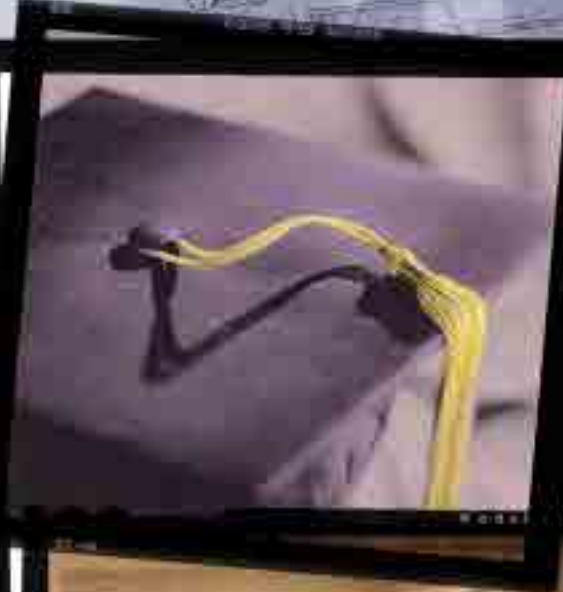


SPRING 1999

# exchange



ALUMNI MAGAZINE  
THE MARRIOTT SCHOOL  
BRIGHAM YOUNG UNIVERSITY

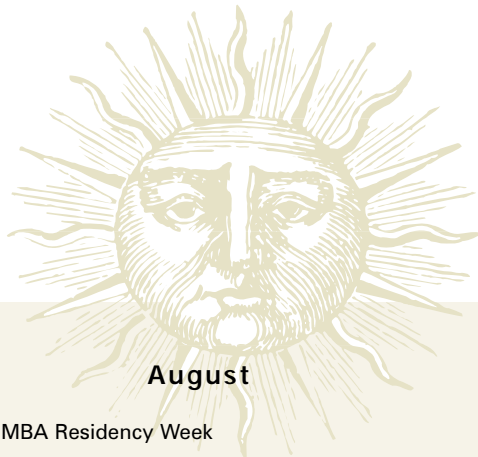
June

- 21 Summer Classes Begin
- 24-26 5th Annual Management Conference

August (continued)

- 25 Faculty Retreat
- 26 Department Retreat
- 27-28 First-Year Graduate Student Orientation and Service Project
- 30 Fall Classes Begin
- 31-Sept. 1 MOB Orientation

July



August

- 2-6 EMBA Residency Week
- 13 Marriott School Convocation
- 18-21 MBA Computer Seminar
- 22-27 University Conference
- 23-28 MBA Orientation
- TBA MPA Orientation, MAcc Orientation

September

- 16-17 Alumni Board Meeting (Alumni and Public Relations)
- 17-18 Taggart Symposium
- 24-25 Accounting Conference (SOAIS)
- 24-25 Entrepreneur Founders Conference (Center for Entrepreneurship)
- 30 Resume Workshop (Institute of Marketing)

October

- 7 Interview Workshop (Institute of Marketing)
- 7 Homecoming
- 7-9 Alumni Leadership Conference
- 7-9 Management Society Conference
- 14 Executive Dress Workshop (Institute of Marketing)
- 25-Nov. 5 Career Recruiting Days (Institute of Marketing)
- 28-30 NAC Meetings and International Executive of the Year Award and Banquet

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The views expressed in *exchange* are those of the various authors and not necessarily the Marriott School.



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Cover Photography by Pete Lacker

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 —by *David J. Cherrington and J. Owen Cherrington*





Dean Ned C. Hill

## The Marriott School An International Organization

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**A few years ago, I helped host a three-day executive education seminar for about forty people at the Salt Lake Marriott Hotel. One afternoon, we brought the attendees down to BYU to tour the Marriott School and have dinner in our building. That evening we took them to a BYU basketball game in the Marriott Center. (By the way, we won the game that night.) One participant asked me, "Is everything in Utah named Marriott?" That event brought to mind how generous the Marriott family has been to BYU and how fortunate we are at the Marriott School to be associated with the Marriott name. That name has always stood for quality, integrity, innovation, and high standards of service. I have always been proud to let colleagues, friends, business acquaintances know that I am from the Marriott School. The name immediately conveys the values we stand for at BYU.**

As most of you know, the J. Willard and Alice S. Marriott family has been most generous to BYU over the years. In the late 1980s, the family initiated a major endowment that has grown to provide us with the resources needed to compete with the best business schools in the country. The Marriott family continues to help through funding, advice, hiring, and example.

The Marriott name brings another attribute we are fortunate to associate with our school. Marriott is a premier international organization. In every major city in the world, there seems to be a Marriott Hotel. When I travel abroad I find that everyone knows the Marriott name, and they always associate it with quality.

Every organization that wants to thrive in a highly competitive marketplace must learn to compete in its area of strength. As my associate deans and I have thought about our strategic strengths, it has become clear to us that the international dimension is one key area that should set us apart from all other schools of management.

Clearly we have a most remarkable student body. About 80 percent of our students speak two languages. Nearly 30 percent speak three languages. There is not another school in the US that comes close to our language abilities, but that is not all: our students not only know other languages, but they have also lived in other cultures. When I served a two-year mission in Germany, I not only learned the German language, I also learned to love and respect the German people and their culture. My ears still perk up whenever Germany is in the news, because I can identify with the country and its people.

The international flavor of our students and faculty represents a significant but underappreciated and underutilized resource of the Marriott School. How can we leverage these remarkable abilities and prepare students more effectively to serve in a business community that grows more international by the day? How can we help our recruiters understand and value these abilities? How can we help our faculty become more internationally focused? Over

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the next several years, my colleagues and I will be considering new programs and initiatives that may include:

- Pursuing campaigns that will help recruiters understand the value of the international experiences our students have had
- Incorporating more international materials into existing courses
- Creating additional internationally-focused courses
- Developing alliances with international universities through which we could facilitate student and faculty exchanges, cooperate in the development of international programs, sponsor conferences, pursue joint research, share course materials, etc.
- Assisting students in obtaining international experiences such as internships, field studies, international business excursions, and job opportunities
- Bringing more internationally based firms to campus for recruiting
- Inviting our students to be interns and teaching assistants to help teach Church members who cannot come to the Marriott School to receive the benefits of a BYU education
- Bringing additional international students to campus
- Expanding our business-language offerings
- Supporting faculty and student research in international areas
- Sponsoring publications in international management topics
- Recruiting faculty who have significant international expertise
- Bringing international scholars and business leaders to the Marriott School for seminars, conferences, workshops, and executive education

Of course, much is already under way. We just received the news that the Marriott School has been awarded the coveted CIBER (Center for International Business Education Research) grant from the Department of Education. We congratulate Professor Lee Radebaugh, CIBER director, and Terri Hagler, CIBER executive administrator, for their outstanding work in winning a three-year extension of the grant. Our International Program was also awarded a major grant from the Eccles Foundation. These two grants will do much to enable us to implement some of the ideas discussed above.

We also have had many faculty exchanges over the past several years. BYU has had faculty members in Belarus, Russia, China, Tibet, Moldova, Pakistan, Israel, Jordan, Germany, India, and Korea, among other countries. We have had visiting faculty from Korea, Russia, Switzerland, and Austria. This summer, some of our faculty, together with an MBA student, will help to develop an MBA program for a university in Buenos Aires, Argentina. We are working on the details of a joint master of organizational behavior degree with Yonsei University in Korea, initially for executives of the LG Corporation. The BYU Placement Office was just given permission to hire a full-time coordinator for international placement.

We recently announced that the Marriott School is sponsoring the *Journal of Microfinance*, a journal addressing microfinance issues that will have international articles and readership. At the end of March, the Marriott School sponsored a very successful con-

ference at which presenters represented many international organizations involved in microfinance. More than one thousand people attended the opening session. We already sponsor seven business-language classes in German, French, Spanish, Portuguese, Korean, Chinese, and Japanese. We hope to add Russian soon. Business-language classes build on the student's "missionary fluency" in the language and add business and management vocabulary and structure.

We are also participating in the Church's Young Adult Pilot, in which Institute of Religion students in Monterrey, Mexico, and São Paulo, Brazil, are being taught English as a second language and computer skills. We hope to add a course in basic management very soon.

This summer four students will serve as teaching assistant interns in those two cities. We hope in the future to have additional students go to those sites as management interns with Mexican and Brazilian firms. In addition to gaining wonderful international work experience, the interns will spend evenings and/or Saturdays teaching students in the institutes. The anticipated result of this effort—and it is already proving to be correct—is that local students who take these courses will be in a stronger position to find meaningful employment. This, in turn, will enable them to provide more adequately for their families and will enable them to serve more fully in their local wards and stakes. In addition, the impact on our own students should be highly significant.

Detailed plans of all our international initiatives will be discussed further with faculty, staff, students, and our external support groups. We are currently forming an advisory committee made up of members of our National Advisory Council and other interested individuals. Whatever future form these ideas take, it is clear that as the Church grows internationally, so must the Marriott School. We have much we can contribute to the evolving needs of an internationally expanding Church as well as internationally expanding organizations.

While we don't yet clearly see what we will look like in five years, our limited incursions into the international arena have taught us three things. First, internationalization is vital to the Marriott School in solidifying our reputation as a top school of management. With the language, cultural, and networking resources we have available to us, we should be among the very top in the U.S.

Second, working in this area is expensive. Third, our external constituents, students, and faculty strongly resonate with the idea of becoming more international. We should be prepared for some exhilarating times ahead as we elevate our eyes to that well-known maxim on the entrance to BYU: "The world is our campus." But just as the Marriott corporations adapted so beautifully to worldwide growth, we who bear that honored name should be prepared to do the same. ■

*A version of this article first appeared in the January 1999 issue of Insider Info, the newsletter published by the Campus Chapter of the Marriott School Management Society.*



# the business of the church

BY PRESIDENT GORDON B. HINCKLEY

THE BUSINESS OF THE CHURCH IS SALVATION, BUT TO MOVE FORWARD THE GREAT WORK OF SALVATION THERE IS A VAST AMOUNT OF THE TEMPORAL TO BE DEALT WITH.

PHOTOGRAPHS BY PETE LACKER

It's an unusual thing for the president of the Church to have bestowed upon him the accolade of "International Executive of the Year." I'm glad to be with all these management students—these men and women who will go from this school to become leaders in the business community.

Calvin Coolidge once said, "The business of America is business." The business of the Church is salvation, but to move forward the great work of salvation there is a vast amount of the temporal to be dealt with. Critics of the Church complain that the Church has become a great business institution. The spiritual has never been overtaken by the temporal. In fact, the two go hand-in-hand—the temporal provides the means and the way for the accomplishment of the spiritual. Actually, they are one and the same. The Lord himself has said, "Wherefore, verily I say unto you that all things unto me are spiritual, and

not at any time have I given unto you a law which was temporal; . . . for my commandments are spiritual; they are not natural nor temporal, neither carnal nor sensual" (Doctrine and Covenants 29:34-35). From the very beginning of this work, the temporal had to be pursued to move forward the spiritual.

Before the Church was organized, Joseph Smith borrowed from Martin Harris and entered into a contract with E.B. Grandin to print 5,000 copies of the Book of Mormon at a cost of \$3,000. That was the beginning of the temporal work of this cause. It was necessary if the Book of Mormon was to spread its testimony among the people. From that very small beginning, we have now reached a point in the printing and distribution of the Book of Mormon where we produce some 6 million copies each year. By the end of the year 2000, over 100 million copies will have been printed. It is obvious that we must print the



book if we are to get it out to the world, as another witness of the Lord Jesus Christ. The printing is a temporal undertaking for a spiritual purpose. The Church carries on vast printing projects in addition to the Book of Mormon. We publish magazines, special messages, the *Church News*, and other writings in sixty-five languages and to the extent of over 25 million copies a year. Over eighteen thousand curriculum items are produced and distributed worldwide.

The distance we have traveled since the beginnings of the Church, and the speed with which we have traveled, and are now traveling, is almost beyond comprehension. One hundred years ago, in 1898, there were 267,000 members of the Church in all the world. Today, there are almost 10.5 million. This has become a vast enterprise, whose reach extends across the earth. Reporters ask me concerning the problems we face with the tremendous growth that is going on. I respond that we are faced with two serious problems. The first is the training of local leadership. All of our local congregations, wherever they may be established, are presided over by local men who must be taught and trained in the procedures and operations of the Church. The second great challenge is the construction of meetinghouses. We must house our people as they come into the Church. We're experiencing a combined growth of converts and natural increase of some 400,000 a year. That is the equivalent of 160 new stakes of 2,500 members, each and every year. We are building more than 350 to 400 new buildings a year, and we are getting behind. We must increase our efforts and will do so. Our people must be housed if they are to grow in the Church. This involves real estate purchases, title work, building permits, architects, and contractors.

We have a host of other businesses to assist the Church in carrying forward its mission of bringing salvation and exaltation to people across the world. We're in the travel business. We now have nearly sixty thousand missionaries. A very large percentage must have visas to enter the countries where they labor. They must be transported to their respective

WE HAVE REACHED ACROSS THE WORLD IN TRYING TO ASSIST THOSE IN NEED IN A GREAT HUMANITARIAN UNDERTAKING.





assignments and brought home again. The Church maintains its own travel department to accommodate the needs of those who go out as messengers of eternal truth. We maintain large establishments for the training of these missionaries—seventeen altogether. Some fifty languages are taught in the missionary training centers. Salt Lake City is regarded by some as a provincial and narrow place. I think it is the most cosmopolitan city in the world. I can walk down Main Street and meet people who speak the languages of Asia; the languages of South America, Central America, and Mexico; the languages of Africa; the languages of Europe; the languages of the islands of the sea. I do not know of another place in the world where you will find anything approaching this. As all

of you know, Salt Lake City is hosting the Winter Olympics in 2002. We shall have visitors from almost everywhere. We shall make available a large corps of returned missionaries who can translate with expertise.

Speaking of our missionary training centers, let me tell you just a little about the one here in Provo. The missionaries who train here consume 24,000 pounds of cereals each year, enough to fill a meetinghouse cultural hall wall-to-wall and floor-to-ceiling. They eat 115,000 pounds of apples—that is 57 tons. They consume 167,000 gallons of milk—the entire production of a 300-cow dairy. They get away with 162,000 pizzas. In a single meal, they consume 75 gallons of ice cream, 125 pounds of toppings, and 11 gallons of chocolate syrup. We are in the food business, my dear friends. And the transient-housing business.

The business of education consumes a very large part of the

budget of the Church. BYU, BYU–Hawaii, Ricks College, and the LDS Business College have a total enrollment of 38,692 students. Most of the cost of educating these young people comes from the tithing funds of the Church. We have nearly nine thousand students in elementary and secondary schools, and in our seminaries and institutes we train more than 600,000 who speak a score of languages and who live in many nations.

We're in the clothing business, in a very substantial way, believe it or not. The manufacture of clothing associated with our temples has become a very large operation. In four plants, one in the United States and three in Latin America, we produce about 7.5 million pieces of clothing each year. This is in addition to that for which we contract with outside suppliers.

We're in the automobile business, primarily in the acquisition and administration of a fleet used by our missionaries. We have more than a thousand vehicles for missionary use. That is a very large fleet with all of the problems that go with it, including insurance, maintenance, and occasional accidents.

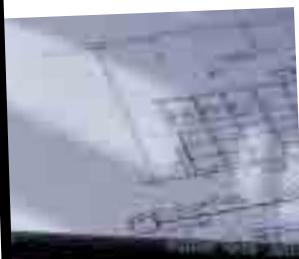
We maintain the largest family history facilities in the world. Hundreds of thousands of people, more than half of them nonmembers of the Church, use these facilities. In more than three thousand facilities across the world, people are staring into screens that present before their eyes vast records on microfilm. It is estimated that we now have over six million volumes on microfilm. All of this is temporal for the accomplishment of a spiritual purpose.

We are trying to feed the poor and clothe the naked. Our welfare programs reach very large dimensions. We now operate 106 storehouses, with 87 canneries, 99 employment centers, 48 Deseret Industries Thrift stores, 61 LDS Social Service offices, and 105 production projects.

