need of 8.2 hours/night.

D



FINDINGS–WORK LIFE

In general, we found that many Marriott School graduates feel the struggle to balance work and family. They are dedicated, hard workers who are also very committed to their families and church. Yet in spite of the many demands on their time, they appear to be discovering ways to find harmony in their lives.

WORK HOURS Like the rest of workers in America, Marriott School alumni are working long hours. Of those employed full time, men report working about fifty hours per week, and women report working about forty-six hours per week. [See chart A] Virtually all of the male alumni are employed full time. About half of female alumnae are employed full time, about one-fifth work part time, and about one-fourth are not employed. Those who have scaled back have done so primarily to devote more time to effectively raise their children. However, working less than full time does not appear to create a financial hardship for these single-earner families. Their average annual household income exceeds $90,000.

COMMITMENT TO EMPLOYERS Most Marriott School alumni report strong motivation to excel in their profession. They report a willingness to work extra hard to see their organization succeed, feel a strong sense of loyalty to their company, are proud of who they work for, and indicate high job satisfaction. However, only about half expect to stay with their current employer until retirement, and about one in five is actively looking for another job. [See chart B] When asked why they might leave their current employer, both men and women cite the inability to balance work and personal/family life more frequently than any other reason, including inadequate compensation.

FINDINGS–CHURCH LIFE

Work is only one of the domains calling for time and energy from Marriott School alumni. Virtually all respondents report they are active in The Church of Jesus Christ of Latter-day Saints and spend an average of eleven hours per week in church-related activity, including serving in time-intensive callings. More than half of female alumnae have served in Relief Society, Young Women, or Primary presidencies, and nearly one-third have served as president of one of these organizations. More than three-fourths of male alumni have served in priesthood leadership capacities, and more than one-third have served as a bishop, stake president, or mission president. Extrapolating survey results reveal that more than 1,700 LDS bishops (+/- 6 percent) have completed Marriott School graduate programs.

FINDINGS–PERSONAL/FAMILY LIFE

One way alumni may be compensating for the dual demands of occupation and religion is by cutting back on personal and family renewal time. About three of four graduates report having too little time for personal recreation, exercise, and personal spiritual development. [See chart C] Approximately two out of three desire more time for marital and family recreation. Alumni apparently try to squeeze more out of each day by sleeping fewer hours. They average about 6.7 hours of sleep per night, representing a 1.5 hour a night sleep deficit when compared to the ideal of 8.2 hours a night. Interestingly, this survey also reveals that those who report more sleep also report happier marriages.

REPORTING DISSONANCE

Unfortunately, many Marriott School alumni appear to be dissatisfied with their ability to find harmony among family, church, and occupational responsibilities. In fact, about half of them report it is either difficult or very difficult to balance these three domains, and men are even more likely than women to report this difficulty. [See chart D] A sizeable minority, particularly of men, report their job negatively impacts their relationship with spouse, children, and the quality of family recreation they enjoy. Similarly, this group reports that because of work pressures they are frequently preoccupied with stressful work thoughts while at home. It appears that the negative impact of jobs on family life is a pressing, day-to-day issue for both male and female alumni.

ARE FAMILIES SUFFERING?

Is there evidence that the pressing demands of work, church, and family are causing the families of Marriott School alumni to suffer? National and international studies have associated excessive work and work/family stress with outcomes such as delayed marriage, problematic marital and family relationships, reduced family size, family disruption through divorce, and lack of parental involvement. One purpose of this survey was to see the degree to which Marriott School alumni experience similar outcomes.

DELAYED MARRIAGE? Marriott School alumni do not appear to be delaying marriage. They are more likely to be married than other groups with advanced degrees: 97 percent of the men and 81 percent of the women have been married. [See chart E] Once married, alumni tend to stay married. Of those who married, 93 percent of the men and 88 percent of the women are still married to their first spouse.

PROBLEMATIC MARRIAGE AND FAMILY RELATIONSHIPS? Marriott School husbands and wives both report high levels of marital satisfaction, though they would like more marital recreation. More than seven in eight of both married men and married women report being satisfied or very satisfied with love, conflict resolution, gender equity, communication, and their marriage overall. Though still a majority, fewer say they are satisfied with household division of labor, amount of fun, and intimacy in marriage. Alumni report going on two to three dates a month with their spouse. However, about six in ten report too little time for marital recreation.

REDUCED FAMILY SIZE? There is no evidence the time pressure of having a demanding occupation is limiting the number of children for our survey respondents. On the contrary, Marriott School alumni average about four children per family, more than twice the national norm. [See chart F] One factor that may contribute to the larger family size is that 64 percent of men report having a spouse who stays at home with children and is not employed.

DIVORCE AND FAMILY DISRUPTION? There is also little evidence of family disruption. Children of Marriott School alumni are being raised in a stable family environment by their two parents. More than nine in ten children are living with both of their original parents in a first marriage. [See chart G] This is much more stable than national norms, which show 58 percent of children living with both parents in a first marriage. In addition, during working hours, the vast majority of children of Marriott School alumni are cared for by a parent or relative.

LACK OF PARENTAL INVOLVEMENT? Marriott School men are involved in the lives of their children, though to a lesser degree than Marriott School women. [See chart H] Mothers report reading, working on household tasks, and doing homework with their children more frequently than fathers. The biggest gender difference appears to be in the kitchen. Women alumnae most often prepare family dinner. About six in ten of both men and women report too little time for recreation with their children.

FINDING HARMONY

Despite the challenges, Marriott School alumni seem to manage most aspects of their lives very well. One important question is, if Marriott School graduates experience the same demanding work stress endemic as the rest of society, engage in ten-plus service hours a week, and have extremely demanding family responsibilities—why don't they report the same problematic outcomes as others?

One factor may be that Marriott School alumni participate in several daily and weekly religious rituals. On average, Marriott School alumni report having family prayer five to six times per week, studying the scriptures together as a family three days a week, and attending church together as a family four to five times a month.

E

Marital Status/Satisfaction	MEN	WOMEN
First marriage	90%	72%
Divorced (remarried/single)	4%	8%
Widowed (remarried/single)	2%	1%
Single, never married	3%	19%
Marital satisfaction	90%	85%
Never contemplated divorce	73%	69%
Spouse is employed	36%	93%

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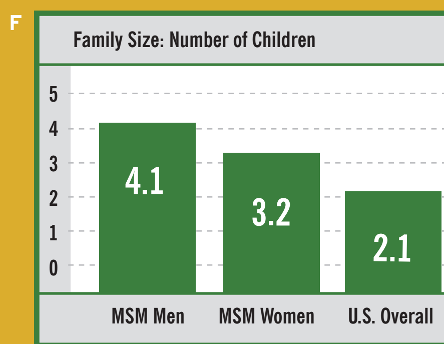


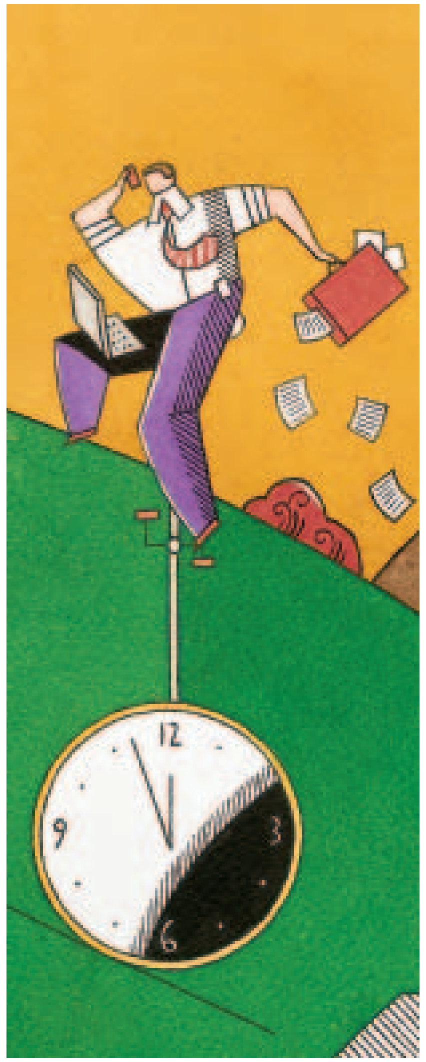
G

Childcare Providers: Who provides care during workday?	MEN	WOMEN
Parent provides care	94%	32%
Sibling provides care	2%	9%
Other relative provides care	1%	12%
Home child care (non-relative)	2%	31%
Child care center	1%	14%
Percentage of children living with both parents in a first marriage.*	93%	

*National comparison: 58%

H

Parent Involvement: Frequency of Activities/Week	MEN	WOMEN
Read with children	3.0	4.5
Work with children	2.4	3.5
Interact with children after school	1.7	3.3
Help children with homework	1.8	2.8
Make dinner	2.0	5.4
Put children to bed	3.8	5.5



I

Religious/Family Rituals: Frequency per Week/Month	MEN	WOMEN
Family dinner (wk)	5.1	5.7
Family prayer (wk)	5.6	5.6
Family scriptures (wk)	3.6	3.2
Family attend church (mo)	4.6	4.3
Family recreation (wk)	2.1	2.8

J

Family Proclamation	LOW*	HIGH*
Spouse relationship not successful	28%	5%
Children relationship not successful	15%	8%
Work life not successful	21%	12%
Not successful balancing work and personal/family life	48%	15%

*LOW=Those scoring in bottom third of proclamation scale.
*HIGH=Those scoring in top third of proclamation scale.

PROTECTIVE POWER OF SCRIPTURE STUDY AND PRAYER Frequent family scripture study appears to be a strong protective factor against problematic family relationships. Those who report holding family scripture study at least six days per week are only one-fourth as likely to report having troubled relationships with their spouse and children. Interestingly enough, family scripture reading is also correlated with greater work success and more success in balancing work and family life. Most Marriott School alumni also report that they specifically pray for guidance in occupational, marital, child-rearing, and church responsibilities; this may help ameliorate the negative outcomes of stress.

FOCUSED FAMILY TIME Most Marriott School alumni make family dinner a priority. [See chart I] They report sitting down to dinner with their spouse and children about five times per week. They also engage in other family activities such as watching TV with family about three days a week and doing a family recreational activity about two days a week. These activities don't have to take a great deal of additional time but are significantly correlated with greater perceived work-family balance and successful family relationships.

LIVING PROCLAMATION PRINCIPLES The charter for the School of Family Life at BYU is The Family: A Proclamation to the World. One purpose of this survey was to look at the relationship of principles from the proclamation to work and family outcomes. The proclamation states, "Successful marriages and families are established and maintained on principles of faith, prayer, repentance, forgiveness, respect, love, compassion, work, and wholesome recreational activities."

For this survey, we developed a proclamation scale that assesses how well alumni believe they have been able to incorporate these principles into their lives. We found that those who score low on this scale are almost five times as likely to report they are not successful in their relationship with their spouse, almost twice as likely to report they are not successful in their relationships with their children, and about two and one-half times as likely to report that work and family life are not balanced. [See chart J]

In regression analyses, the Proclamation scale predicts work/family balance more strongly than other factors we might expect to be more influential, such as work hours, presence of children, management support, or organizational culture.

STRATEGIES FOR FINDING HARMONY IN A BUSY LIFE

Finding harmony can be a daunting task, yet Marriott School graduates appear to have found some strategies that work. Here are a few:

1. BE FLEXIBLE

Recent research indicates that those with flexibility and control over when and where they do their work are much better able to find harmony between work and family life.[3, 4] Given the same work hours, flexible workers report both higher productivity and greater harmony in their family lives. Options like flextime, telecommuting, and part-time schedules can make it much easier to meet competing demands of work and family. Flextime can enable employees to work longer hours part of the week in order to be home an extra day or to start work early and leave in time for a soccer game, school play, or to pick children up from school.

Telecommuting is also a popular option for our survey takers, with one of every eight women alumni reporting that they telecommute at least one day per week, and another one in three indicating they'd like their employer to allow them to telecommute. As one alumna noted, "Working from my home allows me to work when the children are at school and the baby takes a nap." One-fifth of female respondents also report working part time.

2. SIMPLIFY YOUR LIFE

Another suggestion—which may be easier said than done—is to seek greater simplicity. Deliberately choosing to accumulate fewer possessions and engage in fewer activities can be a key to finding harmony in a busy life. We live in a materialistic society where it seems crucial to acquire many gadgets, toys, and experiences. These things have a high cost in time as well as money. Sometimes the best answer is to scale back. One alumnus wrote, "I got out of the rat race and took a $20,000 cut in pay to have a lifestyle. This change allowed me to cut down from sixty-plus hours to forty-five hours and allows time for me to coach my children in sports."

"LIFE IS BEST ENJOYED WHEN TIME PERIODS ARE EVENLY DIVIDED BETWEEN LABOUR, SLEEP, AND RECREATION."

3. SET PRIORITIES AS A FAMILY

Communicating regularly with spouse and children about work and family demands can help create time for family priorities. Many hold weekly family meetings to discuss activities for the coming week, including work responsibilities, school assignments, extracurricular activities, and church activities. At these meetings they also "discuss family issues, weigh alternatives, and jointly make decisions." They prioritize individual and family demands—making sure to include time together as a family. Weekly events and schedules of family members often get placed on a family calendar. One alumnus expressed, "Put first things first—God, family, career."

