

# FROM DEAN NOHRIA

JAN 2020

Innovation.

Intellectual ambition.

Internationalization.

Inclusion.

Integration.

These “five I” priorities have guided our efforts at Harvard Business School for 10 years now, offering a roadmap for how we might position the School for continued leadership in management education. Grounded in our highest aspirations of educating leaders who make a difference in the world, these priorities have spurred us to pursue bold new initiatives. They also reflect our core and enduring values, from a belief in the transformational power of our educational programs to our pursuit of pioneering ideas that shape the practice of management.

I write, as I do every January, to provide you an update on our progress in each of these areas.



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# INNOVATION IN OUR EDUCATIONAL PROGRAMS

**MBA Program.** Most who think of Harvard Business School think first of our MBA Program. The School's foundation rests on this degree, and it remains at our core as each year we welcome a new cohort of approximately 925 students to engage in a rigorous two-year program of study.

The hallmark of the MBA Program for nearly a century has been the case method, through which students gain—by putting themselves in the shoes of leaders facing real-world opportunities and challenges—a deeper understanding of business situations, as well as the tools, skills, and judgment required for effective and ethical decision making. A decade ago, we introduced the field method as a means of strengthening this “knowing” with the “doing” and “being” of leadership. In our first-year Field Immersion Experiences for Leadership Development (FIELD) courses, students develop a deeper understanding of their leadership attributes and gain practice in actually implementing their ideas with partner organizations. Through this work, they can integrate their classroom-based learning with the complexities of working with others to get things done, while operating in an unfamiliar global context.

We have also developed a method for delivering powerful learning opportunities through our Harvard Business School Online platform. Before students arrive on campus, for example, those who need to strengthen their understanding in areas such as business analytics, eco-

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nomics, and financial accounting can take one or all of these modules in the Credential of Readiness (CORE) program. Here, we have discovered that the combination of self-paced learning, an engaging online experience, and peer support works better for students with varying backgrounds than a traditional classroom setting. Additionally, to accommodate overflow demand for a popular second-year Negotiations course, we allowed students to take HBS Online's Negotiation Mastery course, supplementing it with in-person sessions with a faculty member. This experiment has opened up new possibilities for how we might use our Online platform to serve students who are on our campus, beyond the many we reach who can't attend the School in person.

While these are perhaps modest experiments to-date, they represent a more fundamental and longstanding belief that what HBS should always teach, at heart, is *how* to learn—a skill that must be refined and reinforced over time and the course of one's career. In the future, learning will take many forms, and information will be available in many formats. By helping our students today discover how they can leverage the School's wide-ranging resources for lifelong learning—everything from digital platforms to podcasts to print publications to Baker Library—we will position them better for effective leadership tomorrow.

Of course, we continue to pay attention to *what* our students learn, too, and this year I am particularly excited about three initiatives in the MBA Program. The first is a new course offering called the Interpersonal Skills Development Lab (ISDL), a field method course that spans the fall and winter terms of the first-year Required Curriculum (RC). How does a leader effectively influence others and build trust? How does a leader bring out the best in others? Through exercises, simulations, and tools, and utilizing repetitions of learning, reflecting, and discussing, ISDL focuses on helping students develop the skills and capabilities required to build effective human relationships in the workforce.

The second is a redesign of our Leadership and Corporate Accountability (LCA) course. For many years, LCA has pushed students to confront difficult ethical decisions managers must face—typically involving some combination of competing responsibilities, ambiguous standards, information gaps, and intense time pressures. This course, beginning this semester, will incorporate a new lens as well: teaching

students about management and governance systems leaders can use to promote socially responsible conduct by companies and their employees. In short, the course will focus not just on how students can avoid doing harm,

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Our redesigned Leadership and Corporate Accountability course will focus not just on how students can avoid doing harm, but how they can meaningfully and productively do good.

