

SIMON FRASER UNIVERSITY

Senate Committee on University Priorities
Memorandum

TO: Senate

FROM: John Waterhouse
Chair, SCUP
Vice President, Academic

RE: Faculty of Business Administration
External Review - Final Follow-up

DATE: October 22, 2003

As a result of its 1999 External Review, the Faculty of Business Administration received four recommendations from the Senate Committee on University Priorities (SCUP) to Senate regarding the priorities that the Faculty should follow. Subsequently, SCUP met with the Dean in the Fall 2001 and 2002, and at its October, 2003 meeting to discuss the Faculty's Research Plan and other related areas of concern in response to the external review recommendations.

At its October 8, 2003 meeting, SCUP received the final report as well as a summary report from the Faculty of Business Administration and passed the following motion:

"That SCUP accept the final update report and the three year overview from the Faculty of Business Administration in relation to its research productivity plan. Furthermore, with the receipt of these reports, SCUP would like to advise Senate that the Faculty of Business Administration has successfully fulfilled the recommendations which were put forward by SCUP in September 2001 as a result of the February 1999 external review report."

The summary report is provided to Senate for information.

encl.

c: Dr. E. Love, Dean, Faculty of Business Administration
Dr. B. Krane, Associate Vice-President Academic
Ms. L. Summers, Director, Academic Planning

Response to External Review: Report to SCUP September 23, 2003

Memorandum

To: Senate Committee on University Priorities (SCUP)
From: Ernie Love, Dean, Faculty of Business Administration
Date: September 23, 2003

Response to External Review: 2002-2003 report to SCUP

Introduction and Summary

In 1999 the FBA underwent an External Review. As a result of this review the Senate Committee on University Priorities (SCUP) made four recommendations to Senate regarding the priorities that the FBA should follow:

- i) *The Faculty of Business Administration should prepare an overall research plan for the Vice President, Academic and SCUP to increase faculty research productivity for the Faculty of Business Administration. As part of the research plan, the Faculty of Business Administration should identify appropriate measures of evaluation and assessment to provide accountability.*
- ii) *Plans by the Faculty of Business Administration to develop a PhD program are encouraged by SCUP but should be integrated into the Faculty's overall strategy to increase research productivity.*
- iii) *The Faculty of Business Administration should not eliminate the "day" MBA program. The revisions underway within the Faculty to improve the program should be continued and encouraged.*
- iv) *The Faculty of Business Administration should review the considerable unmet demand for business undergraduate programs and should consider expanding admission to the Bachelor of Business Administration to meet the demand.*

On September 19th, 2001, SCUP met to discuss the Faculty of Business Administration's "Research Plan" which had been requested as an outcome of this external review. The response submitted by the Faculty of Business Administration to SCUP is attached for reference. Subsequently, in a memo (also attached) of September 27, 2001, Vice President Academic, John Waterhouse advised that SCUP expressed overall satisfaction with our plan and our progress to increase research output. There were however, three specific areas of our current plan that were of concern to SCUP. Specifically:

- 1) *the proposal to buy-out teaching to facilitate research activity;*
- 2) *the modest scholarly productivity target (1 article / year is not perceived as sufficiently ambitious); and*
- 3) *the conceptualization of graduate supervision as an activity outside of normal workload.*

The memo from the Vice President asked that the Faculty of Business Administration

would reconsider these issues as it seeks to increase research productivity within the Faculty over the next three years.

On September 30, 2002 I submitted a report to SCUP addressing the three specific issues raised by the Vice President Academic which was discussed at its October, 2002 meeting. A copy of that submission is attached.

The feedback from the SCUP meeting was overall satisfaction in our approach with respect to these three issues as well as overall satisfaction with the progress of the Faculty on its research plan. We were encouraged to continue moving forward in the directions we had laid out.

Three years out from our External Review it seems appropriate to take stock of where we are with respect to their original issues. Hence in this (2003) report to SCUP, I would like to review the progress we have made on the original four (4) issues raised in our 1999 External Review.

- i) *The Faculty of Business Administration should prepare an overall research plan for the Vice President, Academic and SCUP to increase faculty research productivity for the Faculty of Business Administration. As part of the research plan, the Faculty of Business Administration should identify appropriate measures of evaluation and assessment to provide accountability.*

I believe the overall research plan submitted to SCUP, dated August 31, 2001 (in response to the External Review) remains our guiding document today. In that document it was identified that a research plan required both obtaining significant more external funding for research as well as raising our overall rate of publications.