For some alumni, prioritizing means making a commitment to always have dinner together as a family, to not work on weekends, to be home with children more often, or to carry a planner so priorities and schedules are not forgotten.

4. SEEK FAMILY-FRIENDLY COMPANIES

Marriott School alumni often volunteer that they like to work for companies with cultures that encourage employees to have lives outside of work. One alumnus responded, "Employers need to understand that happy employees are productive employees. Happy employees have employers who allow and encourage a balanced life."

CONCLUSION

Finding harmony in a busy life is not a new challenge. In fact, Brigham Young taught, "Life is best enjoyed when time periods are evenly divided between labour, sleep, and recreation . . . " He defined recreation as "rebuilding, voluntary activity—never idleness."[5]

Alumni appear to be anything but idle. They are finding ways to successfully manage many competing demands. This is true even though they face additional church and family commitments. Remarkably, alumni efforts to do more to live gospel principles seem to have the strongest positive effect on success in all areas of their lives. In seeking that elusive goal of harmony, they appear to be putting George Bernard Shaw's advice to good use: "The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them."[6] M

ENDNOTES

1 *Bond, J. T., Galinksy, E., and Swanberg, J. E. (1998). The National Study of the Changing Workforce. New York: Families and Work Institute.* 2 Fortune *(2000). "The New Company Town," 10 January.* 3 *Hill, E. J., Hawkins, A. J., Ferris, M., and Weitzman, M. (2001). "Finding an Extra Day a Week: The Positive Effect of Job Flexibility on Work and Family Life Balance."* Family Relations, 50*(1), 49–58.* 4 *Hill, E. J., Miller, B. C., Weiner, S. P., and Colihan, J. (1998). "Influences of the Virtual Office on Aspects of Work and Work/Life Balance."* Personnel Psychology, 51*(3), 667–683.* 5 *Gates, S. Y. (1930),* The Life Story of Brigham Young. *New York: Macmillan. 251.* 6 *Shaw, G. B. (1956)* Mrs. Warren's Profession, in Six Great Modern Plays. *New York: Dell Publishing Co. 215.*

ABOUT THE AUTHORS

E. Jeffrey Hill is an associate professor in the BYU School of Family Life and a senior HR professional at IBM, where he is a subject-matter expert in work and family issues. He received an MOB from BYU in 1984 and a PhD in family and human development from Utah State University in 1995. He and his wife, Juanita, are the parents of nine children.

Robin Zenger Baker is a lecturer at the Boston University School of Management. She received an MOB from BYU in 1984 and a PhD in organization studies from UCLA in 1990. She and her husband, Rich Baker, have four children.

Jennifer Anderson is a Marriott School MBA student emphasizing in organizational behavior. Before attending BYU she worked in Sandy, Utah as a management analyst in the Human Resource Department. She graduated with a BS in business from the Marriott School in 1996.

METHODOLOGY

The Marriott School Alumni Work and Family Survey consisted of a self-administered questionnaire mailed in January 2001 to a random sample of Marriott School alumni with graduate degrees, stratified by gender. A total 719 of 899 female alumni (80 percent) and 734 of 8,757 male alumni (8 percent) were invited to participate. Spouses of alumni were asked to complete a spouse survey.

Two reminder postcards and two reminder email messages were sent in February and March. A total of 278 women and 283 men returned completed questionnaires, representing a participation rate of 40 percent. The margin of error was +/- 5 percent for women and +/- 6 percent for men.

Q&A Maximizing Your 401(k)

More than 20 million Americans are counting on their 401(k) investments to help see them through retirement. Some predict that 401(k) holdings will grow from $500 billion to more than $2 trillion by 2006.[1]

However, recent news reports of corporate corruption and slow economic recovery have many concerned about the safety and viability of their investments. As a result, we've contacted two experts to answer questions from alumni about the most popular retirement plan—the 401(k).

Stacy Allred is a relationship manager in family office services at Merrill Lynch in San Francisco. She is a certified financial planner and specializes in the areas of retirement, estate, investment, stock option, and tax planning. She earned a BS in accountancy from the Marriott School in 1991 and a master's in taxation from Chicago's DePaul University in 1996.

Bryan Sudweeks is a Marriott School associate professor of business management and certified financial analyst with nearly twenty years professional experience. He received his BS from BYU in 1980, his MBA from BYU in 1982, and his PhD in business administration from George Washington University in 1987.

How do I know if I should contribute to my employer's 401(k) or establish my own traditional IRA account?

Allred: I recommend looking at the following factors:

1) Company match. If your company offers a 401(k) match, contribute at least the amount of the match into your plan. If you were offered a 3 percent raise, would you decline it? Don't leave money on the table by not taking advantage of a company match.

2) Simplicity. If you are already contributing to a 401(k), and the plan has good investment choices, generally you are better off maximizing your 401(k) and avoiding the hassle and annual expense of another account.

3) Investment choices. Are the investment choices in your company 401(k) plan adequate? Many 401(k) plans offer a nice variety of funds. An IRA has a wide range of investment choices. However, too many choices can be overwhelming to those without a lot of investment experience or without the help or tools to analyze the choices.

4) Tax deductibility. If you are covered by a 401(k) plan at work and have high income, an IRA contribution may be non-tax deductible.

5) Overall limits. The 401(k) plan has a higher limit than the IRA—$11,000 versus $3,000.

Sudweeks: You need to first understand and set your retirement goals based on how you want to live during retirement—then you can find the investment vehicle to help you best attain those goals. The following list outlines a priority of money for retirement:

1) Free money. Free money is matched by your company through a 401(k) or other retirement plan. This should be your first source of retirement money because it's free and results in immediate return. In 2002, you may invest, not including a company match, up to $11,000 in a 401(k).

2) Tax advantaged money. This money has special tax advantages such as the Roth IRA. While your money is invested in after-tax dollars, principal interest and capital appreciation are tax-free regardless of your tax bracket at retirement. In 2002, you can invest up to $3,000 in a Roth IRA.

3) Tax-deferred money. This money is invested before tax and grows tax deferred. At retirement, principal interest and capital appreciation are taxed at your retirement tax rate, which is likely to be lower than your current tax rate. You can invest up to $3,000 in an IRA account, $30,000 in a Simple Employment Plan (SEP) IRA or self-employed plan, or other amounts depending on the types of investment vehicles available to you.

4) Tax-efficient money. It's unlikely you'll save all the retirement money you need through the aforementioned investment vehicles. Additional money you save should be in accounts that minimize your current taxable income such as index funds, which minimize current income and defer capital appreciation until they are sold, or tax-free bonds or bond funds that require no state or federal taxes. There is no limit to the amount of money you can save for retirement through tax-efficient investing.

How often should I review and/or change my investment mix?

Sudweeks: One of the most important documents you will develop is an investment policy statement or investment plan. This is where you articulate critical decisions regarding your investment policy. For example, you might address what you will or will not invest in, your investment return and risk requirements, constraints, asset allocation mix, investment strategies, funding strategies, and new asset strategies. It also includes how often you will review your portfolio performance and which benchmarks you will use to determine how well your investments have performed.

Generally, performance should be reviewed quarterly, semi-annually, or annually. Rebalancing of major asset class decisions should only be done annually. Rebalancing too frequently may result in "churning" your portfolio, which brings lower returns. If you rebalance too infrequently, your portfolio may not be diversified enough—with too many retirement dollars in a single asset class.

If I change jobs, what options do I have with my 401(k)?

Allred: The Economic Growth & Tax Relief Reconciliation Act of 2001 expanded the portability of retirement plans. For example, after-tax contributions to a 401(k) plan can now be rolled over to an IRA. As long as your balance is more than $3,500, you generally have the option of keeping the balance with your old employer or rolling it into a new 401(k) or IRA.

Many Enron employees lost a good portion of their retirement savings because their 401(k) was so heavily invested in company stock. What should I consider when deciding how much of my employer's stock to carry in my 401(k)?

Sudweeks: As part of your investment policy statement, you will have to answer this question. As I help individuals develop their policy statements, I generally recommend they keep no more than 10 percent of their retirement portfolio in company stock.

Allred: I recently asked a group of employees, "What type of investor are you?" Almost all of them answered "conservative." Yet when I reviewed their 401(k) plans, they had 100 percent of their investments in company stock—a very aggressive choice.

Investment fund managers usually hold at least twenty company stocks and have no more than 5 percent in any one company. I would generally limit the amount of company stock to between 5 and 10 percent of your overall assets. Remember to take into consideration other dependence on company stock such as: employee stock option plans, employee stock purchase plans, and company shares held outright.

Should I ever consider taking a loan against my 401(k)?

Allred: Borrowing from your 401(k) plan may sound like a good idea, but be careful and look at all the angles. When you borrow from your retirement savings, you lose the future compounding on the lost earnings. For example, if your loan costs you 7 percent and you were earning 9 percent in a stock mutual fund, your lost opportunity cost is really 9 percent.

Also, keep in mind that loans are usually due when you separate from your employer. If you can't pay off the entire balance, the loan balance is considered taxable income and is subject to a 10 percent penalty for those under age fifty-five. Except in extreme circumstances, I like to see money left in the 401(k) plan doing what the plan is designed to do: grow for retirement.

Sudweeks: One of the problems of taking loans from a 401(k) plan is that people consider this free money—it isn't. There are consequences. People generally consider these options when they have not been wise financially, bought too much on credit, and need to bail themselves out.

Bad financial habits are usually not corrected by 401(k) loans. Spending will increase again, and more loans will follow. It's much better to address the problem immediately, cut back on spending, and get your financial house in order than to continue to practice taking out loans from investment accounts—resulting in the eventual loss of retirement funds.

How am I taxed on the money I take out of my 401(k) plan?

Allred: 401(k) distributions are taxable as ordinary income in the year you receive them. However, a special planning opportunity exists to get capital gains treatment on company stock held in your 401(k). If you have highly appreciated company stock in your plan, work with a planner who is familiar with these rules to see if you can take advantage of this opportunity. If this situation applies to you, review the rules on "Net Unrealized Appreciation" before you roll your 401(k) plan into an IRA.

What are my 401(k) withdrawal options during retirement?

Sudweeks: One withdrawal option is periodic payments. The advantage of this option is that you receive regular payments at regular intervals, and these are usually relatively large payments. The disadvantages include no assurance of lifetime income and a high tax rate for those with high income.

Another option is an IRA rollover—but be careful not to touch the funds. An IRA rollover allows you to defer taxes until you withdraw funds. You can also direct your investment and enjoy tax-deferred growth. The downside of an IRA rollover is you have to wait until age fifty-nine and a half to withdraw without penalty.

How long can I leave money in my 401(k) plan?

Allred: You can leave your money in until 1 April following the year in which you turn age seventy and a half. At that point, you are required to make minimum required distributions (MRD) over your life expectancy. The IRS recently issued new rules that simplify the calculation of MRD. If you don't make the MRDs, one of the IRS' harshest penalties would apply: a 50 percent nondeductible excise tax of the under-distributed amount. You can take out more than the minimum required. M

Endnote: 1 Bonnie Miller, "Looking at Your 401(k) Withdrawal Options," Chaffey Federal Credit Union web site, www.chaffey.com/hffo9907/0799_b.htm

ACTIONS TO CONSIDER

- Take advantage of company matching programs.
- Develop a personal investment policy statement.
- Limit rebalancing your portfolio to once a year.
- Don't invest more than 5-10 percent of your overall assets in any one company stock.
- Avoid taking a loan against your 401(k), except in extreme circumstances.
- Carefully consider your best method for withdrawing 401(k) savings.

WITHIN AND BEYOND OURSELVES

The role of conscience in modern business

By Robert C. Gay | Paintings by Rene Magritte

Good morning. It's great to be with you today. You are truly an awesome sight. The last time I spoke at a graduation was at my high school ceremony some thirty-three years ago. Then as now, I find it a very humbling task.

Over the past couple of days our firm held annual meetings with our investors. During this time, my graduation gown was hanging in my office. A couple of my partners saw this and asked me if I was planning on changing the attire for our investor meeting. I told them no, but that I had the gown because I was going to be speaking with you today at this convocation. One of them then asked me, "What are you going to be speaking about?" I told him, "The role of conscience in business." He then responded, "Well, that will be a short talk," and herein lies the issue.

Many years ago, just as I was finishing my doctoral program at Harvard University, my thesis advisor, a member of the finance faculty and an overseer of the Harvard endowment fund, called me into his office. He paced around the room a little and then said, "Bob, I don't know you real well, but well enough. I want you to stay here and teach." Then he paused and continued, "It's not because I think you're some great scholar who is going to make some breakthrough contribution but because I know you can teach people here about God. I want you to tell our students about God. That's what I do in my office every day—they need and want to hear it." Up to this time, I had never spoken one word to my professor about religion. Yet, there I sat in this bastion of capitalism and rational Socratic methodology being told that the most important thing we needed to get in to the lives of these would-be capitalists and future leaders of industry was the spirit of God. I think then, as well as now, I understand why—and this understanding is what I would like to share with you today.

When I was your age, the last thing in the world I wanted to do was to become a businessman. I served an LDS mission in

Right: Rene Magritte, Golconde, *detail, 1953. Menil Collection Phototheque R. Magritte-ADAGP / Art Resource, NY*

With all the money, with all the power, all the accomplishments, and even all the good he has done, he is both lonely and alone.