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The third is a course in the second year that focuses on data analytics and artificial intelligence (AI). We are hoping to use this course to develop a way of teaching this material that can eventually be deployed in our Required Curriculum. We feel that it is incumbent on us to prepare all our students to learn how to use and leverage the rapidly exploding power of data analytics judiciously, and this course is a step in that direction.

All these efforts reflect at a macro scale the improvements we strive to make every year in the curriculum: developing cases and other content that are timely and relevant, and that improve the leadership capabilities and capacities of our students.

**Doctoral Programs.** In 2022 we'll mark the centennial of the School's Doctoral Programs.

From our modest origins—a single student received the fledgling Doctorate of Commercial Science in 1928—we now offer PhD programs in Accounting, Business Economics, Health Policy (Management), Marketing, Organizational Behavior, Strategy, and Technology and Operations Management. Our placements continue to be strong, with 19 of our 23 graduates in 2019 going on to academic positions.

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In this area, too, we strive to ensure that our students can gain the skills and capabilities they will need to become scholars whose research bears the School’s distinctive signature of rigor and relevance. We are already experiencing the benefits of leveraging the full breadth of Harvard’s resources that our transition in 2018 from the DBA to the PhD in Business Administration offers our students.

**Executive Education.** Our Executive Education portfolio comprises long comprehensive leadership programs (Advanced Management Program, General Management Program, Program for Leadership Development, and Owner/President Management Program), short focused programs lasting a week or less (new programs

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this year included Managing Sales Teams and Distribution Channels, and Building a Legacy: Family Office Wealth Management), custom programs (that serve the leadership development needs of specific companies), and global programs (Senior Executive Leadership Programs in China, India, the Middle East, and Africa).

The role these programs play in advancing the mission of the School cannot be overstated. They foster innovation by allowing faculty members to test new ideas with practicing managers, creating a feedback loop that advances knowledge rapidly. They connect us with leading companies and their leaders on a global scale, spurring a deeper understanding of innovative business practice and strengthening our international engagement. Finally, they enhance Harvard Business School’s impact in the world; last year, the more than 12,500 participants who completed programs—including 1,500 who earned alumni status—returned to their organizations as ambassadors for the School and leaders prepared to make a difference in their communities.

**Online.** We renamed HBX, our online learning platform, Harvard Business School Online last year, to more clearly position our programs as core offerings of the School. It has been a remarkable period of growth for the Online group, with new courses on Global Business and Leadership Principles launched and three others in the pipeline, as well as a new module of the Certificate in School Management & Leadership Program (Leading Schools) and a second cohort of the Harvard Business Analytics Program.

We achieved a key milestone of financial sustainability by making a positive margin for the first time. Equally important, we have scaled while maintaining high levels of learner satisfaction and engagement: The more than 19,000 learners to take Online offerings gave them a 61 Net Promoter Score, and completion rates have remained at more than 85 percent for all courses.

We also have had great success teaching hundreds of virtual case discussions in our HBX Live studio, currently located at WGBH in Boston. We are excited this year to be building two new HBX Live studios on campus in the basement of Cumnock Hall. We think these virtual classrooms will enable us to offer programs that strengthen alumni bonds (to one another and the School), enhance campus-based programs, and connect us to new learners. We are eager to see where the creativity of our community takes us in developing new ideas for how we can leverage this unique platform.

Taken together, I hope you'll see the power and promise of our programs, pedagogies, and platforms. Combined with the resources of Baker Library and our Publishing group, as well as our convening capacity, Harvard Business

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School—alone among business schools—is uniquely positioned to create remarkable learning experiences for leaders at virtually every stage of their learning journey.

