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**FROM DEAN NITIN NOHRIA:**

With the new year underway, I thought it would be useful to share with you an emerging vision and set of priorities for Harvard Business School. These have been formulated following a series of discussions that began last spring, initially with the faculty and then gradually expanding to include members of the School's advisory boards and other alumni, staff, new and returning students in our MBA and Doctoral Programs, Executive Education participants, Harvard University President Drew Faust, fellow deans (from within and outside Harvard), and Allston-Brighton neighbors. I asked people to talk about themselves and what they do. I also asked them their thoughts on the School:

What are the most important opportunities we face?

What makes us distinctive?

Where should we be doing more, or differently?

How are changes in the world likely to affect us?

These conversations helped me refine an early agenda for the future, building on my own thoughts and research to create a framework for the activities and innovations that will shape this extraordinary institution as it enters its second century.



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One of the things that struck me in all my conversations, beginning with the feedback from President Faust, was the continued refrain:

**“Harvard Business School is at an inflection point.”**

There were three meanings implicit in that phrase:

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The first meaning can be found in the context of the School’s history and our recent centennial celebration. A milestone such as this has deep resonance in the human imagination; it encourages reflections about the past and projections about the future. Harvard Business School was founded in conditions much like we face today, in a time of economic uncertainty (even decline), when trust was low in business, and the creation of Harvard Business School was seen as a means of educating individuals better prepared to lead institutions that would contribute to the welfare and prosperity of American society. People **want to be sure that our founding ambitions and aspirations are carried forward into the School’s next century**, and that it is as glorious as our first.

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Another meaning relates to the idea that **business education itself is at an inflection point**. The MBA has been the fastest growing graduate degree for many decades within the United States; that phenomenon is now repeating itself on a global scale, along with a proliferation of types of programs, from the eMBA to the online MBA. Recently, though, people have come to question the extent to which an MBA adds value, whether the opportunity cost has become so high that business schools no longer attract the best and brightest students, and, more significantly, whether business schools sufficiently develop in their students the competence and character consistent with their missions. How will we remain leaders in this rapidly evolving landscape?

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Finally, some individuals believe we are at an inflection point because so much in **the world around us is changing**. If the 20th century was the American Century, the 21st century is shaping up to be a Global Century. This has profound implications for the types of students we admit, what we teach them, and the careers they choose when they graduate, as well as for our faculty members (whose demographics also are changing) and their research. Is Harvard Business School responsive to the realities of this new century? How do we operate in this new, globalized world? How can we best respond to globally salient societal challenges—be they sustainability, healthcare, well-functioning markets, the digital revolution, or poverty—that demand our attention, and that will require us to work across traditional boundaries if we want to make meaningful progress in addressing them?

While these are profound questions, they are exciting questions, too. An inflection point is a propitious moment for Harvard Business School, and we stand at a threshold where, if we choose, we can usher in a new era of innovation.

# The mission

Even as we explore new ways of doing things, we cannot lose sight of the elements of the Harvard Business School experience that have defined us for many years: a student-centered and transformational learning environment, skilled and passionate faculty who care deeply about developing ideas that have power in practice, in the classroom, and in the academy, and a residential community and campus. While we must be open to change, we must be equally resolute about continuity, knowing that we have a very strong platform on which to build.

The School's mission—to educate leaders who make a difference in the world—provides a helpful framework for thinking about our future.

Because many business schools use similar words or phrases to describe their objectives, we must be quite clear about the meanings we attach to each word in our mission and the commitments we make to live up to it. (As a colleague has pointed out, let's at least start by specifying that our graduates must make a positive difference.) So let's unpack our mission, and infuse each of its elements with meaning.

## We educate leaders who make a difference in the world.

When we talk about **leaders**, we mean people who embody a certain type of competence and character—both the competence that comes from the general manager’s perspective the School cultivates and the character to understand the difference between being self-interested and self-centered. It goes far beyond knowing that it’s not right to lie, cheat, or steal. It involves recognizing that you are a true leader only when you have earned the trust of others, and when others, whether in your organizations or your communities, recognize you as such.