Spain, and when I came home I just wanted to help people. My time and experiences at BYU and the University of Utah only reinforced those feelings. My desire was to be a seminary teacher, a social worker, or a psychiatrist—anything but a businessperson. So I went to my dad to discuss the issue. He said, "I think a Harvard MBA would be great for you." Stunned, I accused him of believing the only thing that mattered in the world was money. He pragmatically answered me, "Son, all the love in the world and a few hundred thousand dollars are going to build the next chapel." The stark reality of that answer made me have an even greater dislike for everything to do with money or the corporate world.

I grew up in a brutal business environment. My father worked as the chief executive for one of the richest men in the world, Howard Hughes, and that world turned many lives upside down. I witnessed firsthand greed, deception, power struggles, and destruction of souls all for the sake of money. But perhaps what influenced me most is what I had seen in Mr. Hughes himself. For many years on Christmas Eve or Easter Sunday, Mr. Hughes would call and ask my dad to come to work. But this annual ritual was not what it appeared to be; Mr. Hughes invited my father to his home. When my father arrived, Mr. Hughes would simply say, "Bill, I just wanted to talk." Then after a couple hours of friendly conversation he would say, "It's Christmas. You'd better get back to your family." And I remember thinking to myself: "With all the money, with all the power, all the accomplishments, and even all the good he has done, he is both lonely and alone."

It was also during one of these reflective times that I learned another invaluable lesson about the role of the Spirit in such worldly matters as business and commerce—a lesson that would change me forever. My dad knew he wasn't ever going to win the battle with me about the MBA. In the end he simply said, "I hope you'll pray about this." I welcomed that challenge because I was sure God would not have me become a businessman. Nothing that crass would do.

So I prayed about it and though I did not receive a thundering revelation, my heart softened to the point where I decided it would not compromise my principles to visit Harvard. To appease my dad to some extent, I found a very special doctoral program that jointly bridged the economic programs of Harvard College and the Harvard Business School. I still refused to accept the idea of an MBA but felt it would be okay to do an interview for a PhD in a program where I could get a doctorate in economic development and center a career on the amelioration of world poverty.

I soon made arrangements at the school for an interview. There I had a most unusual experience. I had an early meeting and lunch with Harvard's most distinguished financial economist and my potential program advisor, John Lintner. He asked me many questions. Then, on the way back to his office, he paused and said he felt impressed to extend me an acceptance into the program. He said he would personally take my application through admissions for formal processing and that I would receive official notice in a few months—but he assured me that would just be a formality—I was in. And as clear as I am talking to you today, I heard a voice deep inside me say, "You are to be a doctor of business not a doctor of medicine. You are to be here." I dropped all my other plans and applications. I could scarcely believe what I was doing. Yet I was very confident it was the right thing for me.

With the advantage of twenty-five years hindsight, I can now see the wisdom of the guidance I received. I have been blessed with the opportunity to be intimately involved in all the things my heart desired: job creation, poverty elimination, healthcare, education, youth rehabilitation, and helping build the Church in many ways both here and abroad—all because of my work in business. Why do I share all this with you? For two reasons:

First, one of the most significant things I have learned in this life is that our very success and happiness depend not on doing what we like or think is best—but on doing the will of our Father in Heaven, no matter where that may take us and no matter how foreign it may seem to our own individual rational judgment of what is right or best. Our vision is just too limited. The scriptures remind us of this in Matthew 4:4, "Man shall not live by bread alone, but by every word that proceedeth out of the mouth of God."

While working on Wall Street, I had an experience that helped me learn the importance of yielding to the Lord's will. My firm, Kidder Peabody, was advising Macy's on a multi-billion dollar takeover of Federated Department Stores. We, the bankers, had been at the lawyers' offices day after day and were moving up the bid price by literally hundreds of millions without any real idea of true value. It became a contest of egos. In this tug-of-war, two unexpected things happened to me. I got a call from the chief financial officer of General Electric—a major shareholder of Macy's—and he asked me, "Bob what are we doing here? This deal doesn't make any sense to me." I said back to him, "You're right, it makes no economic sense. The best reason I can tell you why we're doing this is that you just bought Kidder, and if this deal goes through Kidder will make $15 million in fees." He said, "Okay, that's something I can finally understand. Thanks for being honest. I guess we should just keep pushing ahead." I thought, how crazy. Where was our sense of value? Kidder gets fees but the company ends up way overlevered, putting at great risk GE's multimillion-dollar stake. Massive job loss and store closure would also have to follow so the debt on the deal could be paid down. Then it struck me that this deal wasn't the only crazy thing—I was also crazy. I was helping engineer this madness.

Shortly thereafter I was back at the lawyers' offices helping with negotiations. During a break, an investment bank colleague tried to convince me it was better to own a summer home in Paris than in the Hamptons because he could take the Concorde and spend less time traveling to a home in Paris than driving in the traffic on New York's Long Island Expressway. Then I heard that voice once again inside of me. It said, "Get out of this place. Take your experience and knowledge and move on." But then a practical voice said, "But if you leave you're going to lose the $400,000 bonus you'll earn for doing this deal and you'll throw away your career and the millions you put yourself in position to earn over the long haul—millions that you can give to the Church or other great causes." The still voice returned, "If you don't leave now you'll become everything you once despised." That possibility shook me to the core.

A few weeks later, I left Wall Street and the money and went to a smaller investment firm, Bain Capital, where I became a partner with Mitt Romney and started over. This made no sense at the time. Bain Capital was a fraction of the size of any house on the street. I had to take a huge pay cut to join. The firm had maybe fifteen employees and had done only a few small deals. It was impossible to know at the time that we would be able to grow our firm to a capital base of almost $14 billion today; or that we would be the means of creating thousands of jobs; or be the linchpin behind thousands of other individual employees and a constant or often primary source of funding to more than fifty children's charities; or that it would bring me—and, for that matter, my partner Mitt—to positions that would allow us to exercise much more influence for good than could have otherwise been possible. Today it is easy, once again with the vantage of hindsight, to see the wisdom of the Spirit, which prompted me to leave the "street," over my rational mind, which told me any such move would be foolish and risky.

This experience and many others like it have taught me that in business, regardless of who we are or what we may believe, we will always be brought to crossroads. At these junctures, when the path is unsure, many will conscientiously ignore the call to faith and instead look only to their own wit, skill, and analysis to solve challenges. Because of this I look at each of you today with great concern. I know as sure as I am standing here that each of you is about to enter into a world where you're going to be unbelievably pressured to make decisions that will ask you to set aside the promptings of your soul and compromise principles you hold dear. In the words of my good friend, Terry Warner, you will be sorely pressed to "betray yourself."

You will receive appeals to pride, prominence, prosperity, and power. You will be tempted to aspire, accuse, contend, and covet. Every day in your job someone will try to convince you that it's all about the money, but it will not be in those exact words. It'll be more like: "I got a 10 percent raise. What did you get?" or "I can't tell you how great getting the beach condo has been for our family." Others of you may find that you can't get the job or advancement or make the sale unless you pay some person some small favor or unless you join their party or club. And, as you protest the unfairness of the situation, there will be three or four others ready to take your place. Still others of you will feel emotionally empty from the loneliness of the road or the stress of the day and will find that, away from home where "nobody else will know or find out," there will be innumerable age-old invitations to fill that void. These calls to choose self over conscience will be endless.

At the other end of the spectrum is the need to guard against self-righteousness. You may recall the story of the disciples who Christ rebuffed when they complained to him—with what the scriptures describe as "indignation within themselves"—about the oil that was being poured on his body and how much better it could be used if sold to help the poor (Mark 14:39). This should serve as a reminder to each of us that when we go about our daily labors without the Spirit, ends and means can become confused, even when more noble aims are intended. What may seem to be good can actually end in unnecessary frustration and even harm.

Acts of the self-centered mind are a goodly part of the beat of modern industrial life and are like the "salutations in the marketplaces" referred to by Christ (Mark 12:38), which will always both flatter and tempt you. They are the very practices and challenges that so often make business a demanding world of raw selfishness aimed at ever-increasing profit. If not courageously resisted, this commercial environment will work to deafen you to all other voices. It will blur the lines between moral and legal correctness and try to make you

You're going to be unbelievably pressured to make decisions that will ask you to set aside the promptings of your soul and compromise principles you hold dear.

Above: Rene Magritte, Decalcomanie, 1966
Private collection
Oil on canvas (81 x 100 cm)
Phototheque R. Magritte-ADAGP/Art Resource, NY

doubt, compromise, or set aside your values. The recent events at Enron are a powerful witness to this very outcome.

Indeed, the Enron example alone should impress on you forever that you will not be able to stand if you rely solely on your own reason or desires. The more subtle reality—less visible to most—is that if you knowingly or passively accept your environment without question, just roll with the humdrum of the marketplace, or even if you rise to admired public reputation or exceptional Wall Street success, it will not matter because inwardly you will be conflicted. You will be unfulfilled and at odds with yourself because you will not be where you are supposed to be but rather in a spot where you risk your very soul. All my experience tells me this is so, and I can't even begin to tell you how many self-justifications you will be able to find to put your own voice over the voice of the Spirit. I believe President John Taylor saw this when he spoke: "It matters very little what we are engaged in; it is impossible to do right without the guidance of the Almighty."

Second, I also share these experiences with you because I have found as you guide your life's decisions by the Spirit there is no such thing as careers—only fields of service—and that it does not make any difference whether you are a scientist, a social worker, or business person. In the world of the Spirit, home teaching and business leadership are one. Moreover, I am sure as we gather here today, many view us as distant and foreign from the real issues of life. Yet, please be assured, as C.S. Lewis once remarked in a speech to students at Oxford University:

"The work of a Beethoven and the work of a charwoman become spiritual on precisely the same [basis], that of being offered to God, of being done humbly, 'as to the Lord.'"

As you leave this campus, I hope you are filled with the desire to achieve the heights of your potential. Do not be content to avoid engagement. Honor the inspired motto of this university: "Enter to learn; go forth to serve." The scriptures also speak often and directly to this. Each of us is to be actively engaged in good causes (D&C 58:26–28). In business this a special challenge, because the pull is toward all-consuming and uninspired busyness. However, I believe it highly instructive that King Benjamin, in the Book of Mormon, identifies his labor to lighten the taxes and the material burdens of his people as one of his great services to God. He made service and daily labor one (Mosiah 2:14–16).

There is much that could be said about business and service, but as I have thought about it, one lesson has always stood out to me and that is how easily Cain—who the scriptures say "hearkened" to himself over the voice of the Lord (Moses 5:16)—rejected the higher principle of service as his brother's keeper for the sake of gain. Modern revelation also cautions us about this temptation. We are to resist inappropriate emphasis on property and material gain. In Doctrine and Covenants 117:4, 6–8 we read:

"For what is property unto me? saith the Lord. . . . Have I not the fowls of heaven, and also the fish of the sea, and the beasts of the mountains? Have I not made the earth? Do I not hold the destinies of all the armies of the nations of the earth? Therefore, will I not make solitary places to bud and to blossom and to bring forth in abundance? . . . Is there not room enough . . . that you should covet that which is but the drop, and neglect the more weighty matters?"

Consequently, as you go forward from here, the questions that you will constantly need to ask yourself are these: Will you set your heart more on personal gain or on being your brother's keeper? And if a brother's keeper, then what of your heart, might, mind, and strength will you consecrate on the daily altar of brotherhood? I believe you will find your response to these summons of the Spirit to be the defining force of your soul's character throughout the remainder of your life.

Will you set your heart more on personal gain or on being your brother's keeper?

As you look to that voice as your guide you will also find that how you and I individually respond to issues and challenges may be different because of our customized talents, tests, and missions—for in the world of the Spirit, every man arrives only, as Whittaker Chambers once observed, as he "hangs on the cross of himself." Honoring conscience, not conformity of thought or tradition, is what matters. Others will always be willing to make tough choices for you.

Your charge is to attune yourself and then exercise your God-given agency to act in accordance with His will. This choice is the cross each of us is expected to bear. As you take up that cross and prayerfully continue to follow the voice of the Spirit, your business labors may or may not bring you wealth or prestige, but I promise you this: your work will bring you joy and happiness, and your life will not have been spent in a career, but in a ministry that will be a benediction to your family and to others in ways you cannot imagine.

Let me close now with this final thought from Elder LeGrand Richards, who said the following when asked to define what success meant:

"When I was eight, my father, who had just recently been ordained a patriarch, gave me a blessing. Among other things, he said that I had not come here upon earth by chance, but in fulfillment of the decrees of the Almighty to accomplish a great work, and then he defined that. All my life, I have prayed that if I didn't come by chance, that the Lord would help me accomplish what He sent me to do, so when my mission here on earth was completed, He wouldn't say to me: 'This is what we sent you to do, but you failed and we had to raise up someone else to do your work for you.' True success, to me, is to accomplish the purpose for which the Lord sent me upon the earth."