# INTELLECTUAL AMBITION FOR WIDESPREAD IMPACT

Each spring, the HBS faculty gathers for a day-long research symposium—an opportunity to share our work, learn about emerging research streams, and celebrate the ideas we believe will shape management practice. This year’s version took a novel form: we invited 13 faculty colleagues, most of whom have been at the School for just two or three years, to describe a current research project. One faculty member shared work he is doing to better understand what gives rise to income inequality. Another outlined research she is doing on the design of online peer-to-peer platforms. Yet another described her work with Rohingya refugee populations in Bangladesh to explore how their forced idleness can be substituted with productive work.

These were, of course, relatively rapid-fire presentations, and it wasn’t possible to go deep into each research project. Nonetheless, we were all truly inspired by the importance of the questions our colleagues are tackling. Across disciplines, and employing research methodologies ranging from field experiments to big data analysis, they are striving to develop new insights that will have power in practice. Indeed, a striking feature that cut across these research presentations was how many colleagues are now studying issues that sit at the intersection of business and society.

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most any research project that inspires them. We have a long tradition at HBS of individual faculty members revolutionizing or even creating new fields of inquiry, from statistical process control to organizational behavior to strategy. Enabling this entrepreneurial creativity to flourish is crucial to the School’s long-term success.

At the same time, we have been investing in projects that draw together faculty colleagues across different units of the School to study a range of issues affecting business and society. These multi-faculty projects allow us to have a voice on timely and relevant topics. As one example, the Managing the Future of Work Project engages faculty members who are leading research in areas such as global talent access and utilization, workforce demographics, the middle-skills gap, and the workforce impacts of technology trends like AI. Their efforts have yielded new MBA and Executive Education courses, nearly two dozen cases, and a book.

The project's co-chairs also host a weekly podcast featuring real-world examples of leaders grappling with challenges such as expanding the talent pipeline and the gig economy.

Similarly, in December, faculty members connected to the US Competitiveness Project released the results of their sixth survey. Entitled *A Recovery Squandered*, the authors find that despite a decade of steady growth since the Great Recession, America has done little to address the country's underlying structural weaknesses. The report highlights the disappointing trajectory of US competitiveness, the dysfunction in America's political system that contributes to it, the unfinished business of US tax reform, and America's faltering system for attracting global talent.

Finally, our School-wide Initiatives—Business History, Business and Environment, Digital, Entrepreneurship, Gender, Health Care, Leadership, and Social Enterprise—continue to flourish. In the spring, we marked the 25th anniversary of the founding of the Social Enterprise Initiative (SEI). We used the opportunity to measure and understand SEI's impact on the many constituencies it engages, including students, alumni, faculty, staff, and practitioners.

These projects and initiatives highlight the importance of not just conducting relevant research but ensuring it reaches a broad audience, and we have strived at the School to support new means by which this dissemination might happen. In Publishing, for instance, the print edition of *Harvard Business Review* is now supplemented by a robust online hbr.org platform featuring shorter-form content (e.g., blogs), "Quick Study" videos, and "The Big Idea" series. Podcasts are exploding in popularity generally, and the School has been

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strategically leveraging the platform with offerings like Cold Call, After Hours, Women at Work, SkyDeck, and Climate Rising. We've had continued success with our *Working Knowledge* newsletter, which featured the work of more than 100 faculty members last year, with 3.4 million web visits last year and more than 200,000 ongoing subscribers.

And, in June, we hosted a first-of-its-kind convening at the School in Klarman Hall called Dialogue. Over three days, more than 250 participants immersed themselves in intense working sessions; the event sought to widen perspectives and deepen understanding of the critical role that business must play in driving solutions to the world's most pressing challenges. Weaving together many of the School's strengths—from our residential campus to our faculty and staff to our engaged learning model—Dialogue helped participants engage with faculty members at the School and form new connections with each other and, hopefully, inspired them to take action.

Through all these mechanisms, we hope to deepen understanding of the vital role the faculty's research plays at the School.

