THE Exchange

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Haas School of Business: Building Innovative Leaders

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The face of business schools is changing and I believe it has to. Just ask people on the street whether they think business schools have been breeding grounds for overconfidence and self-focus; many would answer with a resounding, "Yes." Is this more perception than reality? In some cases, yes, but many people are still convinced that business school education is an underlying symptom of what's wrong with business—and worse, that it somehow led to the global financial crisis. Business schools are certainly not entirely to blame, but we must view this issue as worthy of our attention.

Perhaps even more importantly, the future is demanding different business leadership because management challenges of the 21st century are and will be different from those of the 20th century. My own children will be around in 2080 and when I look at the world they will live in, what comes to mind is the word, "unsustainabilities". I define this term as commercial paths we are on where a straight-line continuation is not going to work—where a straight line will hit a wall certainly in my children's lifetimes, if not my own. There are many examples of such unsustainabilities: health-care expenditure, energy use, public education, the economics of aging, carbon, global access to safe water, and so on. These linear paths and others need bending and the real bending will be the work of business. We need more people who can bend them, not just CEOs, but people working at every level in all kinds of organizations. In essence, we need path-bending leaders; we need innovative leaders.

The perception of business schools, combined with these unsustainabilities, provide both an opportunity and a responsibility. If business schools act now, we have an opportunity to lead. It's like the distinction between "adaptation" and "innovation": adaptive systems—like natural selection—respond to external changes, but do not anticipate them. Innovating is about anticipation. We can see this coming.

If business schools are going to deliver into both the opportunity and the responsibility, we will have to make changes in many areas. Importantly, each business school will need to find its own path to develop the next generation of innovative leaders. We at Berkeley-Haas are in the process of aiming to attract, develop, and deliver even more of these innovative leaders through our three MBA programs: Full Time (250 students per class in a 21-month program), Evening & Weekend (250 per class in a three-year program), and Executive (70 per class in an 18-month program, joint with Columbia). In basic form, we are moving from: 1) an implicit culture to an explicit culture; 2) a coordinated curriculum to a capabilities-integrated curriculum, and 3) multiple, independent experiential learning programs to an integrated experiential learning curriculum.

The Exchange is a series of papers on contemporary topics relevant to curricular innovation in MBA education, based on the work of the MBA Roundtable. The MBA Roundtable is a collaborative, nonprofit association that facilitates the exchange of information and resources on MBA curricular content and delivery.

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WHAT'S DIFFERENT HERE?	
FROM	**TO**
Implicit culture	Explicit culture
Coordinated curriculum	Capabilities-integrated curriculum
Independent experiential programs	Integrated experiential curriculum

Culture: For the first time in our history we have articulated a set of four Defining Principles: question the status quo, confidence without attitude, students always, and beyond yourself. These are now embedded in all of our processes, including admissions, hiring, orientation, teaching, and events.

Capabilities: We have identified a set of 10 capabilities, all rooted in the social sciences and highly valued in the marketplace, that provide a "competency model" for innovative leadership. These include problem framing, experimentation, and influence without authority, amongst others.

Experiential Learning: Our new innovation-related course called *Problem Finding Problem Solving* is a required set-up for our array of programs for experiential learning. It provides backbone content to all. The individual programs are now more coordinated as well.

We are still knee-deep in change, but we've come a long way already. Beginning in the fall of 2008, we embarked on a path of change. We spent 18 months talking to students, alumni, recruiters, and faculty and in February 2010, we unveiled our new strategic plan, which centers on the school's mission of developing path-bending innovative leaders—the kind of leaders who build enterprises powered in every business area by new ideas put into action. The Haas School of Business has always been strong at producing this kind of leader, and we are determined to get even better at it. And the fact that this Haas Strategic Plan was unanimously voted into effect by the Haas faculty is a testament to the need for change and the trust we forged together.

Once we codified our culture, we added the right core, elective, and experiential curriculum to deliver leaders who create the future. We did this and continue to do so in a uniquely Haas way based on our solid foundation of place, people, and culture.