The input side: funding and support for research

In late 2001, with the support of the University, we hired a grant's facilitator to aid the faculty in developing and submitting major grant proposals. This seemed to us to be a major strategic addition and clearly this has worked.

In 2000, our external grants total approximately \$152,000. By 2001 this had been raised to \$283,000 and by 2002 to \$441,824. Currently in 2003, we are pleased to report that this year we obtained a total in new external grants of \$508,000.

What is particularly encouraging about this year is that our new grants included two new INE (Initiatives in the New Economy Grants) to add to the one we obtained last year. These were the only INE grants obtained by Simon Fraser University this year. Our understanding is that SSHRC is stopping the INE program. This is unfortunate since we were particularly successful in obtaining these grants (valued approximately at \$200,000 each). We, as a Faculty, must look to other major granting opportunities to continue expanding our grant base.

In addition to the INE grants, the Faculty obtained 2 of the 12 standard SSHRC grants

awarded to SFU this year. In the upcoming competition commencing this fall, we have a total of 8 new grant applications going forward.

Of course the data above refers only to funds from major external granting agencies (SSHRC and NSERC). The Faculty continues to enjoy very strong support from the business community for its research (and program) activities.

In Fall 2002 we launched the Global Asset and Wealth Management MBA program. To date, 15 firms have each committed a total of \$75,000 each (over 3 years) to fund its launch, or a total of \$375,000 annually. Of this, approximately \$100,000 is devoted to scholarships for the program. As well, RBC Financial have also provided \$50,000 to fund a Research Fellow (and Peter Klein has been appointed to this position).

This year we have also confirmed a further \$150,000 from the Certified Management Accountants of BC to appoint two CMA-SFU Business Academic Fellows.

We have also confirmed \$150,000 from the Chartered Accountants of Canada to assist in the creation of a Centre for Corporate Governance to be housed in our new Segal Graduate School of Business.

Lastly, we have recently confirmed \$1,000,000 of support from the Certified Management Accountants of Canada for the creation of a Centre for Strategic Change and Performance Measurement, again at our new Segal Graduate School.

In conjunction with the development of the Segal Building project, we have many more proposals under preparation to fund Centers of research activity, similar to the Strategic Change and Performance Measurement Centre referred to above. I am confident that we will see considerable more funding of this form over the ensuing year.

In 2002 I reported that we had hired three very strong Associate Professors (as well as two junior professors). These three Associate Professors have or will shortly be joining us with significant track records in place and will certainly contribute strongly as they bring both the expectation and the experience of promoting the research environment. In fact, two of the three brought research grants with them; an added bonus considering the lead times in securing grants.

This year, we are scheduled to hire a further 6 faculty members. While recruitment of high caliber Business faculty remains highly problematic (given market conditions), we do hope to continue attracting a modest number of more mid-career scholars. It will be a very quick way to add strength and build research capacity.

The output side: Publication Rates

- In my 2001 submission to SCUP (Section 1, paragraph 2) I reported that our average number of publications (published papers and refereed conference proceedings) per faculty member was just under 2 (based on 56 faculty, 50 tenure

track + 6 CFL lecturers). This was an average publication rate over many years since we have been collecting this data since 1979.

- In 2002, I reported that during the 2001/2002 year, we had achieved an average of 2.13 per faculty member per year. This goes up to **2.26/faculty** if only the 50 tenure track faculty are included.
- Our latest year, based on 54 tenure track + 6 CFL lecturers, shows a publication rate of 2.18 per faculty. Again utilizing only our 54 tenure track faculty, this rate rises to **2.43/faculty**.

One would not expect dramatic increases in our output rate over the short term. However we are confident that the support of a grant's facilitator, our success in attracting some very high quality faculty (and in particular some mid-career academics) and our launching of a PhD program are the ingredients needed to raise our research profile as we go forward.

- ii) *Plans by the Faculty of Business Administration to develop a PhD program are encouraged by SCUP but should be integrated into the Faculty's overall strategy to increase research productivity.*

I am very please to report that our plans to launch a PhD program in September '04 are very much on track. The Faculty in Spring '03 formally approved the program and it is now under review by Graduate Studies Committee. I have not included our PhD submission to GSC here although I could certainly make that available should SCUP wish to see it.