# INTERNATIONALIZATION FOR GLOBAL UNDERSTANDING

On nearly every dimension, Harvard Business School—even while remaining a business school rooted in America—is global, as well. More than 35 percent of our faculty were born outside of the United States. In our educational programs, 37 percent of our MBA students,

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45 percent of our Doctoral students, 64 percent of our Executive Education participants, and 45 percent of our Online learners are international. More than 50 percent of the 250 new cases each year are written on global companies or focused on issues of globalization. Our international footprint reflects the reality that the most important developments in business are happening not just in America but all around the world.

As a result, we have continued to invest in our 20-year strategy of building a network of regional research centers and offices, now located in Africa, Asia-Pacific, California, China, Europe, India, Israel, Japan, Latin America,

and the Middle East/North Africa. First and foremost, these entities, as their name implies, support the research efforts of our faculty; they are staffed with talented executive directors, case writers, and research associates who last year contributed to more than 100 cases and 60 research projects at the School.

The centers also do much more. With the help of regional advisory boards, they enhance our efforts in admissions, recruiting, publishing, and alumni engagement. They contribute vitally to the success of our educational programs. They serve as our ambassadors with the many constituencies they engage, ensuring that the many activities of the School are coordinated locally.

A key role the centers have come to play, sometimes as a precursor to research and case-writing efforts, is in developing faculty immersions. Sometimes these are “immersions for one,” typically involving individuals traveling to a country and seeking to learn as much as they can about an industry or region. Here, the center staff develops an intense itinerary of company visits, interviews, and meetings with local business and government leaders as a form of an in-depth briefing that is especially helpful for those doing comparative research.

At other times these are group immersions. In June, the Africa Research Center partnered with HBS faculty co-chairs in bringing 26 faculty members and 5 staff members to Nigeria

and Kenya. Over a week, they met with nearly 20 companies and business leaders, toured manufacturing facilities, and hosted a daylong research symposium. While some colleagues who participated characterized it as drinking from a fire hose—they took in a lot in seven days—they all came back abuzz with case ideas and research questions they hope to pursue. Seeing firsthand the opportunities companies are facing, and hearing firsthand the passion and creativity driving entrepreneurship on the continent, built a much deeper understanding for many of the promises and challenges of Africa.

The centers also have come to play an important role in our field method courses. Each year, for the MBA first-year FIELD Global Immersions (FGI) course, we must identify dozens of global partner organizations able to support

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student teams working on new product or service delivery projects. The centers tap into the strong relationships they have formed, as well as their knowledge of the field method and FGI's learning objectives, to identify projects that will engage and challenge students. They also support the second-year Immersive Field Courses (IFCs), this year six in number, that happen each January over roughly two weeks.

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I hope it is abundantly clear, even as we prepare to open a new mid-US research center, that the School's commitment to internationalization is undiminished. We continue to believe that a deeper understanding of phenomena playing out on a global scale—international trade and supply-chains, climate change, income inequality, and so on—will be crucial to the success of leaders in any part of the world.

# INCLUSION TO ENHANCE CULTURE & COMMUNITY

Inclusion means that every member of our community can thrive and do their best work to advance the School's mission. At a time when what divides us feels more salient than what unites us, our commitment to this aspiration is even more critical.

Happily, it is being taken up on many fronts. Last year, our MBA students formed a Diversity, Equity, and Inclusion Council that has worked with MBA Program leadership—faculty members and staff—to tackle a wide range of issues. Some of these efforts have yielded immediate results. As one example, Jan Hammond, in her role as Senior Associate Dean for Culture and Community, has worked with first-year Course Heads to look systematically across the curriculum at when and how diversity and inclusion topics are being raised. This coordination allows students and faculty to feel better prepared for these difficult conversations—both in class and after class.

Additionally, students have taken the lead on a series of community-wide MyTake presentations. Traditionally done within sections, these MyTake sessions provide a forum for members of the community to share their personal stories or discuss topics about which they are passionate. By modeling vulnerability and integrity, MyTake sessions create powerful opportunities for authentic conversations. Last spring, when members of our African-American Student Union received anonymous and deeply disturbing hate mail, they used the

MyTake forum to unite our community and created a transformational learning experience for all of us. We were awed and inspired by their strength in the face of adversity.