We have reached across the world in trying to assist those in need in a great humanitarian undertaking. In the past few years we have sent such aid to 146 different nations in 2,780 projects with a total value of \$163 million. This very day, this very evening, large quantities of food, medicine, tents, and clothing are on their way to help the flood victims of Central America. We have come to the aid of those who suffered in the Mexico fire of 1990, the Bangladesh cyclone of '91, the China earthquake of '91, the Bosnia civil conflict of '92, the Rwanda relief effort of '94, and the North Korea crop failures of '96, '97, and '98. We've dug water wells in African villages, established village banking in South America, moved forward medical initiatives in the Philippines, and undertaken microenterprise projects in Armenia. We've worked with the International and American Red Cross, the Red Crescent, the Catholic Charities, and various Protestant denominations in this vast Christian undertaking.

We're in the farming business on a substantial scale. We're successful farmers, and among the very best in the world, I do not hesitate to say. Why are we in the farming business? Because food comes from the soil—all that we eat, and should a time of great need arise, we could produce food to feed substantial numbers of our people.

In addition to all of this, and much more, the Church owns



various business corporations, which are largely the outgrowth of enterprises established in pioneer days, when there was no one else to undertake such things. We have Bonneville International Corporation, which operates broadcasting facilities; the Deseret News, a publishing company that publishes a metropolitan daily paper; the Deseret Book Company; Zion's Securities Corporation; Beneficial Life Insurance Company; and other establishments. Each one of these commercial institutions pays taxes. Each is expected to make a profit. Ten percent of that profit comes to The Church of Jesus Christ of Latter-day Saints Foundation, which we have established. From these resources, over recent years, have gone millions to assist the arts, the cultural aspects of the community, various educational undertakings outside our own, to whom we, as a church organization, cannot give under IRS regulations. We have been involved with charities of literally a hundred kinds and more—we have been very generous givers from the contributions of these business corporations.

Many years ago, there was established the Corporation of the President of The Church of Jesus Christ of Latter-day Saints—a corporation sole, and the Corporation of the Presiding Bishop of the Church, also a corporation sole. Recently, we've undertaken some modifications of this structure, but in one form or another, all of these and more temporal undertakings go forward. They are properties of the Church, concerning all of which we feel a very heavy responsibility, for we are dealing with the Lord's purse and the Lord's purposes. At one time, I sat on nine business boards of directors both among Church-owned corporations and some outside the Church. It was a wonderful and challenging experience. I have now dropped all but one such directorship, hopefully to concentrate more fully on the spiritual aspects of the Church and its membership.

I've been trying to get out among the people to express appreciation, to encourage them, to build faith, to share testimonies with them, to extend my love to the wonderful Latter-day Saints throughout the world. I have spoken to hundreds of thousands of them, face-to-face, in circumstances where we have talked together.

I have been an officer in this Church now for a long time. I have been a General Authority for forty years. I have served as an officer in almost every facet and organization, in the temporal work, and most importantly, in the spiritual side of the work, and I know when all is said and done that the vast temporal undertakings with which we are involved are necessary adjuncts to the great spiritual mission that we have to perform. As the Lord has said, even though they may be temporal, they are spiritual.

It has been said that these temporal undertakings, when they are all brought together, become a vast and highly complex organization that would rank among the top corporations and the Fortune 500 list of companies. We have no concern about that. Our only interest is to manage all of these in such a way as to move forward the great work of assisting our Father in Heaven in bringing to pass the immortality and eternal life of His children of all generations of time. It is a challenging task, a mighty responsibility, for which we need His help, and I am

thankful to say we have His help. This, I submit, is one of the great success stories of all time. It is His work, and His Church, and tonight's recognition should go to Him.

Thank you, each of you, for all that you do to move this work forward. You are able and true and strong. You are men and women of faith and devotion and loyalty. You pray, you go to the temple, you pay your tithes and offerings, you gladly give of your service when called upon to do so. I am deeply grateful for faithful tithe payers throughout the world who make all of this possible and who testify that the Lord opens the windows of heaven and showers down blessings as He has promised.

To you young graduate students who are here tonight, who are preparing to go into the business world, may I remind you never to set aside the Church in your quest for success and wealth. Serve faithfully and well, whether in the temporal sphere or the spiritual. The cause will be strengthened by what you do, and in that very process will come to you growth, faith, satisfaction, and an enlarged opportunity for prosperity. I thank you and leave my testimony of the truth of this work, again expressing my appreciation and gratitude for the great honor you have given me, in the name of Him whom we all serve, even the Lord Jesus Christ. Amen. ■

*This address was given November 6, 1998, at the International Executive of the Year award banquet.*



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# The Business of Integrity

by Mitt Romney

You cannot imagine how strange it is to be standing here speaking to you, when I remember so distinctly sitting where you are sitting, listening to speakers far more sage than I.

For some reason, my graduations have stood out quite clearly in my mind. I remember where I sat, by whom, and what I heard. Perhaps that's because of a song we regularly sang at my high school and its graduation. As I sang that song at graduation, I pondered about the future, about time. I wondered what it would be like to look back to this very day: Would I regret my life, would I be satisfied?

The song we sang is the Harrow School song, that of a private boys school in England. A few of its words are:

*Forty years on, when afar and asunder  
Parted are those who are singing today,  
When you look back and forgetfully wonder  
What you were like in your work and your play—  
Then it may be there will often come o'er you  
Glimpses of notes, like the catch of a song;  
Visions of boyhood shall float them before you,  
Echoes of dreamland shall bear them along.  
Routs and discomfortures, rushes and rallies,  
Bases attempted, and rescued and won.  
Strife without anger and art without malice—  
How will it seem to you, forty years on?  
God gives us bases to guard or beleaguer,  
Games to play out, whether earnest or fun,  
Fights for the fearless, and goals for the eager,  
Twenty, and thirty, and forty years on.*

How will it seem to you twenty and thirty and forty years on? What bases will you have chosen to conquer? What games will you have played? Will your life have been a success?

To be honest, these questions were very troubling to me as I sat where you are sitting today. Virtually every speaker said something to the effect that life's success was in my control. They quoted authors like Napoleon Hill, who wrote *Think and Grow Rich*, or Anthony Robbins, author of *Unlimited Power*. Success, they said, was up to me—how I prepared and worked, how I thought, how I created and followed a mission statement, or how I put it all together would ensure the success they knew I wanted.

Now, thirty years on, I have come to a very different conclusion. The worldly success stories I have seen result from a blend of factors: yes, the choices you make and control, but also the mental equipment you were born with, more than a fair measure of serendipity, and, where He does choose to intervene, the will of our loving Father. I am not convinced that it's all up to you. Nor do I believe that if you live righteously, your stocks will rise in value, you'll get a promotion, you'll win an election, or you'll get your research published.

I watched my cousin train for the Olympics virtually all his life.

He ate right, exercised almost obsessively, competed through college, and placed in national and international competitions. But he got the flu during the Olympic trials and didn't make the U.S. Olympic team—a little unfortunate serendipity at play. I have witnessed the same, time and again, in business, politics, health, entertainment, and education.

I contrast that with the friend I worked with at Bain & Company. She bounced from Bain to Disney in California, then to FTD Florists in Detroit, to Stride Rite Shoes in Boston, and to Hasbro Toys in Providence, Rhode Island. A couple of years ago, a friend called her to ask if she'd help out in his new Internet business. Today, I understand her holdings in eBay have reached almost \$1 billion in value. I'm sure that when a success book is written about her life, it will all look so predictable.

There's an element of unpredictability, of uncertainty, of lottery, if you will, in the world that has been created for us. If you judge your life's success by the world's standards, you may be elated or you may be gravely disappointed.

That, of course, is the secret to predictably successful living: the choice of standards by which you will judge your life's success. If by the world's standards, you may well be disappointed, for too many factors for such success are random or out of your control. But there are other standards of success, where chance is not at play.

What will you live for? What bases will you attempt to win?

Some years ago, the firm I founded seemed to be coming apart at the seams. Our five partners were at each other's throats. It seemed we all wanted different things from our lives and from our business. One was consumed with making money; he was obsessed with becoming a member of the Forbes 400. Another wanted power and control. I was of two minds, trying to balance the goals of my faith with the money I was earning. We met with a team-building consultant-psychologist. At the last of our week-long session, he led us to something transforming.

He said that if we lived our lives in conflict with our core values we would experience stress, ill health, and deep regret. How, we asked, could we know what our core values were? He proceeded to ask us to think of the five or six people we most admired and respected, people currently living or who had ever lived. I chose the Master, Joseph Smith, Abraham Lincoln, and my mother, father, and wife. Then he asked us to write down next to each of those names the five or six attributes we thought of when we thought of that person. The attributes that we had then listed most frequently, he explained, represented our core values. Simply, if we lived in concert with those values, we lived with integrity. We would be happy and fulfilled. And, in contrast, if we lived in a way that was not consistent with those core values, we would ultimately be unfulfilled and unhappy.

To my surprise, all five of my partners revealed the same or



similar values: love, family, service, devotion. While we each may have pushed them aside to a different degree in our daily pursuits, they were at each of our centers.

Now, some twenty years later, I have discovered something else about these core values, about living with integrity, about these fundamental measures of successful living: with these at our center, chance does not come into play in determining our success or failure. The ability to live with integrity with the core of our values of love, family, service, and devotion is entirely up to us. Fundamentally, this is the business of successful living.

On my father's 80th birthday, I asked him what had brought him the most satisfaction in his life, what was his greatest accomplishment. He had been a three-term governor, a United States Cabinet member, presidential candidate, CEO, multimillionaire, and prominent Church leader. His answer was immediate: "My relationship with your mother and with my children and grandchildren is my greatest accomplishment and satisfaction."

Golda Meir, prime minister of Israel, voiced the same truth in an interview on the Today Show. She explained that being a mother was her life's greatest accomplishment.

Each lived a life of fulfillment and success, not because of their worldly endeavors, but in spite of them. They lived, rather, in harmony with values unaffected by the vagaries of markets or elections or praise.

If, as you are listening to me today, you are nodding your head in agreement, it's only fair that I warn you that it will not be easy for you to focus your life on achieving your core values. Unfortunately, virtually the entire world around you will ridicule those values and a life based on them—perhaps not overtly, but implicitly in every medium that surrounds you. Some thousands of years ago, the prophet Isaiah looked forward to our times with this observation: "Woe to those who call evil good and good evil, who put darkness for light and light for darkness, who put bitter for sweet and sweet for bitter!" (Isaiah 5:20).

There is ample evidence of the truth of his observations. In virtually every media, you will see and hear good called evil and evil good, light called dark and dark light. You will hear, for example, that fidelity is boring, that promiscuity is exciting. But if you succumb, you will find why "the love of many shall wax cold" (Matthew 24:12).

You will see the malleability of politicians showcased above the unbending character of a Lincoln.

In air time and public adulation, vengeance will rise above forgiveness, wealth above charity, power above loyalty, ease above work, luck above preparation. A relentless campaign will be waged for you to substitute the world's values for your values, to cause you to abandon integrity, to subject your measurement of success to uncontrollable chance.

It is empowering, invigorating, and emancipating to live for the success you can control yourself, to live for your most deeply seated values and convictions.

I remember my father's reaction in 1964 when running for governor. President Johnson had swamped Goldwater, and my dad's pollsters confidently predicted that he'd be pulled under by the Democratic landslide. I was devastated. What

would my friends at school think? My dad would be a loser. I looked at him. He looked calm—even relieved. Winning or losing wasn't what was important, he told me. He had done what he felt was right by running in the first place and by speaking out on issues he cared about. The people's votes didn't affect that. He pulled out a familiar quote: "I aspired, and though I achieved not, I was satisfied."

When living in integrity with your core values, your success and fulfillment are not subject to votes, to other's opinions, or to chance.

When John Bennon went to Harvard Business School, he already had a couple of children, one of whom was severely disabled. Then he was called to serve in a Church bishopric. Because his wife, family, and devotion to God were his core values and measures of success, he accepted the call. He didn't put it off to a time when it would be more convenient, or explain how much work he would have at business school. Surely his grades ended up suffering a little, but his life did not. Now, some twenty-five years on, his family Christmas letter celebrates these same core values, the same life of integrity—a successful life.

You may agree with me now, but unless you purposefully hold fast to living first by your innermost values, you will not succeed. Instead you will enthuse about talks that justify balancing your life, forgetting that "no man can serve two masters." You will read too much into your worldly successes and, perhaps just as dangerously, read too much into your worldly setbacks. They do not measure your worth nor define your success unless you choose for them to do so.

I have watched people of great worldly accomplishments who lived first with integrity for love, family, service, and devotion. In the words of Jacob, "and ye will seek them for the intent to do good" (Jacob 2:19).

I have also watched such people lose their money and their worldly esteem without it eroding their lives, happiness, or their measures of success, for their lives were built on the unshakable foundation of personal integrity, of pursuit of values the world cannot corrupt or disappoint.

Tomorrow, it's a new game for almost all of you. You will choose the bases to be won. Bold, beautiful billboards will beckon you to worldly success. But those bases may unpredictably elude you. Ultimately, even if you attain them, they will not satisfy.

There are other bases to attempt, rescue, and win. These are ones that are in harmony with your most profound values. Achieving them is not a matter of serendipity or chance. With these, your life's success is entirely in your own hands. A decision to live with integrity will make all the difference.

Again, in the words of the Harrow School song:

*Forty years on, growing older and older,  
Shorter in wind, as in memory long,  
Routs and discomforts, rushes and rallies,  
Bases attempted, and rescued, and won.  
When you look back and forgetfully wonder  
How will it seem to you forty years on?*

*This address was given April 23, 1999, at the Marriott School convocation.*



members by the year 2000

members in 20 years

members a year

international students and scholars at BYU

members from inside the United States a year

members from outside the United States a year

members in Brazil

will be U.S. membership

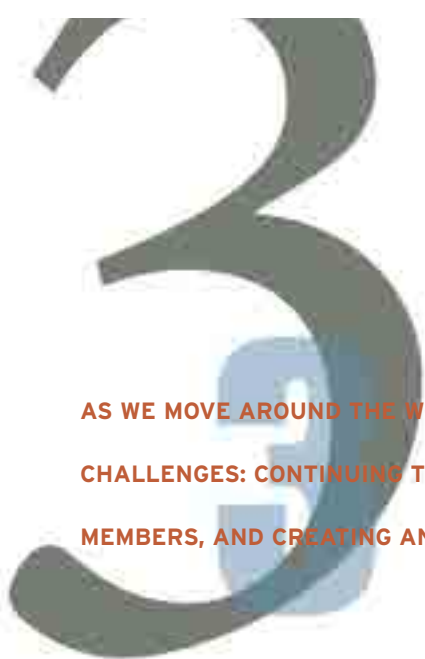
# THE CHALLENGES OF THE INTERNATIONAL GROWTH OF THE CHURCH IN THE NEW MILLENNIUM

by Lee Radebaugh

When the Savior was here on the earth, He made it clear to His disciples that His mortal ministry was with the House of Israel and not with other nations (Matthew 15:24). After His death and resurrection, however, He met with His disciples and expanded their mission as follows: “Go ye therefore, and teach all nations, baptizing them in the name of the Father, and of the Son, and of the Holy Ghost: Teaching them to observe all things whatsoever I have commanded you” (Matthew 28:19–20).

However, it took the disciples a while to grasp the full import of the Savior’s charge. Many of the original journeys of the apostles were to pockets of Jews living in Asia Minor. They were of the opinion that only the Jews should be allowed to accept the gospel, but a revelation to Peter recorded in Acts 10 changed that. As you may recall, Cornelius, a centurion described as a good man, was told in a vision to find Peter and seek his advice on matters of the spirit. The next day, as the servants of Cornelius approached Joppa, where Peter was staying, Peter, hungry and waiting for a meal to be prepared, went to the rooftop to pray. As he prayed, he had a vision in which he saw descending from the heavens a vessel that looked like a sheet knit at the four corners. On the sheet were different foods that the Jews had been commanded by the Lord not to eat. A voice came to Peter commanding him to eat the things on the sheet. Peter’s response was that he could not, because he had never eaten anything that was common or unclean. The voice spoke to him a second time saying, “What God hath cleansed, that call not thou common” (Acts 10:15).