It would be our intention to begin recruiting our first PhD students as of January 1, '04 (once we have approval from GSC) and have them join us in Sept '04. Our plans call for adding 5 PhD students in each of the next 4 years for a steady-state compliment of 20 candidates.

There is no doubt in our mind that the addition of the doctoral program will have a strong impact on our research culture and our publication rate, although it will take several years to bring this to fruition.

We have a well worked out financial model to support the PhD program, comprising of funds from faculty external grants, funds from research centers created by private endowments, funding from University graduate fellowships, and funding support from our faculty (in the form of administrative support, tutorial assistantships and research assistantships).

- iii) *The Faculty of Business Administration should not eliminate the "day" MBA program. The revisions underway within the Faculty to improve the program should be continued and encouraged.*

We also did not think the "day" MBA should be eliminated but rather revised. In my 2000/2001 report to SCUP, I included a considerable amount of detail on how we were planning to revamp the program in light of the concerns of the External Review.

Of course, in 2002 we implemented changes to our tuition structure once tuition caps were removed by the government. This was the major impediment to being able to make changes to the program. Now that the tuition is more in line with our other programs, we are now in a position to make the necessary changes.

This last year, we conducted a major review of the “day” MBA program. In reality, we refer to this program as the “Specialist” MBA program to differentiate it from the MOT MBA, GAWM MBA and the EMBA programs which we also run. Specialization here means functional specialization in that candidates on the program can specialize in marketing, management information systems, change management or international business.

The major issue in the review was to restructure the program so that it was more ‘outward’ facing. That is, MBA programs for the most part must be focused on the business community. Strong masters and PhD programs are more typically the purview of an academic focus. Recall this was a serious criticism in our External Review in 1999. Thus we have streamlined the program and put in place a major project to be carried out in conjunction with firms and organizations in Vancouver; supervised by our Business faculty.

We are also streamlining the governance of the program in order to gain more synergy with our other graduate programs. This is in anticipation of the move of all of our graduate programs to the new Segal Graduate School of Business in 2005.

It is our intention to grow the “specialist” MBA program from its current 40 to 80 students as we feel that this is the scale needed in order to operate an effective and viable MBA program.

iv) *The Faculty of Business Administration should review the considerable unmet demand for business undergraduate programs and should consider expanding admission to the Bachelor of Business Administration to meet the demand.*

I believe we have made great strides on this issue. Clearly the major change that permitted this to occur has been the removal of tuition caps.

In fall 2002, we made several immediate changes to the UG program.

An immediate change was the hiring of a Student Affairs Office (SAO). It was obvious to us that a great many activities of benefit to business UG students were not being properly supported and managed. We wanted to increase the number of student exchanges and have done so. We wanted to have our students more active in national and international intercollegiate business school competitions and have done so. (This past year our students were flown to France and placed 6th in the international L’Oreal Competition in Paris as won the McGill International Business Competition in Montreal to name only two).

With the support of our SAO, our ten student clubs are all now very active and contributing to the school's environment.

We have recently increased the number of 'direct admits' to the Business UG program. 'Direct admits' means students do not have to apply twice to gain entrance into the Business School - once to the University and a second time to the Business School after 60 credits. For the last several years, we accepted 100 students directly from high school (direct admits) into the UG program. The average grade point of such students has been 88%. This has had a dramatic effect on building a strong culture within the Business School and the most active members of these clubs are from the 'direct admit' pool.

Given this positive impact, this year we increased the 'direct admit' category from 100 to 200. This is out of a total of 520 students we admit each year into Business. The real effect is to reduce the number of students taking (GPA boosting) courses in other parts of the University while 'wishing to be admitted to Business'. It has streamlined our process for admittance into the School for the better.

In addition, as part of the University's restructuring of international student applications, we will be adding a further 110 international students in Business to bring our total to 630.

We immediately added 10 sections in the bottleneck areas in order to ensure timely passage through the program. This has worked very well. We intend to further expand sections to meet demand and lower throughput time of students as the need arises.

Of course 25% of the tuition increase was directed at additional bursaries to ensure qualified students were not prevented from gaining access. This was a University-level decision and the success of this strategy has been reported elsewhere.

We added 5 new faculty last year and are scheduled to add another 6 this year. This has certainly reversed our heavy reliance on sessionals to run the UG program.

This past summer (2003), we carried out an external review of our UG administrative structure. Our feeling was that the program (with 1400 students) had outgrown the existing structure. We will shortly be taking a set of recommendations to our Faculty for discussion and subsequent implementation.