**Making a difference** means people who create real value for society, and who create value before claiming value. I’ve not found anyone who begrudges a leader for claiming value after creating value. Rather, the recent economic crisis showed us too many examples of leaders who claimed value without creating any. It is worth noting here that there are many ways of making a positive difference: as an investor, as a general manager, as an entrepreneur, as an active citizen of your community. Indeed, what distinguishes Harvard Business School is that our graduates provide leadership in all walks of life.

**In the world** reflects our understanding of a rapidly changing, dynamic environment, and the fact that many of the world’s most challenging issues will require a global perspective. Moreover, it involves embracing the view that the world desperately needs more leaders to address its most urgent and challenging problems, and that virtually none of these problems can be addressed without business leaders playing a vital role.

And, of course, the first component of the mission is **educating**, which we do in many ways—through our educational programs, through the ideas our faculty produce and disseminate, and through the influence we achieve by being close to leaders of all types, and of organizations all across the world. Here, I would encourage us to recognize that the impact of what we do extends far beyond the people who come to our campus. Although we can touch only a few thousand directly each year, we can indirectly influence many more by remaining the most trusted and admired leader in business education.

Against this backdrop—of listening, of thinking about an inflection point, of reflecting on the School’s mission, of refining my own sense of what is possible for our institution—a set of priorities for Harvard Business School has taken shape.

# Emerging Priorities

The first priority is innovation in our educational programs, starting with our MBA program. The MBA is our crown jewel; it symbolizes what is precious and distinctive at Harvard Business School, it has influenced generations of leaders around the world, and it is a model for other schools on a wide range of dimensions, whether it be the quality of our teaching or the engagement of our students.

At the same time, we must face up to significant challenges. As the opportunity cost for completing an MBA program increases, the perceived value of doing the program decreases. We know that many companies no longer insist that their best young leaders come to us as part of their development; some in fact work hard to discourage them from doing so. Student engagement in the classroom is at risk of declining, even if less quickly than at other schools. Alternative programs, especially one-year and part-time programs, are rapidly multiplying, and demand for them is growing. Moreover, in the world more broadly, there is growing concern that students who come to MBA programs, including HBS's, value the credential they get and the connections they build more than the opportunity to develop their competence and character. A number of schools—including our peers—have engaged in MBA reform, so that by comparison, despite our commitment to continuous improvement, some perceive HBS as being too conservative about innovation and change.

These concerns about the MBA present us with a great opportunity: people are looking for HBS to lead the way forward. Thankfully, several faculty members have completed major research projects on the state of management education and opportunities for reform. Our faculty (and students) also have piloted many curricular experiments, from international immersion projects to new courses that engage students in novel ways. Building on these ideas, we are well prepared to launch an innovative architecture and platform for our MBA program—in effect, to creatively reconfigure and synthesize the pieces in a relevant and compelling new way. While much work remains to be done, our early thinking points to a model that significantly strengthens the development of field learning, or practice-centered opportunities for our students. We hope we can create a “field method” that will become a powerful complement to the “case method” for which we are so well known. What both these methods share is a commitment to pedagogy that is engaging, participant-centered, and focused on real problems in management practice. The case method cultivates learning and judgment by encouraging students to think of what they would do in the managerial situations presented in our cases. The field method, we feel, will address what has been called the knowing-doing gap,

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by giving students opportunities to practice what they would actually do in various managerial situations that might range from launching a new product in an emerging market to starting a new business. Together, we feel these methods will do an even better job of developing leaders who understand the principles of management, are able to translate them into practice, and do so with a deeper sense of personal and professional purpose.

An early focus on the MBA program doesn't mean we won't look for opportunities to innovate in either our Doctoral or Executive Education programs. Even today, we find that ideas developed in one program often find their way into the others; Executive Education programs, in particular, given their relative smaller size and shorter duration, provide an outstanding laboratory for experimentation. Indeed, we have always been pioneers in executive education and our continuing innovations have enabled us to sustain modest growth in this arena, even in a difficult economic environment. My ultimate hope is that some of the innovations we launch in each of these programs find their way into the other curricula, and create the possibility for a powerful step change in all these programs. Harvard Business School's reputation as a leader

in business education rests in important ways on creating powerful pedagogical innovations that have been adopted by educators throughout the world.