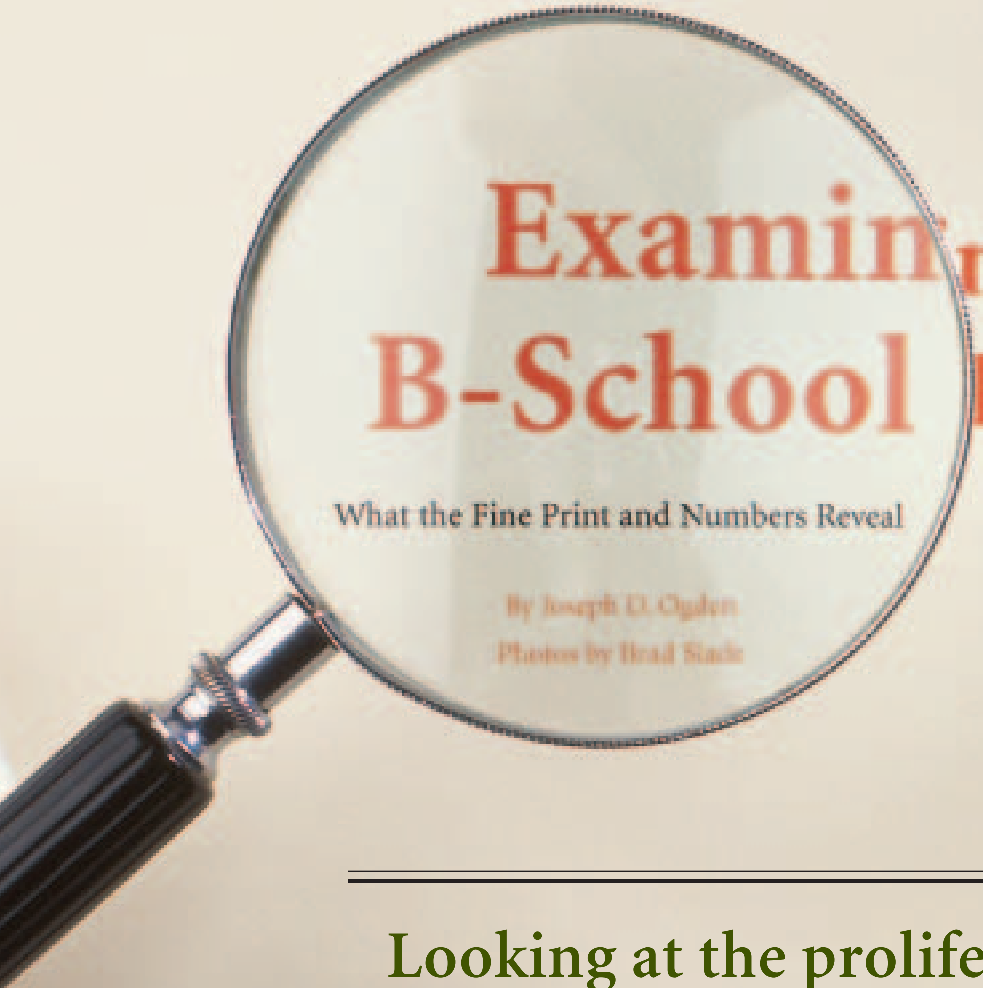
That is my sacred prayer for myself, and it is also my hope and prayer for you. May each of you know that you are not here by chance. Great days and great success await if you leave here not only to go to work or to more schooling but to minister and attend to the Lord's purpose especially asked of you by the soul's light in your chosen endeavors. In the name of Jesus Christ, amen. M

ABOUT THE SPEAKER

Robert C. Gay is a managing director and senior partner of Bain Capital, a privately owned investment firm. Before joining Bain Capital, Gay was an executive vice president of General Electric Credit Corporation Capital Markets Group and vice president in the Merchant Banking Group at Kidder Peabody.

Gay taught economics for two years at Harvard University, where he received a PhD in business economics and a Harvard Business School Division of Research Scholarship. Before serving an LDS mission in Spain, he attended BYU, where he was awarded Phi Eta Sigma. Gay graduated top 1 percent Phi Kappa Phi and Phi Beta Kappa with a BA from the University of Utah.

This article is adapted from Gay's speech given at the Marriott School Convocation 26 April 2002.



Examining B-School Rankings

What the Fine Print and Numbers Reveal

By Joseph D. Ogden
Photos by Brad Slade

Looking at the proliferation of business school rankings may make you feel like you're staring down an IRS tax form. They're complex, constantly changing, and often confusing. In fact, there are now more major business school rankings than major accounting firms. So why are there so many different rankings? What is the school ranked and why? Administrators and faculty are often asked these questions. The problem is, the answers are not simple and are rarely consistent over time. Nonetheless, examining the fine print and contrasting the perspectives of some of the most prominent rankings provides some answers and valuable insights.

HOW IT ALL STARTED

To begin, it's essential to understand that b-school rankings almost always refer to a school's MBA program. Many business schools offer only an MBA at the master's level and as a result, the rankings of these popular programs often characterize the entire school. All references to b-school rankings in this article are, in reality, MBA program rankings.

Almost a decade before *U.S. News & World Report* published its first ranking of business schools, three other organizations were already attempting to measure b-school quality. In 1977, the *Carter Report*, the *Ladd & Lipset Survey*, and a survey by the now defunct *MBA Magazine* all appeared. *Carter* ranked schools on the frequency that faculty published in academic journals. *Ladd & Lipset* asked faculty which schools they thought were best. And, *MBA Magazine* asked deans to vote on the best programs.[1]

These early attempts to measure b-school performance were not widely publicized and went largely unnoticed. However, the introduction of the *U.S. News* rankings in 1987 and *Business Week* rankings in 1988 forever changed the landscape—marking the beginning of a media frenzy that continues today. Reasons for the proliferation of published rankings include: 1) the dramatic growth in business school enrollments, 2) the creation of new business schools and MBA programs, 3) sensationally high starting salaries for MBA graduates, and last but not least, 4) the ability of such articles to boost the circulation of magazines and newspapers.

COMPETITION

While most business school administrators and faculty agree the rankings are not a particularly good measure of a school's ability to educate students, most agree the rankings have infused competition and dramatically increased the pace of change at top business schools. Many schools have made significant improvements in their programs, allocation of resources, and responsiveness to the market. The rise of the rankings in the 1980s forced b-schools to not only research and teach competition but also to confront it.[2]

Along with an infusion of competition, the advent of the rankings has given prospective students easier access to and more detailed information about their business school options. Not only is there more information to help make decisions but also online tools that make comparisons between schools rather easy.

Likewise, corporate recruiters have access to the same information when deciding where to interview rising stars. They can see how other recruiters rate top schools on students' communication skills, ability to work within a team, and analytical and problem-solving skills. They also single out a few "hidden gems—less-heralded schools with great graduates."[3]

MAJOR RANKINGS

The big five news organizations publishing rankings information are *U.S. News & World Report*, *Business Week*, *Forbes*, *Financial Times*, and *The Wall Street Journal*. Each of these organizations see b-school rankings both as a business and as news.

As a result, they each target a specific audience, approach the rankings from a different angle, employ a unique methodology, and have varying impacts on management education. While each of the rankings examined in this article claims to list the best business programs, a close examination of their methodologies shows they value and measure very different things.

U.S. NEWS & WORLD REPORT

Broad readership, large circulation, and a first-mover advantage have made *U.S. News & World Report* one of the most influential players in the rankings business. This popular news magazine not only ranks business schools but also sizes up education; engineering; law; health and medicine; and science and the humanities. Its rankings focus on placement success, student selectivity, and surveys of b-school deans and recruiters.[4]

U.S. NEWS & WORLD REPORT

Circulation	Key Measures	Eligible Schools	Number Ranked	Marriott School
2.1 million	Reputation, placement, and selectivity	352 AACSB-accredited U.S. schools	Top 50	'00: 42nd; '01: 44th; '02: 29th

RANKING CRITERIA[5]

40% Reputation
- Business school deans and directors rated schools from 1(marginal) to 5 (outstanding)—weighted 25% overall
- Corporate recruiters rated schools from 1 to 5—weighted 15% overall

35% Placement Success
- Mean starting salary and bonus—weighted 14% overall
- Employment rates at graduation—weighted 7% overall
- Employment rates 3 months after graduation—weighted 14% overall

25% Student Selectivity
- Mean GMAT—weighted 16.25% overall
- Mean undergraduate GPA—weighted 7.5% overall
- Proportion of applicants accepted by the school—weighted 1.25% overall

BUSINESS WEEK

Circulation	Key Measures	Eligible Schools	Number Ranked	Marriott School
1 million	Student and recruiter satisfaction	82 schools U.S. and intl.	Overall: 82 U.S. and intl. schools in three tiers Payback: 26 U.S. and intl. schools	(Payback) '96: 2nd; '98: 5th; '00: 1st

RANKING CRITERIA[9]

45% Recruiter Survey
- 247 companies were asked to rate their top 20 schools

45% Student Survey
- Recent graduates, from the 82 eligible schools, answered a 37-question survey about their MBA programs
- Graduate surveys are weighted as follows:
  –Most recent class 22.5%
  –Class 2-years prior 11.25%
  –Class 4-years prior 11.25%

10% Intellectual Capital
- Points awarded for faculty publications in 12 scholarly and professional journals during the previous 5 years
- Points were also given for book reviews in *The Wall Street Journal*, *New York Times*, and *Business Week* with bonus points added for reviews in *Business Week*

BUSINESS WEEK

Long touted as a customer satisfaction rating, *Business Week* focuses on: "the graduates, who trade their suits for backpacks; and recruiters, who seek out the best and brightest from among the business school's ranks."[6] However, the magazine seems to be changing its game. In 2000, *Business Week* added a new component, "intellectual-capital," a factor determined by the frequency and length of faculty publications in scholarly and professional journals as well as authorship of popular business books. Bonus points were given for books appearing on the magazine's best-seller list.[7]

In addition to their unique focus on students and recruiters, *Business Week* categorizes schools into three tiers. Only first-tier schools, one through thirty, are rank ordered. The magazine also dedicates a special section to schools that offer the quickest and slowest payback to students.[8]

FORBES

True to its investor-heavy readership, *Forbes*' b-school rankings are determined exclusively by how long it takes students to recoup their investment in an MBA program. Return on investment (ROI) is calculated by comparing the cost of attaining an MBA—foregone income and tuition—with MBA salaries five years after graduation.[10]

Forbes devotes little space and marketing to its rankings. As a result, the magazine's evaluations are not as well known and may carry less weight than others mentioned in this article.

FINANCIAL TIMES

The only non-U.S. publication and the only one printed on orange paper, *Financial Times* takes a decidedly international approach. Unlike most U.S. publications, the London-based paper lumps all MBA programs together in its list of the top one hundred full-time international MBA programs. As might be expected, a large number of the schools in this survey, 44 percent, are non-U.S. schools.

Although it didn't join the rankings frenzy until 1999, *Financial Times* gained some respect for using the most complex formula to determine its rankings. The paper considers twenty factors that range from the percentage of female advisors at a given school to career progress and graduates' salaries three years out.[12]

THE WALL STREET JOURNAL/HARRIS INTERACTIVE

The Wall Street Journal was last year's rankings rookie. The influential paper teamed up with market researcher Harris Interactive in 2001 to carve out its own piece of the rankings media pie. They've given their ranking a unique flavor by focusing exclusively on recruiters and the experiences they have with b-schools and graduates.

The paper took a risk with its first published rankings by finishing traditional favorites such as Wharton, MIT, and Stanford all out of the top ten. Stanford, for example finished forty-fifth, well behind the University of Rochester, NYU, and UCLA. The journal said, "Recruiters complained that graduates of some of the most prominent schools expect too much too soon in terms of salary and position and are difficult to retain for very long." [14] The journal is set to release its second round of rankings this fall.

WHERE THE NUMBERS FALL SHORT

While useful in drawing comparisons between programs, what the numbers don't reveal is how well a school infuses knowledge in its students. The problem is that it's very difficult to quantify learning.

As a result, the rankings tend to focus on ancillary measures of a school's performance such as the quality of its placement services, the size of its doctoral program, the starting salaries of its recent graduates, and its name recognition.

PLACEMENT SERVICES Catering to recruiters, *The Wall Street Journal* measures how well corporate representatives are treated by business schools. The paper reported, "[Schools] lost ground in the rankings because recruiters were so disgruntled about what they described as the arrogant attitude and lack of service from the placement office."[16] While an important part of placement, the handling of recruiters is not connected to what takes place in the classroom.

DOCTORAL PROGRAMS *Financial Times* uses a large number of different factors to rank schools including how many doctoral candidates it generates.[17] The assumption is that more doctoral candidates means better research. This may be true, but it doesn't measure how well new research and knowledge is transferred to students. Many schools with large PhD programs put less experienced doctoral candidates in the classroom to free up full-time faculty for research.

STARTING SALARIES Starting salaries and salaries five years after graduation are probably a good indicator of a graduate's market value—determined not only by his or her MBA education but also by prior education and work experience. Salaries, however, are stratified by industry. Thus, schools that focus more on investment banking and management consulting, typically the highest paid fields, have higher average graduate salaries than schools focusing on other areas such as marketing, accounting, and human resource management.

NAME RECOGNITION All major news media rankings, except *Forbes*, are heavily influenced by surveys of academicians and recruiters. Most of those surveyed have had exposure to only a handful of schools and are not well informed about the programs and faculty. Therefore, the surveys tend to measure name recognition rather than substance. Much of what respondents know about other programs they've read in the media. Thus, the rankings become a self-fulfilling prophecy repeated, to one degree or another, year after year.