When the vision ended, Peter had no idea what it meant. As he was thinking about the vision and its meaning, the Spirit said to him, “Behold, three men seek thee. Arise, therefore, and get thee down, and go with them, doubting nothing: for I have sent them” (Acts 10:19–20). So Peter met the three men and went with them to Caesarea the next day to meet with Cornelius. As Peter met Cornelius, he finally figured out what the vision meant. He said, “Ye know how that it is an unlawful thing for a man



AS WE MOVE AROUND THE WORLD, WE FACE THREE OTHER CHALLENGES: CONTINUING TO GROW, RETAINING NEW MEMBERS, AND CREATING AN ADEQUATE LEADERSHIP BASE.

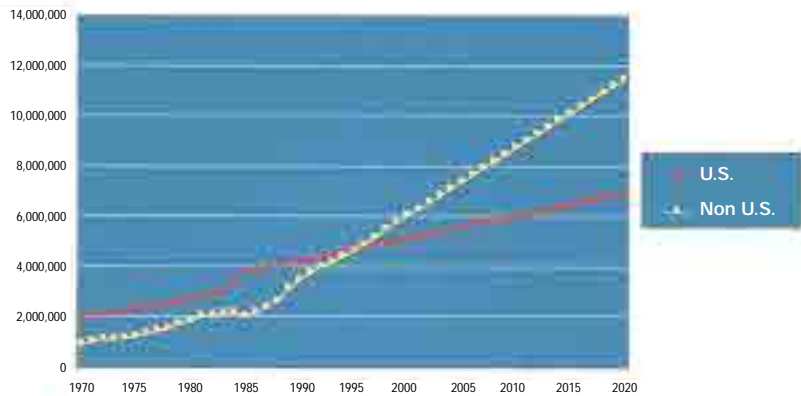


diagram 1 | Linear Growth of the Church, 1970-2020

that is a Jew to keep company, or come unto one of another nation; but God hath shewed me that I should not call any man common or unclean” (Acts 10:28). Then after meeting with Cornelius, learning of his desires, and feeling his spirit, Peter said, “Of a truth I perceive that God is no respecter of persons: But in every nation he that feareth him, and worketh righteousness, is accepted with him” (Acts 10:34–35).

Even so, the Church leadership continued to struggle with how to deal with the Gentiles who wanted to join the Church. They came from different countries, backgrounds, cultures, and traditions. But they all loved the Lord and wanted to be obedient to His commandments. The challenge for the leaders from a Jewish background was to figure out how to separate the essentials of the gospel from the nonessential

elements of Jewish tradition. The key was that every convert, both Jew and Gentile, had to look inside themselves and their backgrounds, cultures, and traditions, and determine what was really essential for them to return to the presence of God. What is significant to me is that it took leaders like Peter and Paul who had traveled outside of Judea, meeting with Jews and Gentiles alike, to figure out what were really the essential aspects of the gospel of Jesus Christ.

The Church may face some different challenges now than it did at the time of Peter and Paul, but it still has to assimilate converts from different countries with different languages and cultures, all struggling to get closer to their Heavenly Father.

As you know, the Church is growing faster outside of the United States than it is inside. In 1970, 68.8 percent of the

total Church population resided inside of the United States, but in early 1996, international membership caught up to U.S. membership. As we move into the twenty-first century at the end of this year, U.S. membership will be only 46.8 percent of the total. Using a very conservative linear forecast of Church membership, U.S. membership will fall to only 37.8 percent of total by the year 2020. On average, the Church is growing by about 355,500 members a year, of which about 267,500 are from outside of the United States and a little less than 88,000 are from inside the United States. Church membership will probably have doubled twice between 1970 and 2002.

Total membership should rise to 11.2 million by the end of this year as we usher in the new millennium and should reach at least 18.4 million by 2020. If you assume a more aggressive exponential forecast of Church growth with U.S. growth averaging about 2 percent and non-U.S. growth averaging a little over 8 percent, total membership could rise to just over 25 million in 20 years, with less than 1/3 coming from the U.S.

By the end of this year, there will be fourteen countries with an LDS population of over 100,000 members, which is roughly the size of the Church in Colorado. Of that group, the United States, Canada, England, and Japan are the only high-income countries, and their Church membership is growing significantly slower than membership of the other ten countries, which are in Latin America and the Philippines. Mexico, in second place, will probably end up with about 834,000 members by the end of the year, followed by Brazil with about 743,000 members, and Chile with about 536,000 members. Brazil and Chile are growing annually by 7.8 percent and 7.7 percent respectively on average, whereas Mexico is only growing at 3.2 percent per year.

As I prepared this talk, I had the opportunity to speak with many different individuals at home and abroad. One comment by Richard Turley, managing director of the Family History Department of the Church, has really stuck with me. To paraphrase him, he

said, As I look at the statistical reports coming in from around the world, I see the clear guiding hand of the Lord in this work. That is our goal—to see the hand of the Lord in this work and to figure out where we fit in.

## **CHALLENGES TO INTERNATIONAL GROWTH**

### RECONCILING CULTURAL DIVERSITY

Cultural differences present significant challenges in doing the work. Professor Gill, my very first academic advisor at BYU as a student in the early 1960s, was a mission president in the India Bangalore Mission. He tells of the difficulty dealing with the caste system in India, where the Brahman caste is identified as the clergy or highest caste in the Hindu faith. How can a Brahman convert subject himself to the leadership of a branch president who is from a lower caste? In Mongolia, President Cook had to deal with the Mongolian practice of drinking fermented milk. The Church did not want to rewrite the Word of Wisdom to take care of every different health concern around the world, so President Cook had to teach the members to drink fresh milk instead of fermented milk.<sup>2</sup> I could go on and on, but the point is we have numerous challenges as we take the gospel to different countries and cultures, and it isn't going to get any easier. All of the countries where we have limited or no presence are very different from western culture in general and Utah culture in particular. Given the celebration of Human Rights Day yesterday, how can we appreciate and take into account the diversity among us as we take abroad the message of the atoning sacrifice of the Savior and the restoration of the gospel in the latter days?

### MAINTAINING AND INCREASING MISSIONARY EFFORTS

The first Church members in Brazil were German immigrants, and the first convert baptism took place in 1929. The first mission was created in 1935. If the

Church had continued to grow at its pre-1970 growth rate, there would have only been about 180,000 members of the Church today. However, the revelation on the priesthood in 1978 and the dedication of the São Paulo temple that same year created a huge kink in the growth curve, resulting in about 680,000 members today.

The first stake of the Church was created in São Paulo after I left my mission in Brazil in 1966. By 1993 there were 104 stakes—just under thirty years for the first one hundred stakes. At the end of 1997, there were 173 stakes in Brazil, more than all of Europe and Asia combined, excluding the South Pacific. With the recent division of two missions, there are now twenty-five missions in Brazil.

The growth of the Church in Brazil is strong. During the decade of the '90s, the Church has grown by an average of 38,900 members per year. Two years ago, I interviewed Elder Dallas N. Archibald, then the Brazil area president, about Church growth. He noted at that time that the Church was baptizing an average of 1,000 men per month, of which 200-300 were missionary age. If the Church could retain these 200 young men and send them on missions, they could create thirty-seven missions in Brazil. If they could have two young men serving missions from each of the 1,500 wards and branches in Brazil (there are now over 1,700), they could create forty-eight missions, just from local males. Counting sisters and North American missionaries, they could create between ninety and one hundred missions, which is roughly the same number of missions per capita that exist in Chile. Right now, roughly half of the missionaries in Brazil are Brazilians.

However, growth in the missionary force is a key issue. In North America, still the major source of missionaries worldwide, the number of young men of missionary-age is starting to decline due to normal demographics. We may see the curve swing back up again at some point in the future, but the numbers are very predictable based on the number of individuals in current age groups. How are we going to be able to increase the missionary pool so that we can open new

missions and continue to grow, let alone keep from closing existing missions? We need to get more of our missionary-age youth in North America to be worthy to serve missions, and we need to rely more on non-North American missionaries. Both of the objectives will involve significant challenges in the future.

#### RETAINING NEW MEMBERS

One of the keys to the growth of the Church is retention. President Hinckley did an excellent job of addressing that issue in the priesthood session of general conference in November 1997, when he encouraged us to focus on retention of converts. I think it is pretty standard in the Church today for missionaries to spend about 30 percent of their missionary time on retention and reactivation. I think this actually has a dual objective. By visiting inactive members, missionaries are brought into a whole new circle of investigators than would be the case when working with the same active members over and over again. In addition, working on retention builds up the activity base of the members and increases the pool of potential missionaries. My son, Ryan, who served in the Australia Adelaide Mission, told me that their focus on retention and reactivation increased retention from 17 percent to 86 percent and increased the activity level by 4.5 percent in one year.

#### FINDING AND TRAINING LEADERS

Where are our leaders coming from? With such rapid growth and the division of wards and stakes in Brazil, there is an ever-increasing search for leaders. It is very common to see newly married young men only 25 or 26 years old being called as bishops. The challenge is that they are being saddled with a pretty significant responsibility just as they are starting their families and their careers. Even though they are relatively young and inexperienced, they are coming from the huge pool of newly returned missionaries. With the benefit of the mission experience, they are being trained for Church leadership in ways that would not be possible any other way.

### OVERCOMING CHALLENGES TO INTERNATIONAL GROWTH

#### INCREASING TEMPLE ATTENDANCE

I am convinced that a major part of the solution to the challenges we face is temple attendance. As illustrated in diagram 2, when Tani and I were married in 1968, there were thirteen operating temples in the Church, and only the New Zealand, London, and Swiss temples were outside of the United States and Canada. After we were married, we moved first to Indiana for four years of graduate work and then to Penn State for my first university position. We remained there for eight years. As you can see from the diagram, there weren't very many temples close to Indiana and Pennsylvania. I think we may have been in the Manti Temple District during those years. As a result, we did not get to the temple very often. However, shortly after moving to Indiana, the Church announced that a temple would be built in Washington, D.C. We sold concessions at the Kentucky Derby and the Indianapolis 500, put on chicken barbecues, and did a number of other things to reach our assessment.

Finally, the temple was dedicated in 1974, and we only had to drive three-and-a-half hours from State College, Pennsylvania, to Washington, D.C., to attend the temple. What a glorious experience that was. It was wonderful for the State College Branch members to travel to the temple and have their families sealed for time and eternity. I am convinced that the testimonies and conviction of the converts and the rest of us increased as we attended the temple regularly. Two of the most spiritual experiences I have had in my life were the direct result of going to the Washington, D.C., temple—once to seek an answer to a question, and once to give me unsolicited direction for the members of the branch when I was serving as branch president. In both cases, the inspiration of the Spirit came several days after a trip to the temple as the

calm, peaceful feeling of the temple stayed with me. Many times in district council meetings we would discuss the principles of leadership that we learned in the temple as our district president would give us assignments and ask us to return to the next meeting and report on those assignments. We developed closeness as a branch family and as leaders.

About the time Tani and I were married, President Monson made his first trip to East Germany. Over the next several years, a number of things happened to lift the spirits of the saints there, but one thing was being withheld from the members—the blessings of the temple. Entire families could not travel outside of East Germany to attend the Swiss Temple. As President Monson said, “The work moved forward. Now the paramount blessing needed was the privilege of our worthy members to receive their endowments and their sealings. In a private meeting on an upper floor of the Salt Lake Temple, President Spencer W. Kimball and his counselors . . . addressed the subject and said, ‘We know and appreciate the need of our members in Eastern Europe to receive their temple blessings. We know you love them. Find a way.’ When the Prophet of the Lord says, Find a Way, you must find a way.

“We explored every possibility . . . Then, through the fasting and prayers of many members, and in a most natural manner, government leaders proposed: ‘Why don’t you build a temple here in the German Democratic Republic?’”<sup>3</sup> This gave rise to the temple in Freiberg, which was dedicated in 1985.

I was also touched in the October 1994 General Conference as Elder Claudio Costa told the following story:

“During the time I presided over the Brazil Manaus Mission, I witnessed great examples of true success, stories that came from people truly devoted to the gospel and to their covenants with God. One man I met lived simply in a tiny town in the middle of the Amazon. After being baptized with his family, he could hardly wait to complete a year’s membership in the Church so he could take his wife and children to the temple.





diagram 2 | 13 Temples in Operation in 1968



diagram 3 | 53 Temples in Operation by the End of 1998



diagram 4 | 98 Temples at the Start of the New Millennium

**THE NUMBER OF TOTAL TITHE PAYERS  
WILL RISE AS MEMBERS WORK TO BECOME AND REMAIN  
TEMPLE WORTHY, TESTIMONIES AND COMMITMENT  
WILL DEEPEN, AND THE SPIRIT OF GOD  
WILL SETTLE ON THE PEOPLE . . .**

The São Paulo Brazil temple is very far from the Amazon. It usually takes four days by boat and four days by bus to get to the temple—about a week’s travel. This man was a cabinetmaker. How could he save enough money to pay for himself, his wife, and his children? Although he worked hard for many months, he made very little money.

“When the time came to go to the temple, he sold all his furniture and appliances, even his electric saw and his only means of transportation, a motorcycle—everything he had and went to the temple with his wife and children. It required eight days of travel to reach São Paulo. After spending four glorious days in the temple doing the work of the Lord, this family then had to travel seven more days to return to their home. But they went back home happy, feeling that their difficulties and struggles were nothing compared to the great happiness and blessings they had experienced in the house of the Lord.”

The Lord has certainly heard the prayers of the faithful. In the third diagram, you can see that there are now fifty-three temples in operation. However, that is not enough. So in October 1997 General Conference, President Hinckley announced the concept of smaller temples.

Diagram four identifies the locations of the fifty-three operating temples, twenty-one under construction, and twenty-four announced as of the end of 1998, for a total of ninety-eight temples. I chose to identify the temples only as points of lights on the world map, because I truly believe that just as the rising sun brings light into the world, so do the temples bring the light of Christ. They will have a definite impact on the members of the Church in far-flung areas of the world. The number of total tithe payers will rise as members work to become and remain temple worthy, testimonies and commitment will deepen, and the Spirit of God will settle on the people like a warm, comfortable blanket. Now the challenge of the Family History Department will be to establish family history centers close to each of the temples so that members all around the

**THE LORD NEEDS TEACHERS, TEMPLE  
WORKERS, HUMANITARIAN SERVICE WORKERS, ETC.  
WHAT IS YOUR NICHE?**

world will be able to do work for their own ancestors.

**BEING WILLING AND PREPARED TO SERVE**

My wife's sister and brother-in-law just returned from Europe as public-affairs missionaries. They had a wonderful experience and had the opportunity to travel all around Europe. When I asked them where would be an ideal place to serve, they mentioned Estonia. When I pressed them for the reason for Estonia, they responded, "Because that is where they need couple missionaries." What a great response. What are we doing as faculty and staff to prepare ourselves to serve a mission? Couple missionaries can provide such great leadership training to these 25-year-old returned missionaries who are being called as bishops. I told Tani that she should start studying

Portuguese so we can serve a mission in ten years, when we retire—maybe to Brazil or Portugal, or even Angola or Mozambique. Have you talked about this in your family so that a mission call is not such a shock if it comes? The Lord needs teachers, temple workers, and humanitarian service workers. What is your niche? If you are one of the fifty ex-bishops in your high priests group, serve as an ordinance worker in the temple so you can learn the ordinances and possibly serve as a temple worker somewhere in the world. Invite foreign students to your homes to share the love of your family when they are so far away from home and so lonely.

**APPRECIATING DIVERSITY**

Appreciate the international diversity of those around you. There are currently

1,928 international students and scholars here at BYU from 114 different countries, about 5.5 percent of our student body. They bring with them a wealth of different languages, cultures, values, and attitudes. Most, but not all, are LDS. Listen to them and learn from them. Appreciate their points of view and realize that they can teach you a great deal about the world. Your experience as a missionary abroad is like the tip of the iceberg, and you still have a lot to learn. But you international students have a great deal to learn from your U.S. classmates as well. You will take back to your countries ideas that will help you as you rise to positions of Church leadership in your respective countries. This is only one example of one place; look around you and appreciate those you come in contact with.