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## The second priority is a recommitment to our intellectual ambition.

At Harvard Business School, we have, since our founding, been committed to pursuing ideas that have power in practice. In fact, this commitment—to developing ideas with impact not just in academia, but also in practice and in policy—is a vital part of our identity and DNA.

The results of this approach are extraordinary by any measure: whether it has been the launch of entire new fields of inquiry, such as strategy and organizational behavior, or the creation of a new way of thinking about enduring problems, such as new product development or disruptive innovation, or the development of powerful tools like the capital asset pricing model or the balanced scorecard, or outstanding work that redefines a field, such as business history and entrepreneurship, the Harvard Business School faculty has had a disproportionate share of the most important ideas in management over the last one hundred years.

The difficult problems facing the world today—whether healthcare, energy and environmental sustainability, global poverty and inclusive economic growth, or building a more robust financial system—all, by their very nature, offer new opportunities for the School to demonstrate the importance of an intellectual tradition that is committed to addressing major business challenges and opportunities. And, while no doubt our faculty will continue to develop great ideas individually, where I see particular promise for the School is situations where combinations of faculty—within Harvard Business School or across Harvard University—come together to collaboratively tackle an ambitious intellectual agenda.

To the extent we can create mechanisms to foster these connections and make cross-faculty endeavors even more successful, we plan to do so. We have a number of initiatives underway, including in healthcare and social enterprise, that have demonstrated the value of harnessing faculty, student, and alumni energy on these key topics. We are supporting fledgling efforts in business and the environment, networked businesses, and the modern financial system, among others, where we are seeing clusters of faculty from a range of disciplinary backgrounds bringing creative thinking to contemporary management challenges. The work of the faculty should be nothing less than inspired, and we must enable them to bring their best and most innovative ideas to fruition.



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A third priority is **internationalization**, a topic that continues to come up with remarkable frequency in any conversation. If we assume that innovative practices are often the basis for the formulation of new ideas in a field like management, today, in this Global Century, we must recognize that management ingenuity is found all around the world.

And once we do that, we also have to go back and test many of our long-held beliefs: Are the principles we have developed based on practices in any one country universally true when they are brought to bear in other countries? Are the models of leadership to which we've become accustomed equally valid in a global context? How do we become more sensitive to the idea of local contingency?

Our strategy is to leverage Harvard Business School's scale and size not by greatly expanding our physical footprint, but by expanding our larger intellectual footprint. We will never be more knowledgeable about Chinese business practice than a faculty member at Tsinghua University, for example. But we can be credibly knowledgeable about Chinese business practice *and* American business practice *and* European business practice *and* Latin American business practice, and we can bring that knowledge to bear in each of these locations, as well as in the United States. Our plan is to prudently develop the regional centers my predecessors were so perspicacious in starting, so as to facilitate the research and teaching activities that will enable us to form important relationships and develop and test new ideas across the globe. Ultimately, we'll bring that knowledge back to HBS, and we'll seek to provide an experience for our students and participants that is unmatched in its global breadth of analysis and understanding.

It's worth noting here, too, that another important element of our global agenda is our reach. As you are well aware, Harvard is an almost mythical name in many parts of the world, including in emerging economies where the demand for management education is growing at an astounding rate. While Harvard Business School probably can't satisfy that demand directly, I am intrigued by opportunities to support individuals and institutions as they develop their capacity for teaching business leadership. Three good examples that are underway already include our Publishing organization, through which cases and *Harvard Business Review* (and many other intellectual materials) are distributed, our Global Colloquium on Participant-Centered Learning, which helps train faculty from business schools around the world on teaching by the case method, and the Microeconomics of Competitiveness course, which connects students and faculty globally in a common curriculum. The second order impact of activities like these, in terms of the numbers of people we touch, can be quite astonishing, and I'd like to find more opportunities of this type that we might pursue.