I believe we have responded very well to the need to satisfy the pent-up demand for Business. We have not done so at the expense of the quality of the education our students are receiving. In truth, I believe we are investing very well to ensure the quality of the program continues to grow.

Other initiatives within the Business School germane to our research and scholarly profile.

Since the 1999 External Review, the environment in which the Business School is

operating has changed in many ways. A variety of new situations have arisen. Below, major new activities under development are outlined.

a) Segal Graduate School of Business

In 2001 we set about the creation of the Segal Graduate School of Business. This arose out of the donation of the old Bank of Montreal Building (Granville & Pender) by Joe Segal to the University. This will house all of our graduate programs which currently consist of 230 MBA students and 120 Graduate Diploma Students.

Under the leadership of the President, Michael Stevenson, we have a \$25million campaign to convert the building to our use. Included in this fundraising is \$5million for several Centres directed at specific research initiatives. This is a large infusion of private capital and will certainly have a significant impact on our research and scholarly activities.

There is no question that having a single venue for our graduate school, will permit us the visibility and opportunity to become a leading Business School in the near future.

b) Surrey UG Business Program

As is well known, the University acquired TechBC and is currently developing its plans for the development of this Surrey Campus.

The Business School has indicated a strong interest in developing a business stream at the UG level with a focus on technology to be delivered in Surrey. This will complement the technology focus of that campus. We currently have a committee struck to develop the plan. Shortly the plan will be taken forward to our Faculty and the University for approval. Our planning (and the University's) calls for 600 Business FTEs by the year 2010 (in comparison, our Burnaby UG program currently has 1400 FTEs). Hence, to go back to point #4 above, we see this development as adding considerably to our ability to supply the unmet demand for Business education by this University.

c) MOT Online

The Management of Technology (MOT) MBA was launched in 2000 at our Harbour Centre Campus. Launched with major financial support from the high-technology industry, this has grown into a strong and growing program.

Last year we introduced a biotechnology stream into the program in order to address the management needs of this growing sector. This introduction followed on the introduction of the joint MBB & Business UG program, in Fall 2002, to develop the University's contribution to this sector. An External Biotechnology Advisory Council has been created involving the major firms in Vancouver involved in biotechnology, to guide our developments. We have hired two faculty members with specific research interests in the management of biotechnology firms to support these developments.

As the MOT program has grown, we have seen clear interest from students outside of the lower mainland for the program. This has prompted taking a much more national/international view of the program. For this reason the Faculty has now approved the development of an MOT-online version of the program.

The launch of this version is scheduled for January '04. The design includes 3 residential pieces linked using an online pedagogy, over a 16 month period. The University, through ELINC and LIDC have provided us strong technical and pedagogical support in developing this program. Given a design that blends face-to-face and online pedagogies and a design looking beyond the lower mainland in attracting students, our working title for this project is **MOT MBA Global**.

d) Accreditation

In September of this year, we formally applied to the Association of American of Colleges and Schools of Business (AACSB) for accreditation. This is a significant step for the Faculty and very important for our future development.

a) Such accreditation speaks to our ability to attract top faculty members from the United States and overseas. The very best new PhDs are being trained almost exclusively at AACSB accredited schools and in turn these individuals are reticent to join a non-accredited institution.

b) Similarly, as we graduate PhD students, accredited schools will be reticent to hire graduates from a non-accredited institution.

c) Attracting MBA students has become very international in focus. Particularly if we wish to attract good students from the US and Europe, accreditation will be an important signal of the quality of the program.

I believe our accreditation application was well received and we are confident that we will move through the process expeditiously. Furthermore, I would also add that as we go forward with AACSB accreditation, we will almost certain apply for the European equivalent (EQUIS – European Quality Improvement System) in short order. I believe it is necessary to have the same form of visibility in Europe as well as the US.

The Faculty currently enjoys accreditation by both the Canadian Information Process Society for its MIS program and by the Certified Management Accountants of Canada for its accounting program.

However, at the level of the Business School, accreditation (by AACSB and EQUIS) is a major step forward and will greatly strengthen the reputation of our school and programs.

I do hope this report adequately updates the Senate Committee on University Priorities on how we have addressed the concerns of our 1999 External Review and on how I believe

we are moving forward to foster a stronger research culture in the Faculty. I believe we are making very good progress. As well, I will be attending the next SCUP meeting to answer questions that might arise.

Thank you
Ernie Love
Dean, Faculty of Business Administration