#### RELYING ON OUR FAITH IN THE LORD

Now let me close by personalizing this a little. On January 12, 1992, Jody Jorgensen Nichols, a neighbor of ours and one of the best friends of our daughter, Jani, left the Mission Training Center (MTC) in Provo, Utah, and flew to Helsinki, Finland, with two elders and two other sisters to serve in the Finland Helsinki East Mission. All had been studying Russian and were preparing to preach to the Russian people. At that point, there was no mission in Russia, but Gary Browning, president of the Finland Helsinki East Mission, was responsible for the members and missionaries in the former Soviet Union. Gerald and Peggy Jorgensen, Jody's parents, were apprehensive about sending Jody off to Russia. In fact, Peggy told me that she even wondered if she would ever see Jody again. Their understanding was that Jody would live in Helsinki but travel back and forth to different spots in Russia to teach the people.

When Jody arrived in Helsinki, she and her group were notified that they would all leave for St. Petersburg the next day. However, for reasons unknown to them, one would continue on alone to Moscow. The next morning, as they prepared to leave, Jody was told that she would be the lone missionary continuing

on to Moscow. She sat down and wrote a short note to her parents, explaining that she was the only missionary in her group of five who would travel on to Moscow. On Thursday, January 16, Jody arrived in Moscow, where she met up with her companion and began to work with a small group of the Church. At that time there was one main branch and three small groups in Moscow, all clustered around metro stops. On Saturday, Jody attended a zone conference where it was announced that two new missions were being created, the Russia St. Petersburg and Russia Moscow Missions. So now she knew that she would be working in Russia for the remainder of her mission. Only a few days later on Monday, her letter from Helsinki arrived in Orem, and the reality of the transfer began to set in for Gerald and Peggy. Would Peggy's premonition come true?

At the same time, not knowing Jody's circumstances, I was preparing for a trip to Moscow to present a paper at a conference being hosted by Moscow State University. I knew I would be there on Sunday, so I asked a friend if he could find an LDS branch for me to attend. On Sunday, only three days after Jody arrived in Moscow, I had a taxi take me to the building close to the University metro stop where the branch was meeting. I was early, so I sat in the cold foyer of the building and waited for the members to arrive. Who was one of the first people to walk through the door? Jody Jorgensen. We were both shocked. I told her to sit down during church and write a letter to her parents. It was so fun to sit in church and listen to Jody bear her testimony in Russian, only in the country a few days. She had prepared herself well.

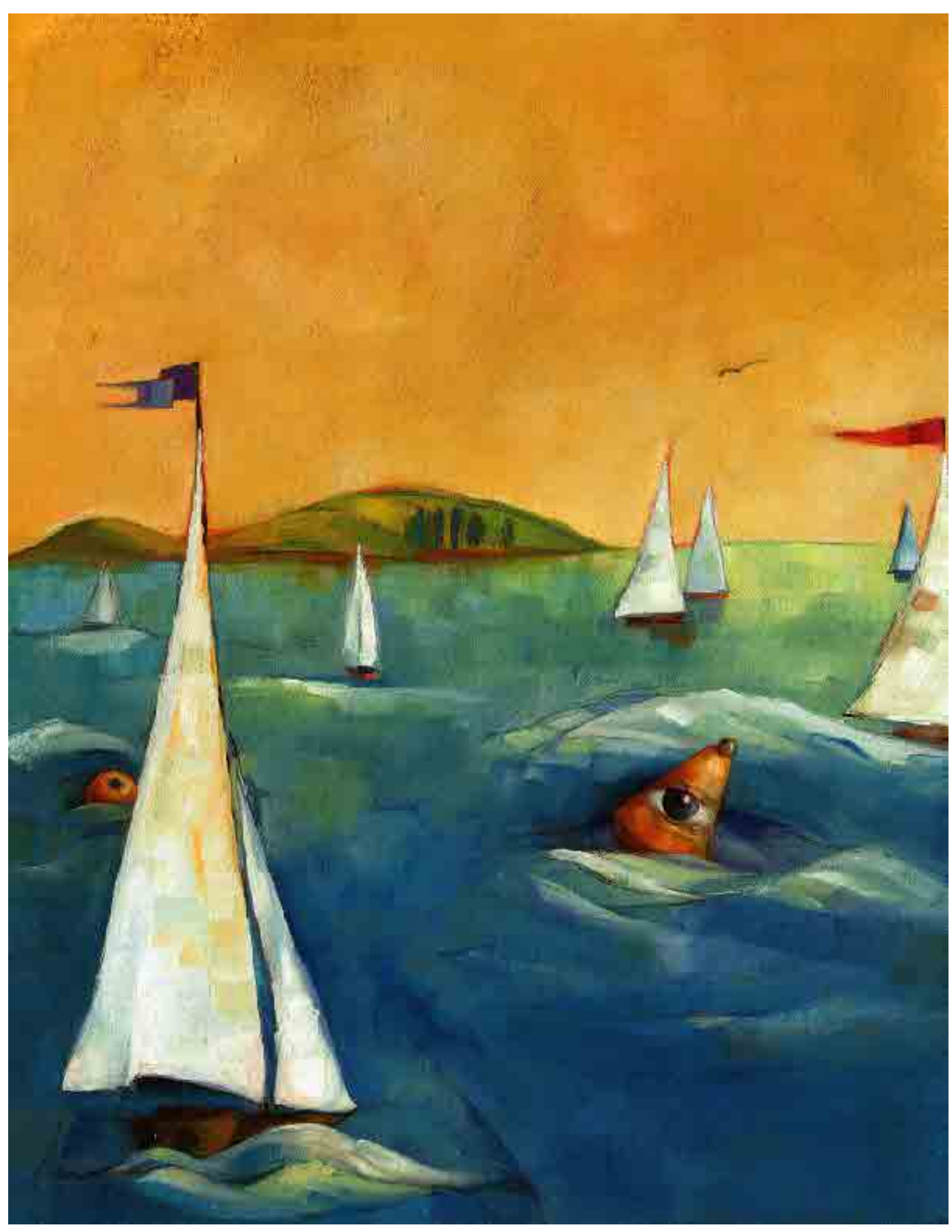
The next day, I flew home. That happened to be the day that Gerald and Peggy received Jody's letter from Helsinki. When I arrived home about 10 p.m., I called Gerald and told him that I had just come from Moscow, where I had attended church with Jody and that I had a letter for them. Needless to say, he came right over. Peggy has since told me that when they got my call that Monday night, she was lying in bed, clutching her scriptures, worried to death about Jody.

Once she got the letter I brought, she felt a feeling of peace come over her that never left her for the rest of Jody's mission. She knew that everything would be all right. Does the Lord care about these things? Of course He does. Was it a coincidence that Jody and I ended up in the same building at the same time? Of course not. Sometimes it is hard to step back and see the Lord's hand in His work.

What does this all have to do with me? Jody's future husband, Jim Nichols, was one of the missionaries who opened Samara to the work, and Jody served there for two months after Jim had been transferred back to Moscow. On February 10, our daughter, Melanie, enters the MTC to learn Russian so she can be sent to the Russia Samara Mission. Just as I was a comfort to Gerald and Peggy when Jody was on her mission in Russia, now Jim and Jody are a comfort to us as they help us understand what Melanie will be facing in Samara and how much she will love the people and the area. People ask me, "Aren't you worried about sending Melanie there, given all that has happened to missionaries in Russia recently?" The clear answer is, "No." When she opened her call, all I felt was excitement. I have grown to truly love the Russian people I have met, and I am excited for Melanie and the opportunity she will have to preach the gospel to them. To go back to one of my initial statements, I can see the clear guiding hand of the Lord in this work. ■

*This devotional address was given January 19, 1999, at the Marriott Center. Since then, four additional temples have been dedicated, bringing the total completed and announced to 112.*

1. Gill, Gurcharan S. "The Church of Jesus Christ of Latter-day Saints in India." *For ye are all one in Christ Jesus: The Global Church in a World of Ethnic Diversity*. (Provo, Utah: David M. Kennedy Center, Brigham Young University, 21 August 1995), p. 76.
2. Cook, Richard E. and Mary N. "Mongolia." *Religious Liberty and the Global Church: The Challenge of Sharing*. 19 August 1996, pp. 71-76.
3. Monson, Thomas S. "The Church in a Changing World." Speech presented at the Fifth Annual BYU Management Society Dinner, Washington, D.C., 2 February 1989, p. 9.





# *Integrity and Leadership*

— BY DAVID J. CHERRINGTON AND J. OWEN CHERRINGTON | ILLUSTRATIONS BY LANA GROVER —

*Like a rising tide that raises  
the elevation of all the ships in a harbor,  
everyone in this person's presence  
wants to show more  
kindness and gentleness.*



When we began our first studies in honesty in 1979, we were pleased with how well our results were received. We were frequently asked to describe our research at luncheons, seminars, and even radio talk shows.<sup>1</sup> We often concluded these presentations with two summary implications: first, only moral people can be outstanding leaders, and second, dishonesty is America's greatest economic problem.

These principles attracted attention, and we thought they were true even if our results could not prove them. Today, we still believe them; everything we have read and observed during the past two decades confirms them. Indeed, dishonesty is not just America's greatest economic problem, it is the greatest economic threat to every country whose economy is riddled with fraud, extortion, bribery, and embezzlement.

*Dishonesty is not just America's greatest economic problem, it is the greatest economic threat to every country whose economy is riddled with fraud, extortion, bribery, and embezzlement.*

After one of our luncheon presentations, a listener told us that our principle regarding moral leadership was supported by a high-ranking military officer's graduation speech. The theme of this speech was: "Great leaders must be trustworthy; no man who is unfaithful to his wife can be a truly great military leader." We were told that in a thirty-minute speech, this officer analyzed the behaviors involved in an adulterous affair and explained how they were inconsistent with the demands of great military leadership.

Since we did not know who gave the speech, nor when or where it was given, we never obtained a copy of it. Nevertheless, we used this speech as additional support for our principles in a seminar on fraud detection at the American Psychological Association's annual meeting in Los Angeles in 1981.<sup>2</sup> Following the seminar, we were approached by two men in full military uniform. When we asked for help in locating the speech, one of the officers told us the following:

"I've never heard about the talk you mentioned, but I thought you would be interested in something that happened to me. My personal experience definitely supports your principle.

"I served for seven years in Korea during the 1970s, and during part of that time I was the highest ranking officer in charge of the U.S. military forces near the demilitarized zone. We were responsible for the military readiness of our forces, and we also wanted to maintain good morale; so we watched the performance of our junior officers very carefully to make certain they had the confidence and respect of the troops.

"Occasionally we had to relieve one of our officers of his command because his performance deteriorated. It was a very painful decision to send an officer home in disgrace. We learned

that this usually happened after he started fooling around with the women in town. We talked about the cause of the problem and wondered whether it was because they quit leading or the men quit following. Nevertheless, we discovered that we could tell almost to the week when they started fooling around because of the decline in their efficiency reports.

“So at one point we decided to watch the reports more closely, and if we saw an officer’s ratings start to fall we would try to intervene more quickly to save his career. Shortly after we made this decision, it happened. One of our outstanding junior officers got a couple of low ratings, and we were very confident we knew what was going on. This was a really nice young man, and we didn’t want to just stand by and watch him fail, so we decided to confront him. We invited him in and told him we suspected he was fooling around with the women in town, and we said that this kind of immoral behavior was damaging the efficiency ratings of his unit and he needed to stop it.

“We were shocked at his response—he said we were wrong, and he was offended by our accusations. Well, we felt terribly embarrassed, and we apologized for accusing him. After that we tried to focus on how he could improve his unit’s ratings, and we worked with him very carefully. But in spite of our efforts, his performance continued to decline until we finally had to relieve him of his command and send him home. It was a very defeating experience for all of us.

“But that’s not the end of the story. About a year and a half later we saw him back in Korea. This time he was there trying to arrange for the adoption of the son he had fathered. He admitted that we were right after all—he had been having an affair all along, just as we had suspected, and it was the cause of his fall.”

During the 1992 political campaign, Ross Perot made a similar comment about the importance of marital fidelity in building a trusting relationship with a colleague: “If a man isn’t faithful to his wife I don’t want him working for me. If he can’t keep a vow he promises before his wife, his minister, and God, then how can I expect him to keep his word to me?” Unfortunately, Perot’s comment was criticized and quickly dismissed for being a political accusation. It should have been carefully analyzed to learn how morality contributes to effective leadership and why a lack of integrity destroys trusting relationships.

#### LEADERSHIP REQUIRES INTEGRITY

The basic principle we are suggesting here is that great leadership requires integrity. Great leaders are people who act with integrity—that is, they carefully discern the right ways to act in each situation, they do the right thing even when they suffer personal costs for doing it, and they are willing to accept responsibility for their actions and openly defend them. On the other hand, people who do not act with integrity cannot be great leaders.

Knowing why integrity is essential to great leadership requires (1) a careful understanding of the differences between leadership and other influence processes, and (2) an appreciation of the difference between transactional and transformational leaders.

The best way to understand leadership is to view it as the incremental influence one individual exerts over another above and beyond mechanical compliance with routine directives. Leadership occurs when one individual influences others to do something voluntarily rather than because they were required to do it or because they feared the consequences of noncompliance. It is this voluntary aspect of leadership that distinguishes it from other influence processes such as power and authority.

Transactional leaders manage the transactions between the organization and its members; they get things done by delegating assignments and rewarding people for what they do, such as giving recognition, granting pay increases, and providing advancement opportunities for good performers. They rely on the power of their positions to exert influence and monitor compliance. Transactional leaders frequently use the management-by-exception principle to monitor the performance of followers and take corrective actions when performance deviates from standard.

Transformational leadership focuses on changing the attitudes and assumptions of followers and building commitment for the organization’s mission, objectives, and strategies. This form of leadership occurs when leaders broaden and elevate the interests of their followers, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their followers to look beyond their own self-interest for the good of the group.<sup>3</sup>

A result attributed to transformational leadership is the empowerment of followers, who are capable of taking charge and acting on their own initiative. Empowerment involves providing the conditions that stimulate followers to act in a committed, concerned, and involved way in doing their work. The kinds of conditions that contribute to empowerment include providing relevant factual information; providing resources such as time, space, and money; and providing support such as backing, endorsement, and legitimacy. Empowered followers make things happen and get things done without waiting for detailed instructions or administrative approvals.<sup>4</sup>

The differences between transformational and transactional leadership were first described by James MacGregor Burns in 1978.<sup>5</sup> According to Burns, transformational leaders seek to raise the consciousness of followers by appealing to high ideals and values such as liberty, justice, equality, peace, and humanitarianism, rather than base emotions such as fear, greed, jealousy, or hatred. Burns used this distinction to describe a kind of leadership he thought was sorely needed to rejuvenate society and reform institutions. Other writers agree with Burns that society needs more transformational leaders. They claim that many social and economic problems, including unemployment and the decline in international competitiveness, stem from insufficient transformational leaders who dream inspired visions and motivate followers to pursue them.<sup>6</sup>

Empirical support for the importance of transformational leadership comes from research that measured transformational and transactional leadership behaviors.<sup>7</sup> According to this research, transformational leadership is largely a function of

three processes: (1) being charismatic, (2) showing individual consideration, and (3) being intellectually stimulating.

1. Being charismatic involves providing followers with a vision and sense of mission, instilling pride in the group regarding its performance, and gaining the respect and trust of followers.

2. Showing individual consideration involves giving followers personal attention by treating people individually, helping them improve their personal skills, and advising them about their careers.

3. Being intellectually stimulating involves promoting rationality and careful problem solving and sharing new insights and personal learning.