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**The fourth priority is inclusion.** While the demographic mix of Harvard Business School typically has reflected larger societal trends, we have always wanted to be welcoming of the best talent (students, faculty, and staff) that is passionate about the mission of the School. Once people come here, we want them to feel as though they can do their best work, and once they leave, we want them to feel inspired to do better yet.

This is not unique to HBS; rather, it is what great universities do, and I know it to be true, because it was this promise that caused me to leave my country more than two decades ago for graduate education in the United States.

We must ensure that our aspiration fully matches reality. Today, there are members of our community who wish the School would do more to enable them to flourish, including some women and international students and faculty. At an individual level, of course, no one at HBS feels that such an environment is or should be acceptable. And indeed, a true sense of community is something that most people at HBS prize; we recognize that we depend on one another for our success and well-being. Our challenge, therefore, is to work collectively to make positive changes, and to create a culture that lives up to its ideals. Our diversity is one of our greatest strengths and we must learn to thrive on it, whatever its form—whether demography, intellectual style, or some other dimension. Everyone needs to find a home here.

Since we need to start somewhere, I have launched an initiative that will focus initially on the challenges facing women at the School. The first phase will engage an external project team that has been asked to carry out both quantitative and qualitative research. While this analysis will take some time, as will developing recommended action items, we also are exploring steps we might take sooner. It already is clear that the conversations, and the changes that result, will have a meaningful impact on our community.

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**The fifth priority is integration.** Here, it is interesting to note that when Harvard Business School was founded, and when the time came to create a campus for its expanding activities, the then-presidents and deans mutually agreed on the importance of the School establishing its own distinctive identity. The space that was created, both literally and figuratively, to enable that identity to develop has become part of our culture, and for many years it has served us well.

The danger arises when “room to grow” perpetuates the perception of isolation. Interestingly, HBS is far more engaged with the rest of Harvard University than most might imagine. We have a number of joint faculty appointments, primarily with the Kennedy and Law Schools, as well as dozens of less formal faculty engagements at the Medical School, Education School, and Faculty of Arts and Sciences, among others. Hundreds of MBA students cross-register at Harvard, and many more hundreds from other parts of Harvard cross-register at HBS. We have joint masters programs with the Kennedy School (MBA/MPP and MBA/MPA-ID), the Law School (JD/MBA), the Medical School (MD/MBA), and the School of Dental Medicine (DMD/MBA). The joint PhD programs we offer necessitate that we work closely with the Graduate School of Arts and Sciences. And the joint courses we offer—for example, Consumer Finance and Commercializing Science—are remarkable exercises in collaboration at the edges of two (or more) disciplines and some of the most fertile areas of experimentation, as well as highly popular with our students.

Looking ahead, Harvard Business School needs to find more opportunities for integration. This will mean breaking down logistical barriers, including things like continuing scheduling misalignments.

More fundamentally, it will mean fostering a culture that is capable of more powerful connections. Collaborations like the Harvard Center Shanghai are one way of doing this, as is the proposal for the Harvard Innovation Lab. HBS can be a catalyst for innovation and entrepreneurship across the University. Even within HBS we know there is more shared work we should encourage among the faculty, and thus we have launched new integrative research initiatives. Ultimately, as I learned a long time ago, the most effective organizations are simultaneously differentiated and integrated. To the extent that we at HBS can preserve our unique differentiated identity while building better integrative bridges with the rest of Harvard, we can better realize this great University’s potential of being more than the sum of our individual parts.

# Concluding ideas

While an easy shorthand is to call these five areas “the dean’s priorities,” I want to stress that I really view them as our priorities; they arise from and are driven by your commitment to the School and our collective sense of the areas where we think we can—indeed, must—make a difference in the world.

Ultimately, we must set our sights high. The world expects more of Harvard Business School, and we are uniquely capable of delivering on that promise. We can develop ideas that will shape fields of inquiry, how other scholars think, how educators teach, how managers frame problems, and how policymakers develop agendas for change. We can be a School that represents the world’s best thinking, and as a result, attracts the world’s best people to come and do their best work. We can set a new standard for management education and reaffirm our commitment to educating leaders who create value for society. This is my hope, and it is to this endeavor that I will devote my energies.