In summary, the ancillary measures employed by the news media to rank order top business programs provide some useful information in sizing up a program, but they do a poor job of measuring how well a school teaches.[18]

MARRIOTT SCHOOL PERSPECTIVE

Although we do not always agree with the published results, most Marriott School faculty and administrators recognize the value of participating in the rankings. From our own research, we know that both potential students and recruiters use the rank-

FORBES

Circulation	Key Measures	Eligible Schools	Number Ranked	Marriott School
0.9 million	ROI	104 U.S. and intl. schools	Top 25 large and small U.S. schools Top 12 intl. schools	(Small schools) 4th '00, 1st '01

RANKING CRITERIA[11]

100% ROI Calculation
- Used survey responses from MBA graduates 5 years prior to the ranking
- ROI was calculated from reported salaries:
  –1 year before entering business school
  –Year of graduation
  –5 years after graduation
- Comparisons were made between 5 years of MBA pay and 5 years projected pay without an MBA less the cost of education—tuitions and foregone salary
- Adjustments were made to account for cost-of-living expenses and in-state tuition at public schools

FINANCIAL TIMES

Circulation	Key Measures	Eligible Schools	Number Ranked	Marriott School
0.5 million	Career progression, diversity, and research	149 U.S. and intl. schools	Top 100	71st '00, 75th '01, 63rd '02

RANKING CRITERIA[13]

55% Career Progression
- Alumni who graduated 3 years prior were surveyed on salary, salary increase, promotions, international mobility, etc.

20% Diversity
- 8 factors including the diversity of faculty, students, and advisory boards, as well as language requirements and international experiences were used
- Diversity is defined as the percentage of women and international participants rather than ethnicity

25% Research
- Points were awarded for faculty publications in a set list of 35 international and practitioner journals

THE WALL STREET JOURNAL

Circulation	Key Measures	Eligible Schools	Number Ranked	Marriott School
1.9 million	Recruiter satisfaction	188 U.S. and 56 intl. schools	Top 50 overall Top 10 hidden gems	Overall: 41st; Hidden Gems: 5th; (no rankings) '01

RANKING CRITERIA[15]

1,600 recruiters rated up to 3 schools with which they were familiar. To be ranked, a school had to be rated by a minimum of 20 recruiters. Ratings contained 3 components:

75% School and Student Attributes
Recruiters rated their perceptions of schools based on 12 school and 13 student attributes

20% Mass Appeal
The number of mentions by recruiters

5% Overall Attributes
Recruiters rated their perceptions of a school's ability to meet overall recruiting needs in terms of the number and quality of students and overall value for the money invested in the recruiting effort

ings to make key decisions regarding the school.

"I chose to come to BYU for reasons other than its ranking," says Tyson Clark, a second-year MBA student. "But, if BYU hadn't been on the radar screen, I wouldn't have considered it a serious option."

In addition, recruiters cite numerous reasons for coming to BYU such as past success with graduates, students' integrity, and their strong work ethic.[19] Nevertheless, many recruiters are constrained by company policies—often tied directly to the rankings—that dictate where they can hire and how much they can offer.

Taken altogether, we view the rankings as a means, not an end. The school is guided first and foremost by its mission and that of its sponsoring organization, The Church of Jesus Christ of Latter-day Saints. Our objective is to attract and develop men and women of faith who can become outstanding leaders in their organizations, churches, and communities.

This said, school leaders examine the fine print and feedback through a unique lens. Changes that we believe would make the school more competitive in the rankings are weighed against their impact on our mission.

Developing a PhD program, for example, would undoubtedly help the Marriott School advance in the rankings, but it's impact on developing leaders would be minimal and very expensive. PhD programs require a very low faculty-to-student ratio and impact relatively few individuals. Similarly, chasing student selectivity measures, encouraging students to take high salaries, and giving faculty less time in front of students for the sake of the rankings would run counter to our mission.

Another strategy to pursue better MBA rankings would be to scale back or cut competing programs. The rankings disadvantage multiple-product organizations such as state schools and BYU, with its top-rated Master of Accountancy, service-oriented Master of Public Administration, and new Master of Information Systems programs—all of which serve important roles in fulfilling the Marriott School's mission.

On the positive side, unsolicited rankings feedback has helped the school identify weaknesses and make strategic improvements. Survey data shared by several publications helped administrators realize the need to improve the school's placement facilities and services.

"The rankings helped us convince the administration to put more resources in the placement effort," said Ned C. Hill, dean of the Marriott School. "We converted half of the fourth floor of the Tanner Building into a world-class placement facility and hired additional staff. These measures have greatly enhanced our ability to place students with leading companies."

Other improvements precipitated by recent rankings include: stricter work experience requirements, improved student access to MBA electives, and ongoing efforts to strengthen the school's alumni network.

"When the rankings tell us useful information that can help us meet our objectives, we listen and react," Hill says. "We don't chase elements of the rankings that could divert us from our mission."

THE BOTTOM LINE

Whether you're thinking of going back to school, advising a relative, or just trying to hold your own at the office water cooler, knowing what the numbers really say will give you a clear advantage.

Each major publication has carved out its own rankings niche by focusing on the key measures it feels will be most valuable to readers. Understanding these different perspectives should be useful in sorting through the media frenzy generated each time a new ranking is unveiled.

The rankings are complex, change often, and can be confusing, but they've made more information available in an easier-to-use form than ever before. The introduction of new rankings is also having a leveling effect. Competition among news organizations for the eyes of students, recruiters, and alumni is decreasing the influence any one publication has on the process, making it easier for schools to pursue what they—and not the media—deem important measures of success. M

ABOUT THE AUTHOR

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Additional research for this article was provided by Robert G. Gardner and Eric A. Atwood.

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SCHOOL NEWS

Marriott School Wins $1.4 Million International Business Grant

The U.S. Department of Education has awarded a four-year Center for International Business Education and Research (CIBER) grant to the Marriott School. The grant provides $355,000 per year through 2006.

"The CIBER grant is a strong infusion into our program," said **Brooke Derr**, professor of international business and Marriott School CIBER director. "Some of the projects we're funding through the grant include the enhancement of business-language courses, foreign-study programs, and ongoing faculty research and development. We're also developing a series of international business case studies to strengthen our curriculum."

The CIBER program was created in 1988 to increase and promote the nation's international understanding and economic enterprise. Administered by the U.S. Department of Education, CIBER links the manpower and information needs of U.S. businesses with the international education, language training, and research capacities of universities throughout the nation.

"We feel we are on the way to becoming one of the nation's top international business programs," says **Kristie Seawright**, associate professor of business management and academic director of the Marriott School's CIBER. "We can soon provide new opportunities for faculty to hone their international skills within the framework of their specific disciplines. This will provide students with sharper academic experiences—helping prepare them to be global business leaders."

AACSB Reaccredits Marriott School

The Marriott School achieved reaccreditation of its undergraduate, master's, and executive degree programs by action of the board of directors of the Association to Advance Collegiate Schools of Business (AACSB) International. The official announcement was made 7 April 2002 in Chicago.

"We're pleased to be reaccredited by AACSB International, the premier accrediting body for management education," said **Ned C. Hill**, dean of the Marriott School. "The reaccreditation process helped us focus more tightly on our mission and identify new metrics to evaluate and enhance our programs."

In addition to reaccreditation in business management, AACSB International also separately reaffirmed the school's accounting accreditation.

As of April 2002, there are 424 accredited members—404 in North America, thirteen in Europe, two in Asia, two in South America, one in Central America, and one in the Middle East. The Marriott School is also among 158 institutions that have achieved specialized accounting accreditation.

To achieve AACSB International accreditation, business programs must satisfy the expectations of a wide range of mission-linked quality standards relating to curriculum, faculty resources, admissions, degree requirements, financial resources, intellectual climate, and library and computer facilities.

Romney Institute Funds Student Internships

Dreams don't always come easy—or cheap. Especially when they involve international traveling. Thanks to the Romney Institute of Public Management's Endowment, eight MPA students were given the opportunity to serve international internships in summer 2002.

As a stipulation of the Romney Endowment, several students each year are provided with the funds to travel to non-profit nongovernment (NPNG) organizations to serve internships, which are generally unpaid. "This provides the students with an opportunity to not only provide service but also to learn firsthand about significant issues that impact lesser-developed countries," said **Robert Parsons**, director of the Romney Institute.

Patrick Lee, a second-year MPA student from Norman, Oklahoma, interned with the Red Cross in Uganda. He had worked in Uganda in summer 2001, researching ways to develop education systems. Lee made contacts there that provided him with an opportunity to return. "I am grateful to the Romney Institute for giving me the financial support to go back and continue my research," he said.

This summer Lee worked to develop HIV/AIDS prevention through education programs in both private and government schools—a subject he researched during last year's internship. "I am certain that the internship with the Red Cross will help me continue on the path for my career to work in public health and education," Lee said.

Another MPA student interned with Grameen Bank in Dhaka, Bangladesh. **Jason Monson** became interested in Grameen after attending the Microenterprise Conference at BYU several years ago, where its founder, Muhammad Yunus, spoke. Monson said the best part of his internship was seeing some of the poorest women in the country "with nothing but a tiny bit of hope" purchase their own homes and livestock and send their children abroad for a university education.

Parsons says he hopes students will continue to take advantage of the opportunity to assist in the development of programs that provide hope for impoverished nations.

E-Business Center Pilots Online Lecture Series

The Rollins Center for eBusiness, in connection with LexisNexis and WebCE.com, streamed three business lectures in April to determine the feasibility of making the school's e-business, entrepreneurial, executive, and MBA lectures available online.

Bob Whitman, CEO of Franklin Covey; John Fuller, founder and director of

Vanteon; and **Owen Cherrington**, director of the eBusiness Center, addressed the changing demands in today's information age and how business professionals can best prepare for the times ahead.

"The goal of this project was to make the resources we have at the Marriott School available to as many alumni and friends of the school as we can," said Cherrington. "We are privileged to host top business people from around the world as they come and speak to faculty and students. Now, we can share some of those opportunities with people off campus."

Participants in the web casts watched the speaker live, participated in a chat room discussion with other BYU alumni and business professionals, and posed questions directly to the speaker via an online moderator.

"The ability to provide such high quality live presentations over the Internet at essentially no cost is very exciting," Cherrington said. "But perhaps the next phase of our project—to store the lectures on our server and provide them to anyone, anytime, on an on-demand basis—will be more useful and convenient to most people."

Several of the lectures are already available on the Internet. They can be viewed online under the archived events section at ebusiness.byu.edu/streaming/.

"Changing Organizations" Focus of MOB Conference

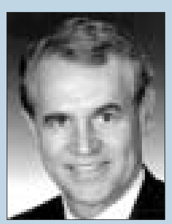
Changing organizations was the focus of the Master of Organizational Behavior program's annual spring conference 4–5 April. The conference addressed such topics as "Managing Knowledge Across Boundaries," "Social Change and the Strategic Development of 'NON' (non-profit) Organizations," and "Crossing the Line: Research on Expressing Anger in Organizations."

President and CEO of Confluence Consulting **David Hanna** kicked off the conference. Hanna is the author of *Designing Organizations for High Performance and Leadership for the Ages* and works with executive leadership teams of worldwide companies including Merck, General Motors, Xerox, and Deloitte & Touche. During the conference, Hanna was honored with the program's Distinguished Alumni Award.

The conference was designed to bring professionals, academicians, and students together in a setting where they could freely exchange ideas about and experiences with integrating theory into practice, said **Kate Kirkham**, MOB program director. "We appreciate the quality of faculty, alumni, and friends of the program who, through their insightful sessions, enabled us to learn more about how to change organizations," she added.

More than twenty academicians and practitioners, including Jack Zenger, president of Provant, Inc. and **Bonner Ritchie**, acting dean of the College of Business at UVSC, shared organizational behavior insights and breakthroughs. Zenger is the former chair of the Times Mirror Training Group. He was also cofounder of Zenger-Miller and was inducted into the Human Resource Development Hall of Fame in 1994. Ritchie is former chair of the Marriott School's MOB program and is a Marriott School emeritus faculty member.

HARVARD SCHOLAR ADDRESSES ROMNEY INSTITUTE



Kent W. Colton, Romney Institute Advisory Board member and presenter of the first annual George W. Romney Lecture, addressed faculty members and students in two respective lectures 8 April. In conjunction with the Romney lectures, Colton addressed the BYU student body at a university devotional in the Marriott Center 9 April. His devotional message emphasized the importance of service and volunteerism.

At the faculty lecture, Colton addressed the theme, "Achieving Common Ground: Housing in the Twenty-First Century." Colton discussed the evolution of housing trends from the Housing Act of 1949 to housing policies of the twenty-first century. He addressed possible methods for increasing the role of the private sector in providing affordable housing in the United States and ways to coordinate and improve existing programs.

Colton also lectured students on the transformation of the U.S. housing finance system. He summarized three revolutionary stages: the results of the Great Depression, the development and growth of the secondary market, and the technology revolution. Colton reminded students that the housing finance system has undergone a remarkable transformation, with the United States currently enjoying "the best housing finance system in the world."