Transformational leadership is superior to transactional leadership in encouraging followers to exert extra effort.<sup>8</sup> Leaders who are rated high on transformational leadership factors have a much larger percentage of employees who say they exert extra effort than do leaders who are rated low. A study of 186 Navy officers on active duty also found that transformational leadership was related more strongly to their subordinates' extra efforts and satisfaction than transactional or laissez-faire leadership.<sup>9</sup> Other research studies have likewise found that transformational leadership is associated with greater leader effectiveness and employee satisfaction.<sup>10</sup>

#### CHAIN OF CONSEQUENCES

The importance of integrity can be demonstrated by examining the chain of natural consequences connecting integrity and organizational effectiveness. This chain has four links:

*1. Integrity is essential for trust.* If leaders do not act with integrity, followers cannot trust what they do or say. When followers see their leaders perform any immoral acts that harm others—lie, cheat, gossip, embezzle, extort, or falsely accuse—they have to wonder what might happen to them next time.

*2. Trust is essential to organizational commitment.* Members who do not trust their leaders and who know they could be treated unfairly will not feel committed to the organization. Organizations cannot force employees to be committed and dedicated; these internalized values are voluntarily contributed by employees who share the mission and purpose of the organization and know they are treated fairly.

*3. Commitment and dedication are necessary for motivated effort.* When members feel committed to the goals of the organization, they feel a sense of ownership and are willing to work hard toward the organization's goals. Unless members feel committed to the organization and its purposes, they will not be motivated to exert independent action and self-directed initiative.

*4. Motivated effort is essential for organizational success.* Organizations depend on the efforts of their people. While some organizations can survive with mediocre efforts and lackluster performance, increasingly intense global competition is forcing these organizations out of existence. The organizations that will succeed in the future will be those that can stimulate and elicit the dedicated efforts of motivated members.

#### INSPIRED LEADERSHIP

The famous painting of George Washington kneeling in the snow in prayer beside his horse suggests there are times when leaders would do well to seek for wisdom and insight beyond their own rational thinking.<sup>11</sup> Great leaders who live lives of integrity can be guided by the Holy Spirit. The basic principle that great leadership requires integrity is followed by three supporting principles that help us understand why it is true.

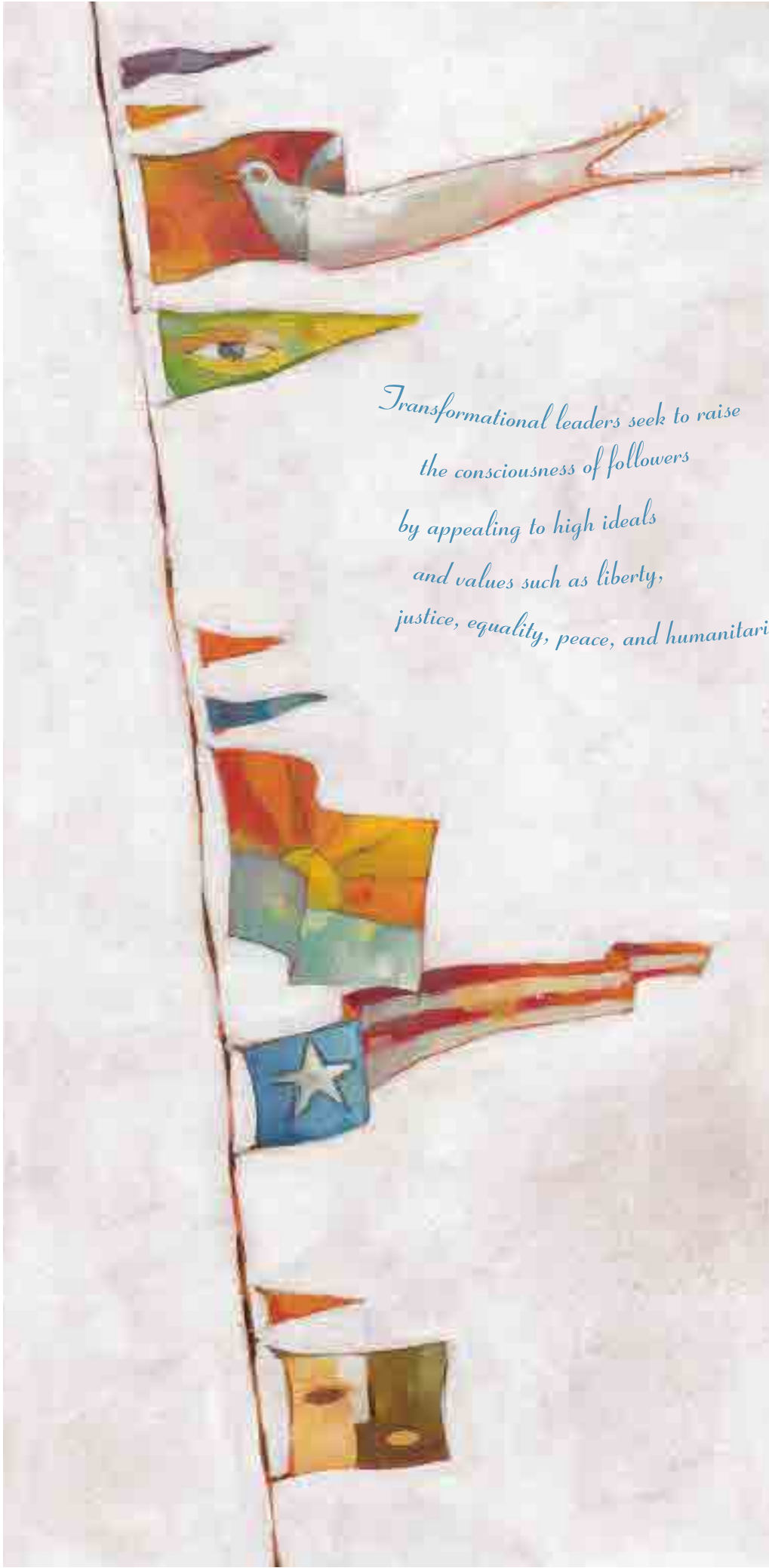
The first supporting principle is that people with high moral character can expect to have the Holy Spirit guide them in their personal lives. They can be inspired to know when problems exist and how to solve them. They are also more effective in their conversations and interactions with others; people who are guided by the Holy Spirit are better able to perceive the feelings of others and to understand what others are trying to communicate.

The second supporting principle is that immoral leaders cannot teach moral standards convincingly while they are having a debate with their own conscience. For example, parents who consistently exceed speed limits fail to teach their teenage drivers to obey them, and parents who persist in illegal drug use have trouble teaching their children to avoid substance abuse. A careful analysis reveals why people who persist in immoral behavior are incapable of teaching moral values. First, the dissonance between their behavior and their beliefs makes talking about morality very uncomfortable; therefore, they avoid teaching values they are violating.

Second, the dissonance almost inevitably forces them to rationalize their behavior; consequently, the ideas they teach are not cherished values but excuses for their behavior. Finally, even when they try to teach moral values, their message is drowned by the hypocrisy of their misbehavior. This analysis explains the adage, You can't teach what you aren't.

The third supporting principle is that we cannot expect the Holy Ghost to testify to the truth of our words if our lives are unclean. When we teach what is true, we want the truth of our message to be favorably received by those who are earnest. "For when a man speaketh by the power of the Holy Ghost, the power of the Holy Ghost carrieth it unto the hearts of the children of men" (2 Nephi 33:1). Unless we have integrity, we should not expect the Holy Ghost to carry our message into the hearts of others.

These principles are confirmed by the lessons on leadership contained in the Doctrine and Covenants: "No power or influence can or ought to be maintained by virtue of the priesthood, only by persuasion, by long-suffering, by gentleness, and meekness, and by love unfeigned; By kindness, and pure knowledge, which shall greatly enlarge the soul without hypocrisy, and without guile—Reproving betimes with sharpness, when moved upon by the Holy Ghost; and then showing forth afterwards an increase of love toward him whom thou hast reproved, lest he esteem thee to be his enemy; That he may know that thy faithfulness is stronger than the cords of death" (121: 41- 44). These verses list the



*Transformational leaders seek to raise  
the consciousness of followers  
by appealing to high ideals  
and values such as liberty,  
justice, equality, peace, and humanitarianism . . .*

essential attributes of great transformational leaders.

Effective incremental influence is best obtained not from one's position but from persuasion, gentleness, love, and kindness. Although transactional leaders can rely on the power of their organizational status, transformational leaders must be people of integrity who depend on their high moral character.

#### EXAMPLES OF TRANSFORMATIONAL LEADERS

The world has known many great transformational leaders who have had a marvelous impact on people and historical events. No doubt the greatest leader was Jesus Christ, whose simple bidding to his apostles, "Come follow me," is perhaps the single best leadership lesson of all time. Other great leaders whose lives and examples are described in the Old Testament include Joseph, who was sold into Egypt and ultimately rose to power in Pharaoh's kingdom because of his impeccable character; Joshua, whose faithfulness and consistency allowed him to succeed Moses and lead the Israelites into the Promised Land; and Deborah, who served as a judge in Israel and helped them establish forty years of peace after she led them in battle and encouraged them to turn from wickedness (Judges 4-5).

Great leaders are also described in the Book of Mormon. Captain Moroni was a strong and mighty man, but he was known more for his moral character than his physical strength: "If all men had been, and were, and ever would be, like unto Moroni, behold, the very powers of hell would have been shaken

*Leadership occurs when one individual influences others to do something voluntarily rather than because they were required to do it or because they feared the consequences of noncompliance.*

forever" (Alma 48:17). Helaman provided inspired leadership for his two thousand stripling soldiers who followed him with total loyalty and courage in spite of their tender years. "And they were all young men, and they were exceedingly valiant for courage . . . they were men who were true at all times in whatsoever thing they were entrusted" (Alma 53:20). Their spiritual lives mirrored his, and not one life was lost in battle.

#### BUT WHAT ABOUT LEADERS WHO ARE NOT TRUSTWORTHY?

After almost every presentation, someone identifies one or more presidents or chief executive officers who have had a reputation for some form of unethical conduct, such as being unfaithful to their spouse, having an affair with a slave, lying to Congress, cheating on their taxes, or firing innocent



subordinates. The obvious question is how can we argue that outstanding leaders must have integrity when there seems to be so many exceptions? Our response is intended to stimulate thinking more than to provide a direct answer regarding any particular leader.

First we ask whether this person was really a great leader, or whether this person simply occupied an important position at a critical time in history when the events of the day created this person's place in history. Did this person actually do something above and beyond the power of the office to inspire people and motivate them to do better?

The world has witnessed thousands of excellent transactional leaders who have made effective decisions and used the power of their positions to enforce them. But transactional leadership is much different and far less remarkable than the incremental influence demonstrated by outstanding transformational leaders. Transformational leaders are charismatic, and they inspire their followers to rise above mediocrity and pursue genuine greatness. They inspire confidence, trust, and loyalty—not because of their position of authority, but because of their character.

Our second question is whether this leader might have been a much better leader with impeccable moral character. Regardless of what the person achieved, it is interesting to imagine how much more a moral leader might have accomplished by setting an example of moral conduct, motivating followers, establishing peace, eliminating poverty, and inspiring cooperation.

For example, one of the essential functions of good leaders is to manage external relationships. Consequently, great leaders are expected to be excellent negotiators and peacemakers; however, there are several ways this can be done. One way is to act as a peace enforcer who punishes those who refuse to live peacefully. Another way is to separate warring factions and help them negotiate a treaty. But a more powerful way is for a leader to be the kind of person whose high moral character speaks for itself. Here the leader must be known for kindness and compassion, the leader must stand for truth and integrity, and others must recognize this person as someone who is honest and trustworthy. By this person's very presence, people are inspired to be better individuals. Like a rising tide that raises the elevation of all the ships in a harbor, everyone in this person's presence wants to show more kindness and gentleness. This leader's example encourages others to be patient and tolerant. To be this kind of peacemaker, transformational leaders must never speak unkindly of others or say something about other people that they would not be willing to say in their presence. Imagine the impact on world politics if all nations had great moral leaders.

We commend all leaders for the great things they do and thank them for whatever sacrifices they make to serve others. But we still believe integrity is essential for truly outstanding transformational leadership, and our world has a real need for great moral leaders. ■

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## MISM Students Participate in Electronic Data Systems Case Challenge

Four MISM students reached the semifinals in the Electronic Data Systems (EDS) Case Challenge held in Plano, Texas, November 4-8, 1998. EDS invited forty-eight universities representing ten countries. During the competition, students solved multifaceted problems for an airline company, including the installation of a new computer system.

During the first day of competition, students received basic background information about the company's problem. They were given three hours to look over the information and prepare questions for the judges. The judges answered questions for twenty minutes and then the students were on their own. On the following day they presented their proposal to the judges.

BYU easily joined fifteen other teams in the semifinals. Although they did not make the finals, they performed well. Especially impressive was their teamwork. **Owen Cherrington**, BYU faculty advisor for the competition, personally chose the members of the team, who were not acquainted beforehand. "We were an effective team because we worked well together and everyone contributed," said **Jason Clinton**, a first-year MISM student, of his teammates **Mark He**, **Elton Orme**, and **Melissa Ruff**.

## Marriott School Teams Take Top Honors at Arthur Andersen Tax Challenge

Undergraduate accounting students won first place and \$20,000 in the Arthur Andersen Tax Challenge on November 21, 1998.

The graduate team finished in second place, bringing home an additional \$10,000 in prize money. The Marriott School is the first school to have teams place in both the undergraduate and

graduate divisions during the same year, and has scored more top-three finishes in the competition's seven-year history than any other school. "These victories serve as reminders that we are educating our students not only to earn degrees, but to enter the workplace prepared to deal with real-world situations," said Dean Ned C. Hill. "We are also encouraged that both our undergraduate and graduate students continue to compete very well against students from the nation's other top business schools."

During the competition, teams of up to four students are given seven hours to read and solve a case involving a fictional taxpayer. Using only the Internal Revenue Code and Treasury Regulations, pencils, paper, and calculators, each team prepares a written report evaluating the client's situation and makes tax planning recommendations. A panel of Arthur Andersen judges evaluates the report.

The first-place undergraduate team consisted of **Emily Gertsch**, **Ben Hays**, **Jamie Nielsen**, and **Karen Wisan**, with **Professor Brian Spilker** acting as advisor. The second-place graduate team, advised by **Professor Ronald Worsham**, consisted of **Jeff Wurtz**, **LeeAnn Hubler**, **David Marx**, and **A. J. Busby**.

## Student Entrepreneurs Win Awards

**Chad Christofferson**, a senior business management major, received first-place honors as the Student Entrepreneur of the Year. Winners were announced at the seventh annual awards banquet held December 2, 1998, where the top three student entrepreneurs gave a short presentation about their companies. Christofferson, who owns SafeHome Security Systems, received \$1,500. "Company success not only dictates my financial situation, but also that of my fifty-one employees and their families," said Christofferson. His company is doing \$1.5 million in annual sales.

**David B. Ricks**, owner of Dave's Discount Motors, received second place and \$1,000. He started his Web-based go-ped business at seventeen, and now, at eighteen, his company has sold over \$67,000 worth of go-peds through the Internet, routinely shipping them across the globe.

Third place and \$750 went to **Allison Stillman** for her company, Apple Beer Corporation. After locating a Modesto, California, bottler for her product, she forged ahead saying, "I am confident that one day apple beer will be as common a soft drink as root beer."

Two students received honorable mention and \$250: **Seth Ure**, owner of Sure Marketing (pest control), and **Richard B. Dalley**, owner of Dalley Harvesting.

Companies must operate year-round and be in business for a full year prior to application, which is open to any full-time BYU student. Companies are evaluated in five areas covering the entrepreneurial nature of the business, commercial value, market analysis, barriers to the entity, international potential, and profitability.

## Chieko Okasaki Addressed Women in Management

**Sister Chieko Okasaki** used personal experiences, quotes, and her testimony to address issues facing members of Women in Management and their guests on December 8, 1998, at the Marriott School. She outlined the path her life has taken and shared five areas to consider in living life and making good use of personal agency:

1. Have a strong sense of self—know who you are; don't abdicate personal agency to anyone or anything.
2. Have a strong relationship with the Lord—know Him, be willing to follow Him. He has tremendous respect for our agency, even when our choices do harm to ourselves and others. We often fail to honor our own agency.