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Finally, we worked with the Women's Student Association to codify practices that historically have been managed informally. These include a maternity policy that streamlines MBA Program support for new parents, clarifies time they can take away from class, and ensures that they are not penalized for absences when it comes time to grade class participation.

We are trying to understand and redress other obstacles to creating a genuinely inclusive culture. A concern among many students, for instance, is that socioeconomic disparity among those coming to the School creates tremendous pressure for those with fewer resources who still wish to participate in what they see as the essential extracurricular experiences in which their classmates engage. This disparity is a problem that students must take the lead to solve, and we are encouraged to see them

scrutinizing the issue and experimenting with solutions. In a related vein, we have come to realize that even generous financial aid may be insufficient for some students with significant family support needs, as witnessed by the strong response to our new Forward Fellowship program. Understanding the full accessibility and affordability of the MBA Program is something we'll want to analyze and address carefully.

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At a School-wide level, we have created a new position: Associate Director of Diversity, Inclusion, and Belonging. We brought our first incumbent on board this summer, and they have begun a range of initiatives to foster discussion and enhance training opportunities across our community of faculty, staff, and students, and to support the University's efforts in this arena.

I've reported here, in the past, on our efforts to address issues of sexual assault on our campus. Harvard participated again last spring in the Association of American Universities' sexual climate survey. While the results thus far have been shared only at the aggregate level

(i.e., across all of Harvard's graduate students), the data from the 2018–2019 survey remain deeply troubling: 3.9 percent of women and 1.0 percent of men reported experiencing penetration or sexual touching involving physical force and/or the inability to consent or stop what was happening. To be clear, any incidence of sexual violence is unacceptable. We are disappointed that the considerable efforts we have undertaken to improve training, increase

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support and resources, and build confidence in the reporting and adjudication processes have done little to decrease assault rates or enhance students' willingness to file a complaint. We will need to find more creative approaches to solving this most heartbreaking challenge.

# INTEGRATION WITH HARVARD UNIVERSITY

What we've been eagerly awaiting for many years is, finally, almost a reality: The John A. Paulson School of Engineering and Applied Sciences' (SEAS) new Science and Engineering Complex (the SEC) across from our campus on Western Avenue in Allston is nearly finished, and will open next fall. Faculty members and staff at HBS have had an opportunity to tour the facility and it is, quite simply, spectacular—a space designed to inspire collaboration, to support many types of learning models, and to engage the Harvard and local community in exciting and innovative ways.

We have laid a solid foundation in anticipation of this moment. Over the past two years, we launched an MS/MBA Program in Engineering Sciences, bringing together faculty members from HBS and SEAS in designing the curriculum and co-delivering classes. The Harvard Business Analytics Program, a certificate program offered wholly online and launched in March 2018, has already expanded to include a second cohort; it, too, engages faculty members from across the Schools and has required them to meld different backgrounds and teaching approaches to create an offering that leverages the best of both. And last year, we introduced the Undergraduate Technology Innovation Fellows Program, enabling 10–15 Harvard sophomores each year to build knowledge, skills, and a community, and putting them on a path to launch and lead innovative endeavors—whether creating technology startups or leading innovation teams in governmental or nonprofit/social organizations.

Our efforts here are driven by the belief that science-based organizations represent a growing and important segment of the economy, and leading and managing these businesses require a unique set of skills that we think HBS and SEAS are well-positioned to provide.

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The enthusiasm of my colleagues for the SEC is palpable (there's been talk of a zip line connecting it to Morgan Hall), and we know that having students, post-docs, and faculty from SEAS co-located with us in Allston will lead to amazing new developments.