In June 1999, Colton was appointed senior scholar at the Joint Center for Housing Studies at Harvard University. He is also president of his own company, KColton LLC, a consulting and housing researching company located in McLean, Virginia. Additionally, Colton serves as a member of the Congressional Millennial Housing Commission—established by the U.S. Congress to examine national housing policy.

Colton earned his BS from Utah State University in 1967, his MPA from Syracuse University in 1968, and his PhD from MIT's Department of Urban Studies in 1972. In 1974, he was chosen as a White House Fellow and served as a special assistant to the secretary of the Treasury.

Romney Institute Names William Hansell Administrator of the Year

The Romney Institute of Public Management named William H. Hansell, executive director of the International City/County Management Association (ICMA), as its 2002 Administrator of the Year. Hansell has been executive director of ICMA since October 1983.

Addressing public management students and faculty at the award banquet, Hansell said, "We are the engineers of democracy. The satisfaction that public servants experience doesn't come from salaries or bonuses; it comes from enabling citizens to thrive within our democratic system."

"Bill Hansell's enthusiasm and ethical standards have been an example for everyone involved in public administration and have helped us understand our roles in civil service," said **Robert Parsons**, director of the Romney Institute. "Knowing people like Bill makes you proud to be involved in public service."

Before accepting his position with ICMA, Hansell served as executive director of the Pennsylvania League of Cities, vice president of business management at the University of Scranton, and director of the Management Studies program at Cedar Crest College. Hansell earned a BS in economics from the Wharton School of Commerce and a master's degree in government administration from the University of Pennsylvania Fels Institute of Government.

Marriott School Hosts Annual Microenterprise Conference

The Marriott School hosted its fifth annual Microenterprise Conference 15–16 March. Grounded in the belief that access to resources is the greatest barrier to ending poverty, speakers addressed the conference's theme, "Practical Approaches to Ending Poverty." They also shared successful practices of the past, critiqued today's organizations, and took a pragmatic look at the future of the microenterprise movement.

"Microenterprise is an exciting way for individuals, families, and communities to get involved in the fight against poverty," said **Donald Adolphson**, chair of the conference's planning committee and professor of public management. "Many people are beginning to realize they can help alleviate suffering in the world without leaving home."

Conference speakers included Chieko Okazaki, former counselor in the General Relief Society Presidency of The Church of Jesus Christ of Latter-day Saints; Jeffrey Ashe, visiting scholar at Brandeis University's Institute for Sustainable International Development and founder of Working Capital; Alex Counts, founder of the Grameen Foundation; and Chad Evans and Red Allen, directors of The Church of Jesus Christ of Latter-day Saints' Perpetual Education Fund.

In addition to attending keynote lectures, conference participants attended breakout sessions focusing on domestic, international, innovation, and humanitarian issues in microenterprise.

Student News

Students Dash to Raise Funds

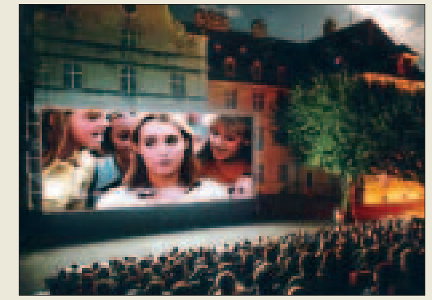
Organizational Effectiveness 321 students used their management skills to do more than fulfill the course's service project requirement. **Spencer Millerberg**, a senior from Sandy, Utah, majoring in business management, said his peer group could have done something minimal to fill the class' service project requirement. Instead, "we selected something a lot more challenging," Millerberg said.

The group organized a 5K run and donated earnings from the project to Recreation and Habilitation Services (RAH), a non-profit agency committed to assisting individuals with disabilities.

Millerberg said each group member volunteered thirty to forty hours in preparation for the 30 March run. "We worked and worked, and it was nice to have such a great turnout." More than one hundred runners participated. "It wasn't your normal group of runners, though. It was people interested in supporting the organization," Millerberg said. More than $1,100 was raised for RAH.

RAH's mission is to provide developmentally disabled citizens with training to help them function effectively in society. RAH serves between eleven hundred and thirteen hundred people each month through

MARRIOTT SCHOOL AWARDS MOVIE-MINDED STUDENT



Open Air Cinema was modeled after the Open Air Kino in Delemont, Switzerland. Photo courtesy of Open Air Kino.

Stuart Farmer received more than just spiritual inspiration as an LDS missionary in Zurich, Switzerland. "I saw an outdoor theatre while I was walking down the street," he said. "I thought, 'that could work in Utah.'" Upon returning to the United States, Farmer implemented the European entertainment concept and called it Open Air Cinema.

Open Air consists of a transportable movie screen that moves from venue to venue. But instead of people watching from parked cars, moviegoers take blankets, pillows, couches, beanbags, lawn chairs, and the like, and enjoy a movie under the stars.

Farmer, an English major from Orem, Utah, reproduced the European concept so well that it placed second in the Marriott School's BYU Business Plan Competition 2002.

"Entertainment is such a powerful force, and Open Air has found its niche in fulfilling the lost bygone of the drive-in movie theatre," said **Ron Spotts**, program assistant at the Center for Entrepreneurship, the sponsor of the competition. "Open Air is a viable business with great potential for success," Spotts said.

According to Farmer, what started out as "a great way to gather friends" has turned into a hopeful leader in the traveling digital outdoor cinema market for the Western United States. Open Air is set up at venues spreading from the Castle Amphitheater in Provo, Utah, to Thanksgiving Point in Lehi to Sugarhouse Park in Salt Lake City—all of which seat from one thousand to five thousand viewers. As the sun sets, performers provide live music and entertainment while audiences wait for the show to start.

Open Air's objective is to provide innovative, exciting, and community-oriented outdoor entertainment. The element that makes it all possible is the forty-five-foot wide, thirty-foot tall, inflatable AirScreen structure—specially engineered and constructed for projecting outdoor movies. Four people can assemble and raise the AirScreen in about an hour, according to Open Air's web site summercinema.com.

The Marriott School's Business Plan Competition runs each March. The 2002 first-place winner was Brandt Andersen of uSight.com, and the third-place winner was Daniel Ursenbach of Leading Edge Solutions. Students of all majors are encouraged to apply. For more information, visit the competition web site at bpc.byu.edu.

PROFESSOR LINKS STAR WARS LINES WITH BUSINESS ETHICS

Photo by Jaren Wilkey, University Communications.

In 1996, **F. Neil Brady** and his son hit the box office early to purchase tickets to the blockbuster hit "Independence Day." The two returned an hour before the show started to get decent seats. With only one hundred people in line in front of them, they were hopeful. But over the course of the next hour, "the line didn't get any longer, but it got a lot wider," Brady said. "My thought was, 'First come, first served.' If you get in line earlier than the next person, you deserve a better chance at a seat. But few people think so simply."

Brady's frustration triggered something: an assessment of how people behave ethically in lines. To learn more about people's perspectives on queues, Brady created a survey about "The Phantom Menace" line experiences and linked it to jedinet.com, a popular fan web site. Results revealed remarkable similarities between the ethical rules that regulate lines and businesses.

"Lines represent the quintessential ethical conflict in economics and society—the pursuit of self-interest in a context of general fairness," says Brady. He explains that, just like life in the business world, queuing up is an ethically complicated experience. "It's really a look at society in a microcosm."

Most recently, Brady analyzed lines of Star Wars fanatics anxious to view the latest installment. "In Star Wars lines, participants want to be cooperative and civil—they don't want the line to degenerate into mayhem," he said. "But people don't want to wait around forever if they don't have to."

Brady's study, "Lining Up for Star-Wars Tickets: Some Ruminations on Ethics and Economics Based on An Internet Study of Behavior in Queues," which appeared in the June issue of the *Journal of Business Ethics,* reveals that people in Star Wars lines and in businesses are alike in that they both experience clashing motives. "On the one hand, businesses want to be fair—they want to charge a fair price, deal appropriately with customers, obey laws and rules, and be civil as they conduct business," says Brady. "On the other hand, they want to make a killing."

Other similarities come in the form of spontaneous cooperative groups in the lines, which mirror the informal organization and alliance building of many businesses, and the general disregard for price gouging.

Brady used to think that everybody who cut in line in front of him or who appeared to be cutting in front of him was unethically adolescent. "But I've changed my mind about that," he said. "Just like in business, there are all sorts of ways to behave in these lines and all sorts of reasons for appearing to do things that somebody behind me in line might think is wrong. In fact, I recently saved a spot in line for my son to see 'Spider-Man.'"

training and motivational programs. Those interested in volunteering can contact Cheryl Adamson, assistant director, at (801) 374-8074.

Student Awarded for Academic Excellence

Eric Miele, a 2002 MISM graduate from Van Nuys, California, was awarded the 2002 Merrill J. Bateman Outstanding Student Award at the Management Society Graduation Banquet 13 April. "It's very humbling," Miele said. "I feel representative of all the students at the Marriott School."

Miele began working at Ernst & Young in Los Angeles this summer as a systems auditor. "I felt very ready to enter the workforce. The level of expertise among my professors prepared me well," he said. Miele interned with Ernst & Young summer 2001 in the Los Angeles office. His internship work carried over into a full-time position.

Faculty News

Professor Authors Book on Strategic Change

Seventy percent of organizations seeking strategic change fail to do so. **J. Stewart Black** and **Hal B. Gregersen** identify the problem in *Leading Strategic Change.* They say that just as physical maps guide people's footsteps, mental maps guide people's behavior. These are the maps by which organization members view their business, their role, and the organization's future.

Black, professor of business administration at the University of Michigan and Gregersen, the Marriott School's Donald L. Staheli professor of international management, suggest that because people compose organizations, successful strategic change for organizations involves first changing individuals. The authors found that this change occurs by breaking through the brain barrier.

Leading Strategic Change systematically details how to make the most important change of all: "redrawing" individuals' mental maps with new destinations and paths. Black and Gregersen identify the brain barriers that prevent strategic change from being successful: failure to see, failure to move, and failure to finish. The authors assert creating new organizational maps helps individuals discover solutions to old problems, create new meaning and possibilities, and work more effectively to harness the energy and passion of the workforce.

"Black and Gregersen debunk the myth that organizations change by changing the organization," said **Gary Crittenden**, CFO of American Express. "They understand the real dynamics a leader must manage to convert the hearts and minds of a complex organization to a new direction."

Professor Accounts for Burnout in Accountants

Researchers of a 1950s medical study drew accountants' blood to test the hypothesis that cholesterol levels rise during tax season. A follow-up study conducted by **Scott L. Summers**, Marriott School assistant professor of accountancy, sought not to measure cholesterol levels but accountant burnout related to the "busy season." Together, these studies reveal that cholesterol and stress levels top out each year during accountants' busiest season.

Summers' study, "The Effect of the Busy Season Workload on Public Accountants' Job Burnout," concluded that the heavy workload accountants experience during the January to mid-April tax filing season is a major contributor to job burnout evidenced by emotional exhaustion and depersonalization. Summers polled more than two hundred tax accountants in seven states for the study.

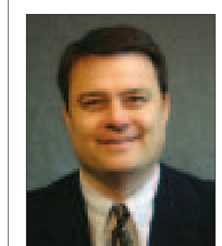
This is the first research to suggest that accountants, who are generally accustomed to working 120 percent of a forty-hour workweek without experiencing any burnout, have their limit. The typical busy season workload, averaging sixty-three hours per week, produces intense feelings of emotional exhaustion, Summers found. Working under this intense time pressure for hours on end causes accountants to experience more job burnout than most other professionals, says Summers, whose findings are published in the 2002 fourteenth volume of *Behavioral Research in Accounting.*

Accountants might cope with their emotional exhaustion by distancing themselves from their customers and treating them like objects rather than people. "Thus, a customer becomes a '1040' or 'like-kind exchange' rather than a fellow human being," said Summers.

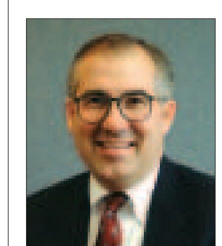
Tim Fogerty, professor and chair of accountancy at Case Western Reserve University, agrees. "This study does a good job of letting people know they should realize that accountants are under a lot of strain during the busy season—they ought not add to it by showing up 10 April and acting like they are the only people in the world with a tax return." Instead, Fogerty suggests, customers could show up the end of January if they want "better work," and to "deal with a much happier professional."

Summers collaborated with John T. Sweeney of Washington State University to produce the accountancy research.

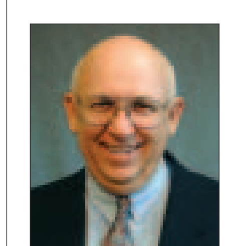
Awards and Recognitions



David Cottrell, assistant professor of accountancy, is the recipient of this year's Finance Society Outstanding Professor Award. Cottrell received the most votes from members of the Finance Society, which consists of undergraduate finance majors. In order to vote, a student must have taken at least three finance/economics courses.

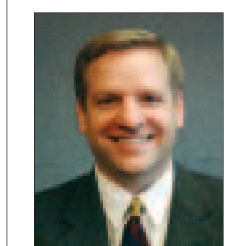


Paul Dishman, associate professor of business management, was elected president of the Society of Competitive Intelligence Professionals (SCIP) for 2002–3. Dishman has served on SCIP's board of directors for three years and has chaired several committees and events including the SCIP Annual Conference—the largest gathering of CI professionals in the world.