From An Implicit Culture to An Explicit Culture

Our Foundation: What Makes Haas Unique

We started the strategic planning process by holding discussions with various constituents of the Berkeley-Haas community, including faculty, students, and alumni because Berkeley has a tradition of shared governance and we wanted to make sure we included many different perspectives.

During the early stages, we launched the "campaign and strategy working group" composed mostly of faculty members and a few senior staff. We used the word "campaign" deliberately to stoke a sense of urgency. The way we communicated internally was that as a business school, we have capital campaigns once a decade and we go into these capital campaigns with one narrative that spans that entire period. We felt that this was our time to construct that one narrative that would make people want to invest in our future. We needed to take a stand on something important so that we could develop a shared mission and a sense of a destination that inspires people.

That's how the process began, but our goals became much bigger as time went on.

But before we could develop that narrative, we wanted to evaluate what we already had. We started by taking a stand on the cultural principles that are distinctively ours. We felt that we needed to codify the essential elements of our existing culture, rather than to create some ideal and then say, "Okay, let's go for it" because that would feel empty to people. The notion of codifying what is already here is part of finding, rather than creating, our voice. This is the first change discussed above—moving from an implicit culture to an explicit one.

What we identified during this process was that the things that make us who we are stem from three things, "Place, People, and Culture." *Place* includes being part of Berkeley—its tradition of intellectual excellence is deep in the Haas School's DNA. This means we are and will remain a world-class research institution, in which our faculty continues to generate new knowledge and ideas. We are also part of the globally recognized brand that is Berkeley—a combination of scholarly excellence, cross-campus connectivity, and dedication to society's deepest issues. Place also includes our valuable location in the San Francisco Bay Area—a business ecosystem of innovation and entrepreneurship that is the envy of the world. This fundamentally shapes the way we think and act at Haas. It contributes to a prevailing spirit of innovation on campus. And we have worked hard to leverage these location advantages in our teaching and research.

In terms of *people*, Haas has always been a good fit for individuals who have strong leadership potential and who excel in putting fresh ideas to work in their organizations. This combination of skills is what we have been calling *Leading Through Innovation*. It has been happening here naturally for many years. We see many of our alumni whose careers embody this approach to leadership.

We also have a highly differentiating *culture* at Haas. Some of the elements that stand out include the fact that Berkeley-Haas people tend to question the status quo. Students here possess confidence, but without attitude. This is something we hear all the time from corporate recruiters; it's important to why firms keep coming back. And our graduates tend to commit themselves to larger causes that have a positive impact on the world.

Codifying Our Culture: Four Defining Principles

Once we identified aspects of our unique Haas culture, we decided to consciously use the school's culture to shape our MBA students as they develop into innovative leaders. To start that process, we articulated our culture in four principles that sharply define us:

Question the Status Quo: We lead by championing bold ideas, taking intelligent risks, and accepting sensible failures. This means speaking our minds even when it challenges convention. We thrive at the world's epicenter of innovation.

Confidence without Attitude: We make decisions based on evidence and analysis, giving us the confidence to act without arrogance. We lead through trust and collaboration.

Students Always: We are a community designed for curiosity and lifelong pursuit of personal and intellectual growth. This is not a place for those who feel they have learned all they need to learn.

Beyond Yourself: We shape our world by leading ethically and responsibly. As stewards of our enterprises, we take the longer view in our decisions and actions. This often means putting larger interests above our own.

These four defining principles are now used throughout our admission processes, as well as integrated into orientation and the curriculum in various ways. These principles have always been the Haas heartbeat, but we have never articulated them until recently, and have never used them so deliberately to shape our students and graduates. Great firms such as General Electric, McKinsey, and Southwest Airlines have strong cultures and values and encourage their employees to use them as guides to be successful. We want to use our unique culture and values in the same way—to encourage and develop the attitudes and behaviors of innovative leaders in our students. These principles are aspirational too—our students and community can continue to reach towards them.