Building on the early success of the MS/MBA Program in Engineering Sciences, we are launching an MS/MBA Program in Life Sciences and will admit our first cohort of students in the fall. Given the Boston area's leadership in this area, we hope this program will

attract and educate students who will go on to realize the enormous opportunity in effective leadership of life sciences firms.

Another cornerstone of the activities in Allston, of course, is the Harvard Innovation Labs. We've come to refer to the i-lab as an ecosystem, as it now comprises the original i-lab, the Pagliuca Harvard Life Lab, and a virtual alumni accelerator (LLX). By any measure, the statistics on engagement are nothing short of astounding. Last year, nearly 10,000 Harvard students utilized the i-lab; faculty from six Harvard schools

to imagine the area immediately to the south of the Business School campus transformed into a vibrant space for studying, working, living, and more—not in the distant future, but within the next decade.

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taught 12 classes there; the i-lab engaged 44 Dean-appointed Experts-in-Residence and 46 other specialists, including lawyers and funders who logged over 300 hours mentoring teams in the Venture Incubation Program; more than 400 applicants were received for the President's Innovation Challenge; and ventures at the Life Lab have raised over \$240 million since joining the Life Lab community.

With plans for Harvard's Enterprise Research Campus now progressing as well, it is feasible

# REFLECTIONS

If you've been back to campus for reunions in recent years, you've heard me characterize what I consider to be the School's most distinctive assets. These include:

- **Our faculty members**—teachers who inspire and engage their students and scholars whose ideas shape management practice.
- **Our staff**—partners who enable us to execute in every area of the School with excellence and commitment.
- **Our business model**—which, through careful management, provides us financial strength and the flexibility to innovate.
- **Our campus**—spaces that create a deeply engaging educational experience and foster learning at many levels.
- **Our students and alumni**—more than 80,000 individuals, who strive to exemplify the School's mission by becoming extraordinary leaders who change the world, and whose support enables us to excel here at HBS in everything we do.

Collectively, these create what I've come to think of as Harvard Business School's adaptive capacity: our ability to continually evolve and adapt. Charles Darwin observed that it is not the strongest nor the most intelligent of the species that survives, but the one that is most adaptable to change. Our adaptive capacity may well be our most extraordinary asset. It enables us to formulate and implement new

ideas that will strengthen the School or stretch it in powerful new ways. It allows us to be responsive, stay relevant, and continue to lead the field of business education.

For the past 10 years, we have used this adaptive capacity to push forward innovations in our curriculum, increase the reach and impact of our ideas, expand our international engagement, make us a more inclusive community, and build integrative bridges with the rest of Harvard.

As much change as we have collectively driven, we are living in a time of ongoing uncertainty. Management education and its value have been called into question. Geopolitical and socioeconomic issues are creating shifting pressures around the world. There is widespread yearning for leaders who can address these challenges. The School will need to draw upon and enhance its adaptive capacity to meet these needs and others that are not yet clear, but inevitably lie ahead.

It has been my greatest privilege to have served as Harvard Business School's 10th dean over this last decade. Across the HBS community, the shared commitment to our mission and the extent to which each individual embraces our community values is truly remarkable. It takes a village—a large one!—to carry out the programs and activities of the School. Beyond those who work here, I have marveled at how many others volunteer their time, offer advice

and counsel, provide generous philanthropic support (which enabled us to complete a most ambitious capital campaign), or find other ways to remain connected to HBS—whether through service on an advisory board, advising our MBA students, or participating in some of our curricular activities. I will be forever thankful for your dedication, as well as your friendship and collegueship.

### **In Memoriam**

John H. McArthur, Dean of Harvard Business School from 1980 to 1995, passed away in August 2019. We feel his absence every day, because he was such a wonderful friend, mentor, advocate, and ally. His legacy will live on, from the vitality of our faculty to the vibrancy of our campus to initiatives in social enterprise and ethics. He embodied the characteristics of leadership we strive to instill in all who come to the School.