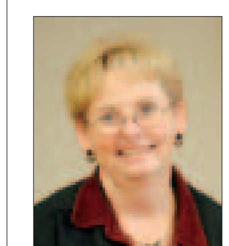


Garth Hanson, former associate professor of organizational leadership and strategy, was called to preside over the Romania Bucharest Mission for The Church of Jesus Christ of Latter-day Saints. He and his wife, Sheila, entered the Missionary Training Center 23 June and assumed their duties in Romania 1 July.

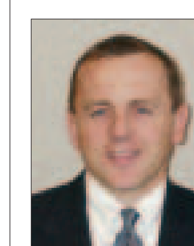
Robert J. Parsons will continue as director of the Romney Institute of Public Management for a second three-year term.



Doug Prawitt, associate professor of accounting, was recipient of the 2002 Merrill J. Bateman Student Choice Award. The award was announced at the Management Society Graduation Banquet 13 April 2002.



Debbie Ruse, former MBA program administrator, has been named assistant director of the MBA program. Ruse's new title reflects her increased responsibilities working with MBA Program Director Jim Stice.

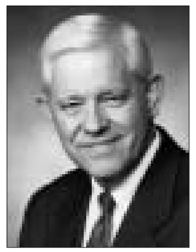


Monte R. Swain has accepted an appointment as associate director of the School of Accountancy and Information Sytems. Among other duties, he will head the undergraduate accounting program. He replaces Professor Robert L. Gardner who will return to full-time teaching responsibilities.

Michael P. Thompson has agreed to serve an additional two years as chair of the Organizational Leadership and Strategy Department. He has served in this capacity for the past four years.

ALUMNI NEWS

Alum Honored for Distinguished Service



J. Leon Sorenson was chosen as the first recipient of the **N. Dale Wright** Distinguished Alumni Award given by the Romney Institute of Public Management. Sorenson was presented the award at a dinner reception in his honor 3 April 2002.

"Leon is a worthy recipient and a great choice as the first awardee," said Wright, professor of public management and exemplar of the award. The N. Dale Wright award is bestowed annually to a Romney Institute alumnus who has demonstrated extraordinary service and leadership at work and in the community; has been an active volunteer; maintains and exhibits high standards of excellence; and has gained the respect and loyalty of colleagues, peers, and family. Romney Institute faculty vote on the recipient.

Sorenson is executive vice president of the Utah Medical Association in Salt Lake City. He has served as a delegate for both the Utah Republican Convention and Davis County Republican Convention. He has also served on the board of directors and as president of the American Association of Medical Society Executives.

A student in the third graduating class of the MPA program, Sorenson began his career in the research office of the Utah State Legislature. Soon afterward, he was appointed to the staff of the Utah State Constitutional Revision Commission. Upon completion of the commission work, Sorenson was appointed director of the Office of Legislative Research. "He was instrumental in modernizing Utah State government and developing a professional legislative staff," Wright said.

Sorenson is highly respected in the medical community and has received multiple awards including honorary membership by the Utah Medical Association and the Distinguished Service Award by the Utah Ophthalmological Society.

Sorenson earned his BA in Spanish in 1964 and his MPA in 1967 from BYU. He and his wife, Patricia, have six children and seventeen grandchildren and reside in Farmington, Utah.

Class Notes

1967

Stanley J. Cutler is vice president of finance and corporate strategy at Sento Corporation in American Fork, Utah. He and his wife, Maxine, have traveled throughout the United States and Europe and have sailed much of the California coast in their sailboat. They have one daughter and three sons and reside in Alpine, Utah. Cutler earned his BS in accountancy from BYU in 1967.

1968

Tony Sarver has been named Realtor of the Year for the seven-thousand-plus member Kansas City Regional Association of Realtors. The association serves seven counties including Jackson County and Clay County, Missouri.

Sarver serves as president-elect of the Heartland Multiple Listing Service Board of Directors and is a state director for the Missouri Association of Realtors.

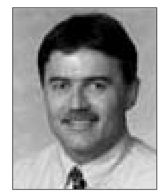
Sarver, who is broker/owner of Realty Executives of Liberty, earned his BS in psychology in 1966 and his MBA in 1968 from BYU. Since moving to Missouri twenty-three years ago, Sarver has sold land parcels totaling more than ten thousand acres, as well as houses and office buildings. His wife, Shirley, who manages their Liberty office, has been an active and important contributor to Sarver's real estate career. They have four children.

1972

E. Russell Borneman is human resource manager for the Facilities Department of The Church of Jesus Christ of Latter-day Saints. Borneman has worked in the Human Resources Division since 1974 and is responsible for all human resource issues in the Church's physical facilities throughout the United States and Canada.

Borneman earned his BS in sociology from BYU in 1968 after which he was drafted into the Army and served in Vietnam. He earned his MPA from BYU in 1972. He and his wife, Valeen, reside in Farmington, Utah, and have five children and one grandchild.

1978



C. Bradley Shrader, professor of management at Iowa State University, was presented with the school's Phillip G. Hubbard Award for Outstanding Education 1 May. This award is given to an outstanding faculty member who contributes broadly to the educational mission of the institution. Only three of these awards are given annually.

Shrader graduated with a BS in sociology from BYU in 1976, an MPA from BYU in 1978 with University Honors, an MBA from Indiana University in 1982, and a PhD in management from Indiana University in 1984 with University Honors. He resides in Ames, Iowa.

1981

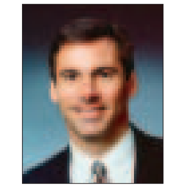
Bradley Howell was named chief operating officer of Madison Memorial Hospital in Rexburg, Idaho. Howell has been with the hospital for three years and has worked in health-care administration for nine.

Howell held the rank of lieutenant colonel in the U.S. Army Reserve and has twenty-one years of active and reserve service. He is currently serving as staff leader of the Combined Arms and Services Staff School in the 106th Division.

Howell earned his BS in business management from BYU in 1981 and is pursuing an MA in organizational management online through the University of Phoenix. He and his wife, Aubrey, reside in Shelley, Idaho, with their six children.

1982

Tracy K. Jones, CPA, received Lockheed-Martin Corporation's Recognition Award for Technical Excellence last year. He has been selected three times to present papers at national Oracle Applications User Group conferences on issues related to enterprise resource planning applications implementation. Jones earned his MAcc from BYU in 1982. He and his wife, Rexanna, reside in Albuquerque, New Mexico.



Glen Mella is president and CEO of Found, Inc., a Salt Lake City-based software and services company that helps retailers drive sales, protect product margins, and exceed customers' expectations by unifying inventory and sales channels.

Mella has more than seventeen years of management experience within the high-tech and consumer products industries.

He has held management positions with multibillion-dollar software and consumer products companies, as well as with early-stage technology ventures.

Mella earned his BS in business management from BYU in 1982 and his MBA from Northwestern University in 1987. He and his wife, Elizabeth, have eight children. They reside in Orem, Utah.

Nancy (Hall) Stay is a full-time mother of five children, ages nine through seventeen. She is the organist and choir pianist in her ward. Stay enjoys traveling with her children and husband, Carl, to Church history sites. They reside in New Berlin, Wisconsin. Stay earned her BS in accountancy from BYU in 1982.

1983

Joel McIntyre is regional vice president for Greater Los Angeles Middle Market Group for Union Bank of California. His wife, Connie, works for the Claremont Unified School District. They reside in Claremont, California, and have three children.

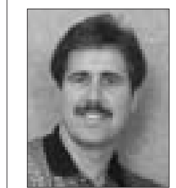
McIntyre earned his BS in accountancy from BYU in 1983 and his MBA from the University of Southern California at Los Angeles in 1984.

1984

Jim Everton is server manager at IBM in Salt Lake City. He handles large server accounts in Utah, Idaho, Montana, and Nevada. He earned his BS in computer science from BYU in 1981 and his MBA from BYU in 1984.

Everton and his wife, LeAnne, reside in Fruit Heights, Utah. They have five children; the oldest is attending BYU.

Mike and **Jeanne Hansen** moved to Portland, Oregon, where Mike is general manager for Team Sales at Nike. Jeanne is home schooling their four children. Mike and Jeanne earned their MBAs in 1982 and 1984, respectively, from BYU.



Rick Hutchins is a senior tax partner at Novogradac & Company, LLP, in San Francisco. He has been a partner at the firm since he joined in 1990. Hutchins oversees human resources, acts as a mentor for professional and administrative staff, provides technical expertise to the firm, and sells new businesses. He also serves as president-elect of the Marriott School Alumni Board. Hutchins earned his MAcc from BYU in 1984. He and his wife, Charlotte, reside in Concord, California.

1985

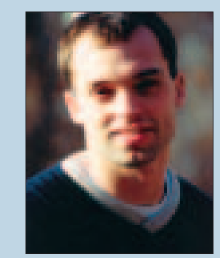
Michel J. Carter has been appointed president and CEO of Cogeco Radio-Television, Inc. (CRTI), and TQS, Inc., in Quebec. Carter will be presiding over the activities of CRTI and of TQS, Inc. Cogeco, Inc., holds an ownership interest of 60 percent CRTI and TQS, Inc. Thus, Carter is responsible for the overall operations of the network and regional television stations and the radio stations of Cogeco.

Before his appointment, Carter served as vice president and general manager of CRTI. Carter earned a bachelor of commerce degree from the University of Quebec—Three Rivers, and he earned an MBA from BYU in 1985. Carter is a member of the Canadian Institute of Chartered Accountants. He serves as chair of the Board of Musicaction and as a director of Canal Indigo. He resides in Longueuil, Quebec.

Marc Garrison was offered two jobs when he completed his MBA in 1985—one with the CIA and the other with IBM in their real estate division. In place of either, he opted to continue with his own personal real estate investing company started in 1977.

In addition to his real estate work, Garrison has published seventeen books—the first of which, *Financially Free*, was published in

MPA GRAD LEARNS VALUE OF NETWORKING



Lorin Killian and his wife, Lindsay, decided on ten days' notice—just a week before his graduation from the Marriott School—to move to New York City. Killian felt uneasy about declining a job offer in Salt Lake City to move to New York without any job leads. "I was told countless times during my Marriott School MPA days that networking was crucial in all aspects of business," Killian said. Out of desperation, he sent emails to his network of friends and acquaintances in the Manhattan area.

Within a few hours, Killian received a reply from **Richard Johnson**, a 2000 Marriott School MAcc graduate and friend of Killian's from his LDS mission in Buenos Aires, Argentina. Johnson informed Killian that his friend's wife was looking for someone to fill a position at URS/O'Brien Kreitzberg, a construction management firm. Killian's initial reaction was, "Construction management? How does that relate to my MPA degree and my background in nonprofit arts?" Killian went ahead and researched the firm anyway, and learned that the majority of its clients are local, state, and federal government entities. "And then I realized that it wasn't such a stretch and could quite possibly be very interesting," Killian said.

Killian landed an interview with URS/O'Brien Kreitzberg within twenty-four hours of arriving in the Big Apple and was offered the position of marketing coordinator. As such, Killian is involved with all aspects of proposal production: managing the proposal process, researching, ensuring that submissions comply with government requirements, and writing the proposals. Killian also maintains a database of all marketing activity for URS job sites east of the Mississippi River and assists corporate management with the preparation of marketing reports.

His position at URS has provided him with the finishing touches to his MPA degree. "I now have a very real sense of how for-profit firms interact with government, and that was the missing link in my education," Killian said. Management in either sector doesn't seem so daunting to him anymore, thanks to his MPA background and current job.

Killian is grateful for his associations that assisted him in finding a job. He earned a BA in English from BYU in 1998 and an MPA from the Marriott School in 2001.

1986 by Simon & Schuster. His eighteenth book, *29 Secrets of a Self-Made Millionaire*, will release in April 2003.

Garrison earned his BS in psychology in 1982 and his MBA in 1985 from BYU. He and his wife, Deann, have ten children. They reside in Gilbert, Arizona, during the school year and on their farm in Northern Michigan during the summer.

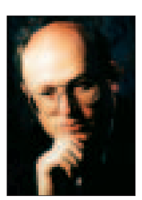
Kurt Swainston is partner in charge of state and local tax issues for the law offices of Dechert, Price & Rhoads in Newport Beach, California. He and his wife, Sydney, have two children and reside in Glendale, California. Swainston earned his BS in accountancy in 1982 and his MAcc and JD from BYU in 1985.

1986

David B. Guzy has been involved in the securities industry for the past fifteen years. He runs his own independent investment advisory firm, serving individuals and businesses. He established his firm, located in Sandy, Utah, in 1998. One of his current projects is setting up a bank investment program for the Bank of Utah. Previously, Guzy worked for nine years for Zion's Bank in the private banking division as an investment officer.

Guzy served as the president of the Salt Lake City chapter of the BYU Management Society in 2001 and continues to serve on the board. Guzy earned his BS in finance from BYU in 1986. He and his wife, Drexel, have five children and reside in Sandy, Utah.

1987



Rus Howard is the CEO of Sage Corporation, a private equity investments firm. He is also founder and CEO of Phyton, Inc., a manufacturer of anti-cancer drugs and BioWorks, Inc., a manufacture of biological fungicide for agriculture. Howard also serves on the board of directors of Innovative Dynamics, Inc., and Silver Bullet Technology, Inc.