Left to right: Richard B. Dalley, Chad Christofferson, Allison Stillman, Ace advisor Stephen W. Gibson, Ace co-president Cassandra Smith, Seth Ure, David B. Ricks

3. Take great care choosing a husband—“When we speak of marriage as a partnership, let us speak of marriage as a full partnership. We do not want our LDS women to be silent partners or limited partners in that eternal assignment! Please be a contributing and full partner” (*Teachings of Spencer W. Kimball, Chapter 11 “Marriage.”*).

4. Show great concern for children—the preschool years are physiologically and psychologically a critical time when children learn about safety, kindness, and love. Many children are neglected at home because their mothers are not tuned in to them even while in the same room. Get help if you can, live near grandparents, and make sacrifices in the crucial years. Give children the attention they need.

5. Work to have success fitting into your ward—ask if you can meet a need. Callings are additional opportunities to serve, and if you don’t care who or where you serve, you will always have joy. “I do want to encourage leaders to carefully consider the home lest they issue calls or schedule activities that place an unnecessary burden on parents and families.” (Elder Boyd K. Packer, “Parents in Zion,” *Ensign*, November 1998.) If callings don’t come to you, look around. You don’t need a calling to be a good neighbor.

Sister Okasaki concluded her remarks by likening making life decisions to a three-legged stool: first, search the scriptures; second, follow the words of the prophets—especially the living

prophet; third, use prayer and the inspiration of the Holy Spirit, who knows us and our circumstances individually, in intimate detail. In reference to the Holy Spirit, she quoted Doctrine and Covenants 45: 57: “For they that are wise and have received the truth, and have taken the Holy Spirit for their guide, and have not been deceived—verily I say unto you, they shall not be hewn down and cast into the fire, but shall abide the day.”

### Marriott School Revamping

During the winter semester, students, faculty, and staff adjusted to a few changes at the Marriott School while a power system upgrade for the building was started.

When completed, these changes will provide both invisible and visible benefits. Individual surge protectors will no longer be needed due to the built-in surge protection included in the infrastructure. Outside power connections will be installed for parking lot access during game-day parties and other events. New data and power connectors will be routed to many areas of the building for increased availability and efficiency.

Possibly the most popular benefit has been the outlet connections for the restaurant. Dining is now available on the third floor atrium. Soups, salads, drinks, and other items, provided by BYU Dining Services carts, are a welcome addition and are highly favored over the

crowds at the Cougarreat. The tables will be a convenient stop, whether it’s a quick break between classes or a casual luncheon meeting. This is sure to make the atrium an even more popular gathering place for all Marriott School residents and guests.

### Contract Brings Technology Upgrades

A contractual agreement with Dell Computer Corporation has resulted in new technology across the board for the Marriott School. Dell’s computers, either laptop or desktop, will be found on everyone’s desks over the next year.

Faculty members are first in line for the changeover, which began in April.

Professors will be able to take their laptops “loaded with their own images and software from the office to the classroom or for use while traveling,” said **Associate Dean Steve Albrecht**.

This move will eventually make the Marriott School a Dell shop. Albrecht also said the computers will be on a three-year replacement cycle, and Dell will provide service within twenty-four hours on any computer purchased. Dell has a reputation as a first class PC company and has become the world’s top direct-sale computer vendor, selling hardware (notebooks, PCs, servers) and marketing third-party software and peripherals. Over 90 percent of their products are sold to businesses and government organizations.

### 1999 Hawes Scholars Announced

The Marriott School Hawes scholars were presented by **Ned C. Hill**, dean of the Marriott School, to six second-year master of business administration students on January 8, at a forum held in their honor. The award is the highest distinction given to Marriott School MBA candidates and includes a cash award of \$10,000.

The Marriott School 1999 Hawes scholars are **Michael Affleck, Daniel Mason, Matthew McKinlay, Mark Oligschlaeger, Angela Rawlings, and Wendy Roberts**. “These six scholars embody the academic and personal



### Meet the 1999 Hawes Scholars

**Michael Affleck** of Sandy, Utah, is a second-year MBA candidate with an emphasis in finance. He holds an undergraduate degree in Spanish from BYU and has worked with Ford Motor Company, Supreme Automotive, and Salesnet Marketing Group.

A Marriott School scholarship recipient and teaching assistant for Business Management 301, Affleck says of his goals, "Among the most important are to build and maintain integrity in all my dealings, to add more value to my employer than I take, and to maintain a good balance between work and family life. I have enjoyed the opportunity to learn valuable business skills in a gospel oriented atmosphere."



**Daniel Mason** of London, England, is a second-year MBA candidate with an emphasis in strategy and finance. He holds degrees in law and economics from the University of Leicester and has completed internships with Foulger Pratt Development and Alfandre Homes Development.

Mason says of his experience over the past year-and-a-half, "I've loved the Marriott School's MBA program and have learned more practical information than from my economics and law degrees combined. There is nowhere I'd rather have done my MBA and nowhere I'd have learned more. My peers have taught me, all of the professors genuinely care and wish to help us, and I'll always feel indebted to BYU, especially the Marriott School."



**Matthew McKinlay** of Salt Lake City, Utah, is a second-year MBA candidate with an emphasis in finance. He holds an undergraduate degree in business finance from the University of Utah and has worked with Lewis Young, Inc., and Target Stores.

A 1997 Union Pacific Scholarship recipient and successful entrepreneur, McKinlay says of his experience in the MBA program, "I have enjoyed being taught by faculty and classmates who share the same values I do. I consider my decision to pursue an MBA at the Marriott School to be one of the best decisions I have made in my life. In my career I will rely heavily on both the scholastic and spiritual truths I have been taught at the Marriott School."



**Mark Oligschlaeger** of Cheyenne, Wyoming, is a second-year MBA candidate with an emphasis in finance. He holds an undergraduate degree in business management from BYU and has worked with Leucadia National Corporation, Unishippers, and APM Management Consultants. A recipient of the Hiram Kennicott Graduate Fellowship and the Kemper Fellowship, Oligschlaeger says, "I have a deep respect for my faculty and peers, and I have learned from them what it means to have character and faith. I've especially appreciated the emphasis on stewardship—certainly it is true that none of us is self made. My goal in life is to give back through service to my family, church, and community."

**Angela Rawlings** of Littleton, Colorado, is a second-year MBA candidate with an emphasis in finance. She holds an undergraduate degree in microbiology from BYU and interned with Hewlett-Packard.



President of the Women in Management club, Rawlings says of her experience at the Marriott School, "I have obtained knowledge and a variety of skills that have directly helped me during the year, and these will facilitate the achievement of my future goals. I have gained confidence in my ability to add value to professional organizations. There are incredible leaders with vision and terrific ideas in the MBA program. I will always be involved in the community and the Church, continuing to use my knowledge from the MBA program to make a difference."

**Wendy Roberts** of Fruit Heights, Utah, is a second-year MBA candidate with an emphasis in finance. She holds an undergraduate degree in business management from BYU and worked for KeyCorp and Target Stores.



A certified internal auditor, Roberts says of her future goals, "I hope to be able to use the things I've learned in ways that will make a difference to those around me. I also hope to have the opportunity to teach business concepts while I continue to work and develop my own skills. I'm anxious to share some of the experiences I've had with my family, my church, and future business opportunities in the hope that I may help them accomplish their goals. I will always consider my time spent in the MBA program to be one of the highlights of my life."

excellence the Marriott School MBA program strives to instill in its students," said Dean Hill. "We are proud of their hard work and commitment to the school's mission."

Hawes scholars are selected on the basis of academic performance, leadership maturity, and a commitment to high ethical standards. Nominations and evaluations are made by both students and faculty, with final selection by the Hawes Scholar Committee. "During the selection process, we were repeatedly reminded of the high caliber of students attending the school," said Henry J. Eyring, director of the Marriott School's MBA program. "We are confident these students will represent the Marriott School well as they enter the global business community."

Named for successful corporate executive Rodney A. Hawes Jr., and his wife, Beverly, the award was created in 1998 to recognize the accomplishments of graduating MBA students. The Hawes Scholar Award is one of many initiatives made possible by the Hawes Endowment, a gift of more than \$2 million used to facilitate growth and enhancement of the Marriott School's nationally ranked MBA program. Hawes, a Baker scholar from the Harvard Business School, wanted to create a tradition that recognizes and rewards excellence among students entering the business world.

"Beverly and I are pleased to contribute to a program that produces such marvelous business leaders," said Hawes. "These young people are not only bright and talented, they are devoted to a code of ethics and values that sets them apart as exceptional individuals."

Hawes recently served as chairman and CEO of Life Re Corporation, a leading provider of life reinsurance in the United States. In addition to widely recognized expertise in financial matters, Hawes has a reputation for integrity, hard work, and community service.

### Second Annual MicroEnterprise Conference

The Marriott School held its second annual MicroEnterprise Conference:

"Investing in the Poor" March 26–27. Guests such as Arun Gandhi, founder and director of the M. K. Gandhi Institute for Non-violence; Alex Counts, executive director of the Grameen Foundation USA; and numerous other people involved in the microcredit movement, as well as Elder Alexander B. Morrison of the Seventy, presented speeches, held panel discussions, and answered questions. Over 1,000 people attended the conference, which was free to the public.

The conference focused on ways each person can help alleviate poverty in the world. Elder Morrison explained that this movement is a direct application of the principles of charity we are taught in the gospel. His talk focused on the dream of a Zion society and how that dream has survived for thousands of years. He also explained, "The aim of all assistance is to encourage those who receive help to become self-reliant and independent."

Arun Gandhi detailed in his speech the difference between pity and compassion. When we give handouts out of pity, nothing is done to help alleviate the poverty. However, he said, "If we act out of compassion, we'll find out how many people are in need—we'll find out who the people are."

The microcredit movement revolves around a simple principle: helping people help themselves. By providing small loans to people in poverty, the movement allows them to begin and run small-scale businesses. "We are not talking about businesses that are ever going to be Fortune 500 companies," explained Gary Woller, professor of public management. "We are talking about very small-scale businesses that earn very small incomes, but which enable families to feed themselves and meet their basic needs."

### Skiing Your Way to Success

John Montgomery, a relationships manager at Bank One, understands what can happen when recruiters and students get together for a day on Utah's slopes. John is a 1998 MBA graduate who nailed down both an internship and a job with two companies he met through the

Marriott School's Graduate Recruiter Ski Days. And this year he was back, not only to ski, but to recruit.

Ski Days, the brainchild of Bill Brady, director of Graduate Career Services, was started four years ago and has grown each year. In January, nearly 125 students met at Snowbird ski resort to network with approximately 25 recruiters representing more than 10 companies. Some of the school's top recruiters participated, including EDS, Novell, GE Capital, and Union Pacific.

"This event gives recruiters an opportunity to learn more about students than they might in an interview room," Brady said. "Several of this year's recruiters expressed surprise at how successful the event has become."

Recruiters participating in Ski Days have the opportunity to make brief presentations about their company and to interact with students over breakfast, lunch or an afternoon hot-chocolate break, as well as on the lift and slopes. Students and recruiters are also encouraged to participate in a competitive ski race.

Planning is already under way for next year's Ski Days, scheduled for Jan. 17–18, 2000.

### Entrepreneur Spring Founder's Conference

The Center for Entrepreneurship held its Spring Founder's Conference April 1–2. Honored at the conference was the 1999 Entrepreneur of the Year, William Child, chief executive officer of R.C. Willey Home Furnishings. At a dinner held in his honor, he shared the story of how R.C. Willey began, tracing the company's history from its small beginnings to the present day. Child also spoke about the struggles faced by entrepreneurial companies both large and small. "Every business is tough" said Child. "Every business is difficult, but we like the challenges that come with constantly having to raise the bar to a new level."

Dean Ned C. Hill, who presented the award, characterized Child as a professional who exemplifies the business



**1999 Entrepreneur of the Year**



William H. "Bill" Child serves as chief executive officer of R.C. Willey Home Furnishings. Under his management,

the company has grown over the past 45 years from a small store of two employees to eight large complexes with over 1,600 employees.

R.C. Willey is ranked among the top 25 furniture stores in America and has won many awards, including 1989 National Retailer of the Year, 1996 National Home Furnishing Retailer of the Year, National Arts Award three years in a row, Rocky Mountain Retailer of the Year, and Utah Valley Retailer of the Year.

Child was named the 1994 Master Entrepreneur of the Year and was named to the University of Utah Eccles Business School Hall of Fame in 1996.

A native of Syracuse, Utah, Child attended Davis High School, Weber State College, and the University of Utah. He was honored in 1978 with the Distinguished Alumni Award from Weber State College and has received two honorary doctoral degrees, one in humanities from Weber State College in 1983 and one in business from Westminster College in 1998.

principles the Marriott School teaches. "Bill is a man of great integrity," said Hill. "He is honest, hardworking, and committed to backing the products he sells. These qualities, coupled with his boldness, creativity, and willingness to take risks, make him an entrepreneur in the truest sense of the word."

**Challenge for Charity**

MBA students hosted the first Marriott School "Challenge for Charity" March 5-6. After observing similar programs at Duke, Stanford, and

Dartmouth, the MBA program decided to create a new Marriott School tradition.

"We are trying to start a tradition where we are helping out people who are less fortunate. By having charitable events where we are inviting other schools, I think it makes us a leader, and that is good for BYU," said Bonnie Dimond, an MBA student from Springville, Utah, who headed the event.

Students from BYU, the University of Utah, Westminster College, and Utah State University participated in events such as broom ice hockey, the Y2K run, and briefcase bobsledding. Opening ceremonies and several activities took place at the Seven Peaks Ice Rink Friday night. Saturday's games took place at Aspen Grove, Sundance Ski Resort, and on BYU campus.

EDS sponsored the event, and other local and national businesses responded well to the students' efforts to raise donations for the American Red Cross Hurricane Mitch Relief Fund. They raised \$5,000 in cash and \$3,000 in products from the charity event.

More and more companies across the country and the world are looking for productive employees who will be active in their communities as well. "I think that businesses as a whole are interested in donating to charity, and I think this is a worthy cause," said Katie Gubler, an MBA student from St. George. "The fact that students are willing to get out there and donate is a big deal to them."

**Graduate Curriculum Moves to Tracks**

After considerable debate, compromise, and restructuring, graduate curriculum for fall 1999 has more room for specialization and also allows first-year students more flexibility than the previous model. Students who come to the program with a clear-cut focus may choose their "track" specialization in the first block of semester classes. The first four designated tracks within the single MBA degree will be finance, marketing, organizational behavior, and information systems. Those who may not have developed an early focus will have, in addition to the basic core, options on up to twelve hours of electives in the first year to establish their expertise.

Internships are a primary reason for specialization in the intensive first-year core of classes. Students will be provided with specific skills and be better prepared to engage in meaningful internships. Currently 80 percent of the interns receive job offers from their intern-companies. With a greater emphasis in their track prior to their internships, students will have an increased opportunity to market their abilities, which will then correspond to their job offers and their options following graduation.

Henry Eyring, director of the MBA program, summarized the advantages of the new system saying, "There are two great benefits of the new track system.



First, it will better prepare our students for the marketplace, building upon our tradition of great general management education and adding now specialized skills that will make students even more valuable from the first day they start. They will still retain the long-term management capability and potential.

“The second benefit is an internal one. By creating tracks, especially in information systems and organizational behavior, we have great potential to broaden participation of faculty and create an enhanced sense of connection between students and faculty in a given track.”

These changes reflect in part the dissemination of the 1998 benchmarking visits to business schools ranked in the top twenty-five. MIT and Stanford are among the schools who have implemented this model. Harvard also offers a single MBA degree with track specialization.

### ROTC Serves the Community

Air Force ROTC cadets made their annual pilgrimage to the Salt Lake Veteran’s Hospital in February with Valentine’s cards and letters for the patients. Every cadet wrote a letter expressing appreciation for the service rendered by the veterans. The cadets spent time visiting with the patients, listening to their stories, and learning the importance of remembering those who have served their country in the military.

For the third year, BYU’s Army ROTC provided support at the Winter Games and Biathlon hosted by the Utah National Parks Council on February 22 and 23, at Miller’s Flat. Explorer Scouts from the Utah County area gathered there to participate and compete in the biathlon, tomahawk throw, and other activities.

ROTC cadets played a key role in the biathlon by organizing and running the firing range. Cadet Brendon Dever, an expert qualified marksman, gave a short block of instruction to teach basic marksmanship skills to the scouts and familiarize them with the weapons they would be using.