In terms of the process, we originally had many candidates for our defining principles, but we really wanted to limit the number so that we could "go for it". We felt that if we had too many on the list, nothing would really cut through. We also wanted our principles to avoid the same core values or cultural words that are on a lot of office walls—words and phrases such as "integrity" and "respect." We knew that we needed to find words that reflected our own voice and would speak to us and hopefully to those externally as well.

This is not to say that our university's core values such as access, excellence, and inclusion are not important to Haas too. We used the phrase "defining principles" instead of "core values" because we wanted to identify principles that really set us apart and nail our uniqueness. Although our principles seem simple, coming up with them and the text describing those principles was time consuming and challenging because we tweaked the language a lot to get the message just right.

Specifically, the phrase, "Confidence without attitude" was recommended by recruiters and we felt strongly about that defining principle right away. It also lines up well with research on leaders and the importance of humility, for example, in the book *Good to Great* by Jim Collins. The phrase, "Students always" was not one that we had thought of initially, but we received so much positive feedback on that phrase that we adopted it.

We were also challenged in determining the "right" number of defining principles. A respected member of our Board felt that four defining principles was one or two too many, but we felt that we couldn't reduce the number further without compromising too much. Another challenge was going beyond simply articulating the principles. We wanted to identify behaviors or guidelines that were specific so students could apply them to their lives. These are not prescriptive, but are guideposts to help students find relevance and make judgment calls. We chose to lead off with "Question the status quo" to continually remind ourselves that a powerful culture need not create empty uniformity and can serve to cultivate ongoing creativity.

Once we codified our culture, we set out to embed our defining principles in everything we do—admissions, orientation, curriculum, career services, and alumni relations within both our Full-Time MBA Program and our Evening & Weekend MBA Program. In fact the culture part of our strategy and its four defining principles have been introduced school-wide from the undergraduate business program to the MBA program to the faculty and to the staff as well. As the dean of the school, this includes me as well: part of implementation is submitting myself to a 360-degree evaluation of how my own behavior accords with our defining principles, with follow-on communication to our community about ways I aim to improve. Because this is still an ongoing process, I will discuss some initial admissions efforts and orientation briefly here.

We are working with admissions to identify innovative leaders. Clearly we can't guarantee that everyone from our school will behave with high standards in every case. But selecting people who resonate with our values and culture in the first place, and then emphasizing these ideas every day when they are here will help produce graduates with innovative leadership qualities and skills.

One specific example of practical change is that our letter of recommendation in the application package specifically asks whether the applicant displays confidence without attitude, and to show us how. We added this question in 2009.

We are also in the process of increasing the dialog between admissions and people like Sara Beckman, who teaches our new Problem Finding Problem Solving course, to understand the differences between "divergent" thinkers and "convergent" thinkers. Most MBA students are what we call "convergent" thinkers who can get things done and solve well-defined problems. We are in the midst of having informal discussions around admitting more "divergent" thinkers—people with wider-angle views on bigger problems and issues. A lot of CEOs tell us that they have lots of solvers of well-defined problems, but not enough people who can frame the big questions and opportunities.

In terms of MBA orientation, we embedded our defining principles in the orientation process in the fall of 2010. Once students arrive on campus, they are introduced to the innovative leader framework and capabilities, which I'll discuss further below. They gain an introduction to innovation processes and the importance of more flexible ("meta-cognitive") models for approaching problems and generating solutions. Students are also introduced to our Team Performance Model, which drives the performance of teams in the experiential learning programs.

Redefining the Business Graduate: From a Coordinated Curriculum to a Capabilities-Integrated Curriculum

Ten Capabilities of Innovative Leaders

After taking a stand on the cultural principles that are distinctively ours, we launched our best effort to "redefine" the business graduate (our other two strategic focuses are realizing our intellectual future and transforming our Haas campus, both of which are beyond the scope of our discussion here). The main strategic initiative related to redefining the business graduate is called Berkeley Innovative Leader Development (BILD), a curriculum and set of organizing themes to develop innovative leaders by delivering the specific knowledge and skills needed.