Howard earned his BS in international finance from BYU in 1987 and his MBA from Cornell University in 1989. He and his wife, Maureen, have four children and reside in Trumansburg, New York.

Kent C. Nickel accepted a position as a systems analyst with the Seattle Police Department two years ago, after working for Airborne Express for nearly five years. He is also on the all-city negotiation team, where he is negotiating a new three-year contract between union members and the city of Seattle.

He and his wife, Tamara Sue, have three children and reside in Edmonds, Washington. Nickel earned his BS in information management from BYU in 1987.

1989

John P. Behrens is a partner in the CPA firm Behrens & Banks. For the past twelve years, Behrens has served as an adjunct professor in the MBA program at Webster University at Boling Air Force Base. He is teaching advanced corporate finance and mergers and acquisitions. Behrens and his wife, Tyra, have two sons and reside in Ashburn, Virginia. Behrens earned his MAcc and his MBA from the Marriott School in 1989.

1992

Jerry R. Andersen has been named chief financial officer of Crop USA and AIA Insurance in Lewiston, Washington. Before accepting this position, he worked as finance director for Community Health Centers in the Salt Lake City area. Andersen is serving as a Scoutmaster for the third time. He and his wife, Jenni, have five daughters and one son. They reside in Clarkston, Washington. Andersen earned his BS in accountancy from the Marriott School in 1992.

1995

Kevin Corbett is a CPA and controller for Marquis Homes, a division of Centex Homes building resort homes in Lake Las Vegas Resort. Before moving to Las Vegas four years ago, Corbett worked for Deloitte & Touche for two years in Los Angeles. He and his wife, Lorie, have been married seven years and have two children—a son and daughter. Corbett earned his MAcc from the Marriott School in 1995.

1996

Randy Mangum was promoted to manager of gross margin and merchandise productivity at Sterling Jewelers, Inc. He is responsible for the effectiveness and productivity of the merchandise in more than one thousand stores nationwide.

Mangum earned his BS in business management from the Marriott School in 1996 and his MBA from Kent State University in December 1999. He resides in Dover, Ohio, with his wife, Darcie, and three children.

1997

R. Paul Corriveau joined Microsoft as group product manager in the Windows.NET Server Group. Before working for Microsoft, Corriveau resided in the San Francisco Bay area and was director of product management at i2 Technologies, a leading supply-chain-management software company. Corriveau earned his BA in English from BYU in 1993 and his MBA from the Marriott School in 1997. He, his wife, Jill, and their son, Eli, reside in Redmond, Washington.

1998

David Carr is chief information officer for Discovery Research Group in Salt Lake City. He oversees programming, infrastructure development, and network operations for Discovery Research Group's five call centers and corporate headquarters.

Before joining Discovery Research Group, Carr served in other companies as a senior vice president of engineering and product development, manager of software development, and senior consultant. Carr also worked for the Sears Credit Corporation, managing call centers in Los Angeles, California, and Des Moines, Iowa. Carr earned his BA in economics in 1994 and his MBA from the Marriott School in 1998.

1998

Lisa Winward is director of quality at Discovery Research Group, an opinion and marketing research firm specializing in telephone research, headquartered in Salt Lake City. She is responsible for the company's quality assurance program. Because of her comprehensive marketing and public relations background, Winward also oversees the company's marketing initiatives.

Before joining Discovery Research Group full time, Winward worked for Discovery and several other clients as an independent marketing consultant. She has more than eighteen years of agency and corporate marketing experience, holding positions at a leading Salt Lake City-based advertising agency and one of the country's largest providers of outsourced customer care, Convergys Corporation, formerly MATRIXX Marketing.

Winward earned her BS from the University of Utah in mass communications with an advertising emphasis in 1981 and her MBA from the Marriott School in 1998. She resides in Salt Lake City.

1999

Arkin Hill was named publisher of *Wasatch Digital iQ* magazine in May. Hill, former advertising director at *Utah Business* and a member of *Digital iQ*'s advertising sales team, also joined the magazine's board of directors. Hill manages the business and operational aspects of the publication. *Wasatch Digital iQ* is a monthly magazine dedicated to chronicling Utah's high technology economy.

Hill earned his BS in human development from BYU in 1996 and his MBA from the Marriott School in 1999. He and his wife, Jennifer, reside in Taylorsville, Utah.

Melissa Ruff is a certified public accountant with Hampton, Barnett, and Maxwell in Salt Lake City. She has been with the firm since January 2000 and was promoted to senior auditor in June 2001. She enjoys the people and the variety of clients at her local firm, working with both publicly traded and privately held companies in various industries. Ruff also serves as assistant treasurer for the Salt Lake City chapter of the BYU Management Society.

Ruff earned her MAcc in December 1999 from the Marriott School and was awarded the distinction of Outstanding Professional Student from the Marriott School's School of Accountancy and Information Systems in April 2000.

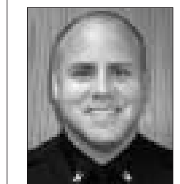
2000

Matthew Davis earned the distinction of achieving the highest score on the May 2001 CPA examination in the Commonwealth of Massachusetts. In recognition of his accomplishment, he was awarded the Massachusetts Society of Certified Public Accountants' Gold Medal for Outstanding Achievement in May 2002. Davis graduated with his MAcc from the Marriott School in 2000. He now lives in Boston and works for Ernst & Young.

2002

Beau Babka is administrative captain of the South Salt Lake Police Department in South Salt Lake City, Utah. His responsibilities include overseeing and directing strategy and operations in numerous support units of the police department.

Babka also works as an adjunct instructor



in the Criminal Justice/Social Science Department at Salt Lake Community College.

Babka has served as South Salt Lake Police Department's assistant chief of police, division commander, sergeant, community policing officer, detective, and patrol officer. Babka earned the Professional Designation Award in September 2000 from the FBI National Academy at the University of Virginia.

He earned his BA in business and communications from the University of Hawaii in 1985, his BS in criminal justice and psychology from Weber State University in 1998, and his MPA from the Marriott School in 2002. Babka and his wife, Kimberly Susanne, have five children and reside in Draper, Utah.

Management Society News

Elder Featherstone Addresses Students at Management Society Banquet

Elder Vaughn J. Featherstone, emeritus member of the First Quorum of the Seventy, addressed graduates and their guests at a graduation banquet

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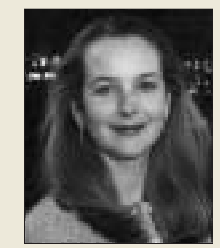
Alum Seizes Entrepreneurial Opportunity



Several years ago, **Sarah Sandberg** watched a television program about one-hundred-year-old people. "I got two things out of it—take good care of your teeth, and take the risks," she said. "I didn't want to turn one hundred and wish I had taken more risks."

That's why Sandberg quit a "perfectly good job" as partner at a consulting firm, Novations, Inc., to form a consulting partnership. She partnered with Harvard professor Keith Allred and is now CEO of the online survey company, Dynamic Feedback.

Much of Sandberg and Allred's initial consulting work was in the area of negotiation skills and conflict management. To help clients assess their skills in these areas, Sandberg and Allred developed the Personal Conflict Profile (PCP), a 360-degree feedback survey instrument. In taking the PCP, a client answers a battery of questions regarding his or her own negotiation and conflict management skills.

Additionally, the client's peers, subordinates, and superiors answer the same battery of questions about that person. The resulting feedback is a portrayal of the client's skills, both from their own perspective, and from the perspective of those around them.

To test the PCP, Sandberg and Allred administered it to Allred's negotiation classes at the Kennedy School of Government at Harvard University, where it was an instant hit among students and faculty alike. However, the first PCP was a paper and pencil survey, and the required mailing, faxing, and sorting was cumbersome, Sandberg said.

Being the late 1990s and well into the information age, the next step seemed obvious: put the survey online. Once online, the ease of administration and data collection greatly increased, and demand for the PCP grew. "We knew then that we might have something," Sandberg said. She and Allred changed the focus of their business from negotiation consulting to online surveys and data gathering—and the name of their business from Pioneer Negotiations to Dynamic Feedback.

Having survived the dot com implosion, Dynamic Feedback has expanded its academic market to include universities such as Berkeley, University of Pennsylvania, MIT, and Northwestern. It also serves consultants and industry customers such as Deutsche Bank, U.S. Postal Service, Pfizer, and Chevron. Dynamic Feedback now provides a wide range of off-the-shelf and custom survey products. The company maintains permanent technical and customer support teams in Salt Lake City.

As CEO, Sandberg enjoys the challenge of building a company. She earned her BA in American civilization from Brown University in 1983 and her MOB from the Marriott School in 1988. Her husband, Jonathan Hale, works as a physician and screenwriter. They reside in Salt Lake City with their three children.

sponsored by the Management Society 13 April 2002.

The underlying theme of Elder Featherstone's speech was morality and ethics in the workplace. "Make decisions about work before you're confronted with them," he said. "I've never felt inferior because I'm morally clean."

"Elder Featherstone has had great success in the business world because he has a very strong work ethic and people know they can trust him," said Dean **Ned C. Hill**. "He's shown that living high standards of ethics and morals is good business practice."

Stephen Covey Visits Atlanta Chapter

When Dr. Stephen R. Covey speaks, people pay attention—they or their companies also usually pay money. On 10 July, members and friends of the Atlanta Management Society had the opportunity to listen to Covey, at no cost, at a seminar titled, "Strengthening Families Strengthens the Community."

More than four thousand guests attended Covey's presentation held at the Atlanta Civic Center. Attendees included some of Atlanta's most influential citizens from a broad array of political, community, and Fortune 100 organizations.

The event, sponsored by the Atlanta Management Society and cohosted by WSB–TV, Atlanta's leading news network, focused on ethics and integrity as a basis for human relations.

Covey's remarks were directed at strengthening individual families, which, in turn, equates to a stronger community, nation, and world. Greg Bluth, Atlanta chapter president, said, "It was a wonderful opportunity for people throughout Atlanta to come together and create a connection with each other."

Guests left with new approaches to create positive change within families by resolving common problems and dilemmas. "We are grateful to Dr. Covey for his willingness to assist in raising awareness regarding the omni-important role of families in our community," said **Michael Jensen**, event chair.

Utah Chapters Honor Distinguished Utahn

The Utah Valley and Salt Lake City chapters of the BYU Management Society united 2 May 2002 to honor Rodney H. Brady with the 2002 Distinguished Utahn Award. More than three hundred people convened at the LDS Church Office Building in Salt Lake City, and $18,000 in proceeds went toward scholarship funds for college-bound high school seniors.

Each year, the Utah Valley and Salt Lake City chapters honor one Utahn for his or her accomplishments and contributions to the state's business community.

Brady is president and CEO of Deseret Management Corp., the for-profit holding company of the LDS Church. He is also former president of Weber State University and Bonneville International Corp.

Brady serves as an emeritus member of the Marriott School's National Advisory Council. He earned his BS and MBA from the University of Utah in 1957 and his DDA from Harvard University in 1966.

"Rodney Brady was an obvious choice," said Utah Valley chapter President **Boyd Hales**. "It was unanimous by both Utah Valley and Salt Lake City chapter board members."

Hales said Brady was supposed to open the New York City Stock Exchange on 11 September 2001. "That's one indication of Rodney Brady's prominence in the business world," Hales said.

ALUM CELEBRATES TOP PERFORMANCE IN FOOTWEAR INDUSTRY

If a company's name ever had meaning, it's Phoenix Footwear Group, Inc. The name stems from the ancient Greek myth of the phoenix rising from the ashes—something the Old Town, Maine, company can relate to.

In 1998, **Greg Tunney** took on the arduous task of saving a rapidly sinking company. As president and chief operating officer, Tunney turned the century-old manufacturing relic into 2002's No. 1 performing footwear company in terms of overall stock price increase and sales and earnings growth for the entire footwear sector.

"We spent the last forty-eight months refocusing the company by divesting poor performing assets and making a couple of acquisitions that have helped us in laying a solid foundation for a successful future," Tunney said.

In honor of the company's triumphant turnaround, Tunney rang the opening bell of the American Stock Exchange in New York City 20 May. "To be recognized and given the honor of ringing the opening bell on Wall Street was one of the great thrills of my professional career," Tunney said.

Phoenix Footwear—formally known as the Daniel Green Company—sells to more than 2,500 independent shoe stores and catalogs throughout the United States, Canada, and Europe. The modern-day sourcing and marketing footwear company considers Nordstrom and Dillard's its prime department store customers.

Tunney earned his BS in business management and marketing from BYU in 1986 and completed the executive management program at Harvard University in 1996. Tunney and his wife, Heidi, have four children and reside in Hampden, Maine.

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ESTABLISHED 1977

BYU MANAGEMENT SOCIETY

25th ANNIVERSARY

Summer 2002 marked the 25th anniversary of BYU's Management Society and the beginning of a year-long celebration. Founded in 1977 by Dean Merrill J. Bateman, the society is a worldwide organization with chapters in ten countries and more than forty U.S. cities. Special school and chapter activities are planned to commemorate this significant milestone.

The Management Society provides opportunities to enhance career development; network with local, national, and international members; support BYU and the Marriott School; and serve in the community. Find out more about the society and the 25th anniversary celebration at: **marriottschool.byu.edu/mgtsoc**

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