Five cadets and two noncommissioned officers, one regular Army and one BYU Army ROTC, served as coaches at the

range to assist the more than seventy-five competing scouts. The weekend provided an opportunity for service and a chance for cadets to give back to the scouting program, in which many of them have been participants.

### Women in Management

Founded in 1979 and affiliated since 1991 with the national Graduate Women in Business organization, the Marriott School’s Women in Management club reaches out to support graduate and undergraduate women students.

Hawes Scholar and 1998–99 club president Angela Rawlings says the club directs its focus and activities on three main goals: 1. to promote a network for women in business, 2. to act as a catalyst to help women in business school make the transition to effective personal careers, and 3. to support the development of members in their future choices.

In order to accomplish those goals, members receive support from women faculty advisors, attend club meetings, and host women to speak on issues unique to women six times a year.

Kristie Seawright, faculty advisor, shared her perspective, “We want our graduates to be prepared for their missions in life whether it is a business career or not. Along with interesting and challenging employment, they will also be prepared to make many contributions through nurturing, ministering, and building a home. In particular, our MBA women will have so much to offer their communities.”

Rawlings, who graduated in April, has accepted a position with Hewlett-Packard at their Roseville, California, site.

### Student Business Plan Award

The Center for Entrepreneurship announced the winners of the Student Business Plan Award during a Founder’s Conference held April 2.

The first-place award of \$3,000 went to **Chris Lydiksen, Dustin Cochran, Jared Hansen, Bill Bailey, and Kurt Richter** for their company, entitled CarPictures.com, a website that advertises

cars for sale. Placing second in the contest and receiving \$1,500 were **Scott Glen, Uinta Clark, Tim Hakala, Arkin Hill, and Wendy Roberts** for their company Intellitap, which provides electronic water-control systems. The third-place prize of \$1,000 went to **Kevin Koger and Matthew McKinley** for SCUBAIR, a scuba tank refilling system.

All full-time BYU students are invited to participate in this contest, held every winter semester. Students are encouraged to work in groups of three or more to generate an idea for a new business and submit a plan for this company that includes information such as what products will be sold, where it will be located, what the expected profits are, and what the company goals are. “The contest gives students in all fields the opportunity to think through their creative business ideas and then have them evaluated by a panel of successful entrepreneurs who know what it takes,” said Linda Rich, program assistant for the Center for Entrepreneurship. “This is a fun learning experience that everyone can participate in.”

More information about the contest can be found on the Center for Entrepreneurship Website: <http://msm.byu.edu/c&i/cfe/Contest.htm>

### International Mass Retailers

For the first time, the Marriott School’s Institute of Marketing was invited to participate in a panel discussion at the International Mass Retailers Association. The gathering of approximately 130 executives from nationally prominent retail companies met on February 18. Executives from the human resource and operations departments from companies such as Baskin-Robbins, Circuit City, Home Depot, Kmart, Tandy, and Wal-Mart asked **Bill Price**, Institute of Marketing director, to address how to recruit the best students at BYU and how to improve the retention of their employees.

Using research compiled by professors Gary Rhoads, Bill Swinyard, and Mike Geurts, who surveyed graduates of nationally recognized retail programs for ten years, Price detailed major causes of

low retention and illustrated how to implement simple procedures that would increase retention. As a result of this presentation, the Marriott School expects to receive funding to expand research on this issue.

Bill Price explains, “The fact that the Marriott School was invited to this meeting is a big recognition for us. One, it means our program is recognized as the oldest and one of the finest marketing programs with retail emphasis in the nation. Two, it means we are recognized as a national center in this field, and people are looking to us to help them make their companies better.”

**Career Fair**

The Institute of Marketing held its fourth annual Career Fair on February 11 in the Tanner Building Atrium. Over thirty-two companies participated in the fair, recruiting for positions within their organizations.

This year the Institute reported that the number of participating students was the highest ever, with over 1,500 students attending and more who were waiting outside to get in.

Companies were extremely impressed with this year’s fair. Chris H. Couch, college relations manager for JCPenney, exclaimed, “The Institute of Marketing Career Fair at BYU has reached new heights! The fair was planned to end at 2 p.m., but the flow of excited students extended until 3:30 p.m. Based on the resumes received at this event alone, we contacted ninety-five students to interview and are currently placing these candidates in our stores nationwide.”

The fair provides students a chance to talk with prospective employers and to gain exposure to the variety of positions available, while at the same time providing company recruiters a chance to observe the caliber of BYU students.

Many companies have stated that they are impressed with the maturity and grasp of basic business concepts of Marriott School students. Joey Jones, manager of college relations for Wal-Mart, explained, “We find the BYU Retail

**Companies that Attended the Career Fair**

AT&T Wireless	Mervyn's
Babbage's Etc.	Monsanto
Bear Creek Corporation	Money Group
Beneficial Life Insurance Co.	Nationwide Insurance Enterprise
Best Buy	New England Financial
Black & Decker	New York Life
Circuit City	Northwestern Mutual Life Insurance
City Market, Inc.	Office Depot
Dillard's	Payless ShoeSource
Eddie Bauer	Pier 1 Imports
The Electronics Boutique	Sav-on Drugs/Osco Drug
Enterprise Rent-A-Car	Sears, Roebuck and Co.
Foot Locker	Select Comfort
Fred Meyer, Inc.	ShopKo
Frito-Lay, Inc.	SuperTarget
The Gap	Target Stores
Gap Kids	Toys 'R' Us
Heritage Financial Group	Trammel Crow
IBM	Unishippers
Intermountain Financial Group/Mass Mutual	US Army
JCPenney	Wal-Mart Stores, Inc.
Kids 'R' Us	XpedX, Arvey Paper
Kmart	ZCMI
Lands' End	Zions Bank
Macy's West	

Career Fair to be a great advantage to our recruiting efforts. It gives us the opportunity to meet one-on-one with a very large number of interested students. The quality of students is simply outstanding—they have a good work ethic and come from cultural backgrounds that blend extremely well with our company.”

**Student Wins Investment Game**

**Victor Gantchev**, a junior from Sofia, Bulgaria, won \$100 from the BYU Investment Club for receiving the highest percentage return on his mock investments—310 percent. Majoring in international finance, Gantchev explained that he did not invest blindly. He spent from twenty-five to thirty hours a week researching companies on the Internet. He also has been attending the BYU Investment Club since January, where he learns about new companies and procedures.

Gantchev, who is investing in real as well as pseudo-accounts, says that although students say they do not have time to invest, that problem can be overcome. He combines investing with twenty course hours and a part-time job.

Greg Peterson, co-president of the Investment Club, said Gantchev’s success with smartstocks.com was phenomenal. “Any person who can gain 340 percent in twenty-eight days is a amazing. Professionals never do that well. Mutual funds never do that well. If you get 12 percent in a year, you are doing very well. Of the three hundred people involved (in the investment game), the majority lost money. February was a down month for the market,” said Peterson.

The investment contest is found on the Internet at smartstocks.com. Anyone can join and log in as many times as they want. The creators of the page wanted investors to be able to experiment with different types of investments. Investors can try high-risk investing or long-term investing, depending on their preference. This site is a perfect way for beginning investors to develop the ability to see trends, and the amount of risk involved, without losing any money. The site has

also sparked several discussion groups, research sites, financial papers, articles on companies, and links to other helpful sites for investors.

**New Kemper Scholars Announced**

**Ryan Westenskow** and **Emily Reese** are the newest Kemper scholars at BYU. They were chosen through a rigorous selection process that included a written essay and application, and both group and individual interviews. These students join five other Kemper scholars at BYU and sixty throughout the U.S. Students selected for this program work as interns in various Kemper Insurance offices each summer, and in return the program provides tuition and living expenses for the students for three years.

Ryan is a sophomore from Ogden, Utah, who plans to major in accounting. In addition to being an excellent student, Ryan is active in competitive skiing and cycling. He was a member of the 1992 Junior Olympic Team and has competed on the BYU ski team. Ryan served an LDS mission in Peru, and he currently volunteers as a ski coach for young kids at a local ski resort.

A sophomore from Indianapolis, Indiana, Emily is also planning to major in accounting. In addition to her classes and a job, Emily has shown great leadership in her various extracurricular activities, such as playing intramural volleyball, serving as a peer tutor, volunteering on the BYUSSA committee, and teaching in her ward.

**State Farm Scholarship Awarded**

**Brad Heitmann**, a business major with co-emphases in finance and international finance, was awarded one of fifty national State Farm scholarships. Heitmann is also an Edwin S. Hinckley scholar, a recipient of an ORCA Research Scholarship, and has been placed on the Marriott School Dean’s List. In addition to his academic achievements, he sings with the BYU Men’s Chorus, is the public affairs director in his ward, and served an LDS mission in Andalucia, Spain.

State Farm scholarship winners are chosen based on academic achievement, leadership, extracurricular activities, and recommendations from professors, advisors, and other academic officers. Each winner receives \$3,000 to be used for educational expenses during the academic year following the competition. This is the third year a student from BYU has been awarded this scholarship.

**Romney Institute Annual Awards**



On March 10 the Romney Institute of Public Management held their annual awards banquet, where Byron D. Jorgenson, chief administrative

officer for Sandy City, Utah, was named the 1999 Administrator of the Year.

Jorgenson received his BS from BYU and his MPA from the University of Utah. He has been Sandy’s city manager since 1986. He summed up the responsibilities we all share saying, “It is important to remember the purpose of all of us as we move forward in faith—to build our careers, to serve people, and to make a difference in our communities and to the society we live in.”

“Byron Jorgenson has personal and professional qualities that are recognized and honored by his peers and that we expect of our graduates,” said Larry Walters director of the Romney Institute. “He has made a tremendous contribution to the community of people who are committed to public service.”

Student awards were also presented at the banquet. The Stewart L. Grow Award for excellence was awarded to David Tanner; Christopher Wightman received the Karl N. Snow Award for academic excellence; and for outstanding contribution made to the public sector during an internship, the Alumni Internship Scholarship was awarded to Angela Walker. In addition, academic awards were given to Caroline Brock, Christopher Hillman, Wayne Kidd, Alison Pulley, David Tanner, and Christopher Wightman.



# faculty news

**Lynn McKell**, SOAIS professor, has been elected vice president of the Institute for Certification of Computing Professionals Education Foundation (ICCP). ICCP was founded in 1973 to establish high professional standards for the computer industry. Nine constituent societies and eighteen affiliate societies actively promote these standards by offering the only broadly applicable and internationally recognized certification program in the profession.

Their extended efforts are now directed to the Education Foundation, a nonprofit organization. This board of professional volunteers from industry and academia relies on grants, donations, and other financial support. Working independently to stay current with technology and industry needs, the Education Foundation also offers educational programs and services to computer professionals, educators, the computer industry, government, and the general public.

**Steven M. Glover**, professor of accountancy and information systems, has received a PricewaterhouseCoopers Research Fellowship.

**Andrew Holmes** and **Bernell Stone**, professors of business management, are concluding a study on the effectiveness of credit market regulation. Specifically, Professors Holmes and Stone examined banks subject to the Community Reinvestment Act (CRA) to determine the impact of the regulation.

Their findings show that this very expensive legislation, forcing lenders to focus on particular segments of the population, such as minority neighborhoods, actually has a perverse outcome. After controlling for factors, they compared banks required to incorporate the CRA with banks not subject to the act and discovered the CRA banks actually gave a lower percentage of loans to minority neighborhoods. The implications of these findings also speak to larger issues, such

as whether economic regulation in general is beneficial or harmful in the long run.

**Larry Walters**, director of the Romney Institute of Public Management, and two of his colleagues, Rick Balling from engineering and Richard Jackson from geography, have received a \$450,000 grant from the National Science Foundation for research in urban growth development.

## Woller Heads to DC



A unique opportunity has been offered to **Gary Woller**, professor of public management with the Romney Institute of Public Management. Woller will join John Hatch, founder of the Foundation for International Community Assistance (FINCA), in the nation's capital to do research in microcredit systems, pioneered by the Grameen Bank. During a year-long sabbatical beginning September 1999, Woller will conduct market research, collect data, study, write, and travel to address the pressures facing the village banking systems in Latin America, central Asia, Africa, and now in areas of the former Soviet Union.

More than 90 percent of the benefactors of these systems are women. "Historically, women will use the funds more effectively for their home and for their future," said Woller. He will look at how to reach the target base, the poor entrepreneur, the self-employed individual who may benefit in a large way from a small amount of capital.

Village banks are small-scale financial institutions that are organized and self-managed by groups of thirty to fifty poor entrepreneurs. Loans from village banks provide borrowers with, among other

things, working capital and the means to buy inventory direct, bypassing the middleman.

Hatch said Woller will also work to "identify new products and delivery system innovations that will enable FINCA country programs to achieve higher self-sufficiency more quickly, while still maintaining FINCA's mission of service to the very poor." Pressure for village banks to become financially self-sustainable has increased in recent years in response to donor demands and the need to mobilize large amounts of capital to meet the worldwide market demand for microloans.

Woller expects his research will have an impact on the field of microcredit as well as create a name for the Marriott School in the area of microfinance, and from his research, he will be able to write curriculum for future use.

Woller has also helped launch the Committee to Alleviate Family Poverty Through Microcredit with colleagues Don Adolphson, associate director of the Romney Institute of Public Management; Warner Woodworth, professor of organizational leadership and strategy; and Steve Gibson, entrepreneur-in-residence at the Center for Entrepreneurship.

The Committee to Alleviate Family Poverty through Microcredit was responsible for organizing the Second Annual Conference on MicroEnterprise: Investing in the Poor, held March 25-27 at BYU (see p. 31).

## Founding of New Journal

**Professors Gary Woller** and **Warner Woodworth** will launch a new journal this fall "to provide a forum for the dissemination of information pertaining to the practice of microfinance." The *Journal of Microfinance* will cover a broad range of topics, including, but not limited to, research findings, impact evaluations, case studies, and essays or debates on key issues in microfinance. It will be a valuable



resource for all who are involved or interested in microfinance. The board of editors for the journal will include many of the leading figures in the microfinance community.

All inquiries about the journal should be directed to: *Journal of Microfinance*, 790 TNRB, Marriott School, Brigham Young University, Provo, Utah 84602. Information is available by phone (801) 378-2665 or e-mail: jean\_hawkins@byu.edu.

**Foundation Awards Funds**

The Marriott School has been awarded a major grant from the George S. and Dolores Doré Eccles Foundation. The gift of \$440,000, shared jointly with the University of Utah, will provide scholarships and support for students pursuing careers in international business.

Instrumental in the effort to receive this award is **Lee H. Radebaugh**, KPMG professor and director of SOAIS. These funds will be used to enrich the international experiences of international business students in the MBA program, including internships and field study projects with international companies and international business excursions.

**Successful Expatriation**

**Hal B. Gregersen**, associate professor of international management, was published in the March-April 1999 issue of *Harvard Business Review*. He and coauthor J. Stewart Black, managing director at the Center for Global Assignments in San Diego, divulge the results of their research findings in "The Right Way to Manage Expats." They state that "perhaps most problematic, one-fourth of those who completed an assignment left their company, often to join a competitor, within one year after repatriation . . . a turnover rate double that of managers who did not go abroad." This turnover results in the loss of millions of dollars invested annually in expatriates to their competitors.

From their research surveying global and multinational companies, Gregersen and Black found three practices common

within "the small number of companies that have compiled a winning track record in the process of managing expats." In choosing managers for overseas assignments, these companies "focus on knowledge creation and global leadership development" and select "people whose technical skills are matched or exceeded by their cross-cultural abilities." And additionally for returning expatriates, they have established a method for "deliberate repatriation" to insure career satisfaction for this valuable resource—their employees.

Gregersen and Black have also coauthored two books, *So You're Going Overseas* and *So You're Coming Home* (available at [www.contactCGA.com](http://www.contactCGA.com)). Gregersen is the recipient of the Marriott School's 1999 Outstanding Research Award (see related story on p. 38).

**Professor Gives Devotional**

**Lee Radebaugh**, director of the School of Accountancy and Information Systems, gave a campus devotional address on January 19, in the Marriott Center. Speaking on the international growth of The Church of Jesus Christ of Latter-day Saints, Radebaugh encouraged BYU students, faculty, and staff to be active participants in the expansion of the Church. He also addressed issues such as leadership, missionaries, temple attendance, and service.

Radebaugh joined the Marriott School faculty in 1980, after teaching at Pennsylvania State University. He received his BS in accounting from BYU and received MBA and DBA degrees in business from Indiana University.

The devotional address is a feature article in this issue of *exchange*, found on page 12.

**Student Starts Business**

**Rick Farr**, entrepreneur-in-residence, who teaches the Basic Entrepreneur Skills class at the Marriott School, has seen a former student successfully begin her own business in Provo. Although she was not a business student, **Jenny Winkel** decided to take the entrepreneur class

because she needed to learn the basics about running your own business. She said the class was taught on a level that any discipline could understand, and she quickly realized she could achieve her goal.

Winkel, a senior majoring in photography, specializes in black-and-white photography and found that she had too much demand to run her company just from her home. A friend introduced her to Annie Hinrichs, a junior majoring in broadcast communications and owner of Announce It, a create-it-yourself wedding invitation company. The two recently displayed their specialties together at a local bridal fair.

Winkel says her company's outlook for 1999 is good.

**Professor Awarded Fulbright**



Bob Jackson, assistant professor of accounting and information systems, has been selected as a Fulbright scholar for winter

semester 2000. His assignment will be in Torreon, Mexico, a city close to Monterrey.

The Fulbright program, designed to "increase mutual understanding between the people of the United States and the people of other countries," awards grants to students, teachers, and scholars to study, teach, lecture, and conduct research in countries other than their own. Grants are awarded based on academic or professional qualifications as well as the ability and willingness to share ideas with people of diverse cultures.

**Professors Receive Grant**

**Steven M. Glover** and **Douglas Prawitt**, professors in the School of Accountancy and Information Systems, received a grant for their research proposal entitled "A Multi-Method Research Proposal for Assessing the Effectiveness of SAS No. 82." Their proposal was one of four to receive funding chosen by the Auditing Standards Board of the American Institute of Certified Public Accountants.

The project, which addresses fraud in a financial statement audit, is being conducted with the help of two other professors, Mark Zimbelman, from the University of Oklahoma, and Joseph J. Schultz, from Arizona State University.

**Annual Faculty Awards**

Faculty and administrators gathered March 24 to honor faculty members who have distinguished themselves by outstanding professional contributions. Criteria for selection is based on one or more of these areas: professional service, publication, teaching, research, and administration.

**Boyd C. Randall**, a professor in the School of Accountancy and Information Systems, received the 1999 Outstanding Faculty Award. Randall is the Marriott School's Ernst and Young Professor, and he has previously been recognized with BYU's Karl G. Maeser Excellence in Teaching Award and the Marriott School Teaching Excellence Award. In his acceptance remarks, he likened two case studies to the importance of

mentoring and reflected, "We ought to encourage everyone and be less judgmental of our students."

Teaching excellence awards were given to **Monte R. Swain**, associate professor of accountancy and PriceWaterhouse Research Fellow, and **David B. Whitlark**, associate professor of business management. Whitlark was also recognized by *Business Week* in 1998 as one of the top Marriott School MBA professors.

Citizenship awards were given to **Roman R. (Ray) Andrus**, professor of marketing and 1998 Fulbright scholar in Minsk, Belarus, and **Terry Nels Lee**, associate professor of business management and certified associate of the Goldratt Institute.

Research awards were given to **Hal B. Gregersen**, associate professor of international management and Fulbright scholar, and **Steven R. Thorley**, associate professor of finance and Driggs fellow.

**Professorship Established**

**John W. and Nancy S. Hardy** have established a new professorship in the



John W. and Nancy S. Hardy



Marshall B. Romney

School of Accountancy and Information Systems. Hardy has been a professor with the Marriott School for more than thirty years and is also a certified public accountant. He was one of the original founders of the Management Accounting Section of the American Accounting Association, where he has served as an officer and was its newsletter editor for five years. He is currently the CFO for US Synthetic Corporation and is the inventor of one of their patents.

The first recipient of the Hardy Professorship, **Marshall B. Romney**, CPA, CFE, professor of accounting and information systems, was honored at a dinner on February 5, 1999. Romney is a widely published author of articles and manuscripts in academic and professional journals and is the recipient of eight research grants from various CPA firms, the Institute of Internal Auditors, and the American Accounting Association. Among his many professional achievements, he has developed ten CPE courses, teaches a training course for AICPA, AHI Associates, and several state societies of CPAs, and is the current editor of "Tech Talk" in *New Accountant* magazine.

As a certified fraud examiner, Romney has written and presented articles and papers on fraud and white-collar crime at professional conferences. He has developed and taught training courses on fraud for AICPA, the Institute of Internal Auditors, and the Utah Association of Certified Public Accountants.



Back row: Terry Nels Lee, Boyd C. Randall, Dean Ned C. Hill, Steven R. Thorley  
Front row: Hal B. Gregersen, Dave Whitlark, Roman R. (Ray) Andrus, Monte R. Swain

# alumni news

## Class Notes

**Neil Reay** has joined America's Finest, Inc. (AFI) as vice president of sales and marketing. A dietary supplement manufacturer, the company specializes in herbal formulas and nutritional supplements, many based on Ayurvedic (traditional Chinese medicine) principles. He is responsible for further development of sales and marketing programs and organizations, expanding distribution, new product development, education, advertising, and overseeing the overall operations of the company. The products are sold in health food stores and professional markets, and the company is developing a product line for mass market outlets.

**Stephen S. Werner** has been promoted to senior securities compliance examiner for the Pennsylvania Securities Commission, responsible for leading investigations and examinations of

broker-dealers and investment advisors throughout the state. Prior to joining PSC in 1996, Werner was senior international analyst at Coryo Securities Corporation in Seoul; international treasury officer for the Korea Exchange Bank in Seoul; and an associate lender in the International Department, Korea Exchange Bank's New York Branch. Werner currently serves as elders quorum president in the Hershey Ward, Harrisburg Stake. He and his wife, Kim, have two sons and two daughters. They love to boast about BYU to everyone in Pennsylvania!

**Steven H. Durfey** is now with American Express corporate audit in Phoenix, AZ.

**Greg Tunney** has been appointed president and chief operating officer of the Daniel Green Company, one of the oldest domestic manufacturers of quality slippers and related casual footwear. Founded in 1882, the

company remains a consistent market-share leader, selling primarily to independent shoe stores, upscale department stores, and mail order catalog companies.

His responsibilities include supervision of new product development and solidification of brand name confidence. Tunney was most recently vice president and national sales manager of the Naturalizer and Dr. Scholl's divisions of Brown Shoe Company. Prior to that, he served as national sales manager for Brown's Life Stride and Connie divisions. He has also been a buyer for several major operations within the May Department Stores.

A 1986 graduate of BYU, he also completed the Executive Management Program at Harvard University. He is a member of the BYU Management Society and serves on the board of the Wellsron Youth Foundation. A native of Seattle, he and his wife, the former



Paul W. Gustavson is president of Organization Planning and Design, Inc., a leading organization design consulting firm specializing in strategic alignment, knowledge management, change management, and the design of high-performance work systems. He is credited with integrating and refining an organizational design architectural model and methodology used by organizational design consultants and many Fortune 500 companies worldwide.

Gustavson received a BS in sociology and an MOB from Brigham Young University, where he also lettered in football. In graduate school, he had the privilege to serve as a teaching and research assistant for Dr. William G. Dyer, who became a catalyst for his in-depth study of high-performance teams and the design and alignment of high-commitment systems.

Prior to establishing OPD, Inc., in 1984, Gustavson started with Amoco in 1976 as their first internal organization development consultant. He then became manager of organizational development and human resources at Zilog, Inc., and later director of human resources for Dygmet Technologies, Inc. (the latter two are high-technology start-up firms in Silicon Valley). He currently serves as chairman of the Marriott School's Master of Organizational Behavior Program advisory board.

His work has been featured in several periodicals, including *Business Week*, *the New York Times*, *the Wall Street Journal*, and *Fortune* magazine. His work has also been featured in Donald Davis' *Managing Technological Innovation*, Frederco Butana's *Automation and Work Design*, Michael Harmer's *Re-engineering the Corporation*, Peter Senge's *The Fifth Discipline Handbook*, Robert Miles' *Corporate Comeback*, Katzenbach and Smith's *The Wisdom on Teams*, and Ned Herrmann's *The Whole Brave Business Book*.

Paul and his wife, Kris Anne, reside in San Jose, California. They have four children. Paul serves as bishop of a young single adult ward. In addition, his interests include snow skiing, scuba diving, rappelling, and supporting his childrens' sporting activities.

Heidi Hansen, and their four children now reside in New Hartford, New York.

**Dyer Distinguished Alumni**

**Paul W. Gustavson**, president of Organization Planning and Design, Inc., was awarded the third annual William G. Dyer Distinguished Alumni Award by the Master of Organizational Behavior Program on April 2.

Gustavson has had an outstanding career since graduating from the MOB program in 1975. His presentation, "Leveraging Knowledge Capital as a Source of Competitive Advantage," covered "the smooth stones" that he uses to do his work, which he describes as "consulting with firms where knowledge is their source of advantage."

Knowledge organizations operate with knowledge links, trained brains, soft structures, infomated fishnet organizations, and knowledge development hardware that includes personal computers, groupware, and networks. Using the Organization Systems Design Model, Gustavson pointed out how organizations "get what they design for," or, put another way, "Organizations are perfectly designed to achieve the results that they get."

**Alumni Executives Visit**



**K. Brent Somers**, senior executive vice president and chief financial officer of KeyCorp, received his MBA in 1975 from BYU.

He told an assembly of MBA students on February 12, 1999, that leadership was "about our values, about our principles, and our beliefs." Somers pointed out the brisk pace of today's business world, where "organizational change is rapid and complex." He also outlined the transformational leadership style, saying, "Good

leaders model the way, have a vision, are realistic, have integrity, are courageous, and are actively engaged."

As a member of The Church of Jesus Christ of Latter-day Saints, Somers said, "While the applications of principles and practices may change, the principles I learn in a priesthood setting apply to business, and the principles I learn in a professional setting apply to my Church calling."



**Robert E. Parsons**, executive vice president of Host Marriott Corporation, received his MBA in 1981 from BYU. On February 26, 1999, Parsons

shared with MBA students his philosophy for attaining quality of life in the midst of business demands: When things aren't going well—"We are where we are and we must do what we can where we are." An essential quality for a leader—"Make it happen." For balance—"Steady as she goes." The goal—"Enjoy the journey." He told them, "One of the most difficult challenges you will have will be finding the balance between work, family, church, and community."

Parsons also told students, "Your education is priceless, not so much for the actual concepts you memorize out of the textbooks you read, but for the total experience that you have and for learning how to think and analyze situations."



**David R. Watson**, a Sonic Drive-Ins franchisee with twenty-four restaurants in the Middle Tennessee area, recently spoke to a group of

entrepreneur students. He asked how many had never been to a Sonic Drive-In and told them, "You've never

had a real hamburger then!"

Watson graduated from the Marriott School in 1984 with a BS degree in business management, and he received an MBA, with an emphasis in marketing, in 1986 from the University of Memphis. Finding himself miserable in the corporate world, he took advantage of a chance sighting of a closed Sonic Drive-In in Franklin, Tennessee, and twelve years later he is a multimillionaire entrepreneur—"flippin' burgers," as he puts it.

In the early years, Watson put in one-hundred-hour weeks, but his success has freed him to serve his community through the Boy Scouts of America board, the Middle Tennessee YMCA executive council, the Brentwood Rotary Club, and the Civitan Club. He advised students, "As an entrepreneur you take a lot of risks . . . pay your dues quickly and wisely and it pays off."

Sonic Drive-Ins offer carhop service reminiscent of the 1950s. There is no precooked food on the menu, and your order is guaranteed to be at your car in four minutes. Watson and his partners plan to open sixteen locations in Utah along the Wasatch Front over the next few years.

**Marriott School TEAMS Winners**

The Marriott School Alumni Board announced the winners of the Teaching Excellence Award for Management Skills (TEAMS). David Cottrell and Hal Heaton each won \$1,500 in seed money to help fund their faculty projects. At the end of the year, both projects will be evaluated for the possibility of additional funding. The alumni board seeds up to five projects each year.

The TEAMS award was established to (1) help faculty and staff keep up to date with current business practices through greater interaction with select Marriott School alumni in their related fields of expertise, (2) develop new and creative ways to transfer the experience and perspective of alumni to students, and (3) promote greater communication and collaboration between alumni and faculty and staff.



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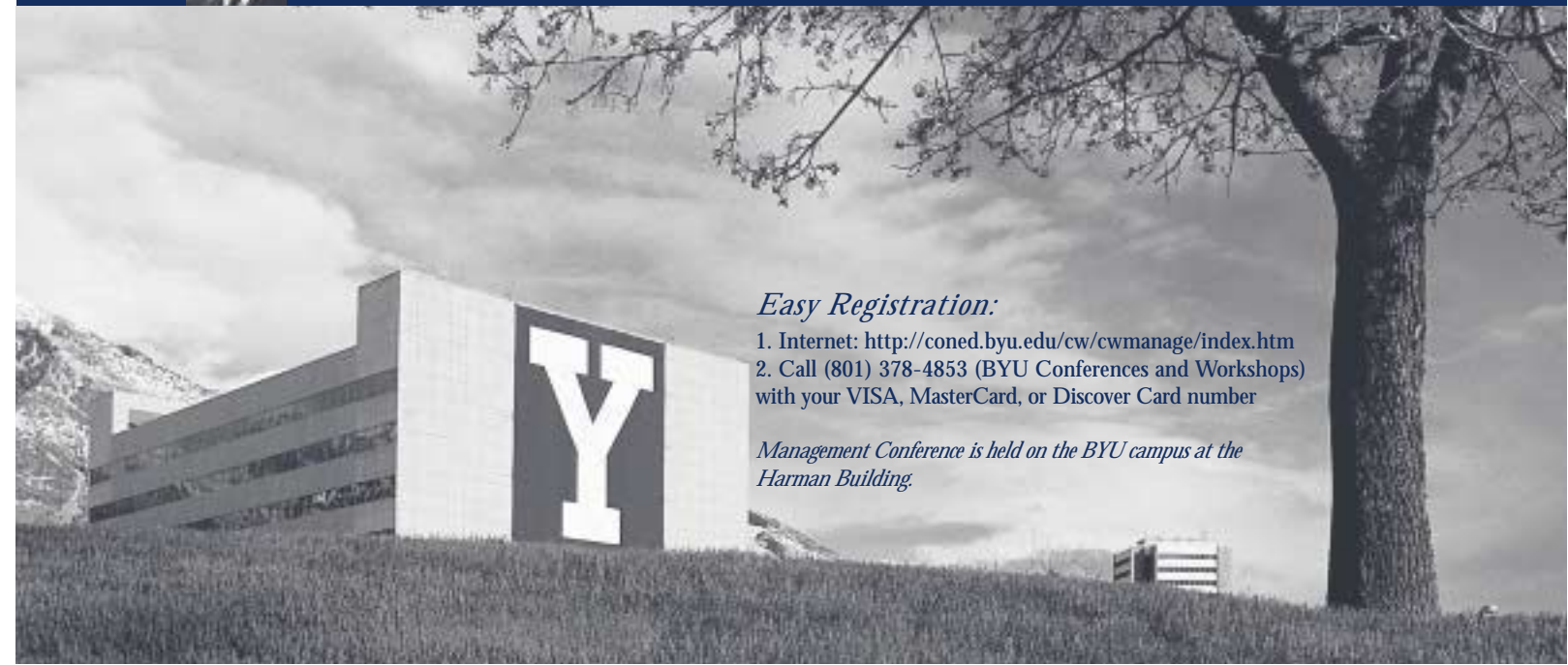
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AMOUNT OF THE TEMPORAL TO BE DEALT WITH.

—PRESIDENT GORDON B. HINCKLEY