During our process of mapping innovative leadership in a systematic way through BILD, we methodically and painstakingly identified 10 key capabilities that define the innovative leader—together these will impart the knowledge and skills to be successful in the 21st century. We took a stand on these capabilities because we do not want to say simply that we are producing leaders. We want to be specific and identify the archetype leader that Haas is positioned to attract and deliver, and make a case for why this is the right type of leader for society in the future.

These capabilities include skills around defining opportunities, such as problem framing and experimentation; around making choices, such as risk selection; and around building organizational capacity, such as influencing people and managing conflict.

Defining Opportunities

1. Problem Framing: The trend in the business world is toward solving business problems with more discipline "upstream" at the problem-finding and problem-framing stages. Discipline includes structured observation, boiling down to core issues, and "meta cognition"—the ability to deliberately move among systems thinking, critical thinking, design thinking, and other paradigms, to uncover new solutions. Curricular extensions include structured observation, recognizing implicit assumptions, and understanding systems-level interactions.

2. Opportunity Recognition: The trend is toward new methods for recognizing business opportunities and how to approach them. One example is open innovation—ideas need not come from inside the organization to be implemented internally, and internally sourced ideas need not be implemented internally to be monetized. Another is opportunities that arise out of shifting an industry ecosystem (e.g., the iPod). Curricular extensions include recognizing opportunities in services bundling, open innovation, and opportunities from corporate responsibility.

3. Experimentation: The trend is toward testing new business ideas with cost-effective experimentation, versus traditional planning. This supports sound decision-making in the world's rapidly evolving business environments. Curricular extensions include experimental design, the value of information, and real options.

Making Choices

4. Revenue Model Innovation: The trend is toward greater disruption of revenue models, with new entrants often getting paid differently from incumbents. Established organizations have to think in new ways about where ultimate sources of value lie. Includes trends towards advertising-based revenues, data-generation-based revenues, and new pricing models. Curricular extensions include the role of aligning complementary players in an industry, pricing, growth strategy, and open business models.

5. Valuation of Ideas: The trend is toward understanding that the engine of economic value is new ideas and their implementation. Many good ideas do not represent good businesses however. And early-stage ideas are often not sufficiently refined to warrant capital budgeting analysis. Still, ideas need structure and process to be generated; they need to be winnowed, combined, and selected; and they need a path to execution. Curricular extensions include the value of information, managerial innovation, and distributed sourcing of information.

6. Risk Selection: The trend is toward more disciplined approaches to business risk selection. From finance we know to invest whenever net present value is greater than zero. At the level of firm strategy, however, investment decisions are often mutually exclusive and are typically dependent on judgments that are harder to quantify (e.g., market entry or changing industry standards). At the same time, the greatest market value is often created from these high-level business decisions. Curricular extensions include real options, choosing among alternative proposals, capital budgeting for strategy, and decision-making under unknown probabilities.

Building Organizational Capacity

7. Influence Without Authority: The trend is toward flatter organizations and distributed authority, with less reliance on command and control, particularly given demographic shifting toward millennials. This capability includes meaning-making (showing how people's efforts translate into larger results that matter), effective feedback and coaching, and leading organizational change. Curricular extensions include leading change through social networks, building alignment inside and outside of the organization, and links between influencing and problem framing.

8. Managing Ambiguity/Conflict: The trend is toward more fluid organizational boundaries and greater weight on stakeholders with conflicting interests. Successful leaders understand other people's perspectives and recognize assumptions that are implicit in those perspectives. They are conflict-managers and sense-makers. Curricular extensions include managing social dilemmas, alignment limitations, and segmentation.

9. Team Creativity: The trend is toward organizing work in highly interdependent teams. Results are driven by increasingly disciplined approaches to managing attendant costs and benefits. Creative solutions require careful attention to team design, methods, and norms that encourage fresh thinking. Curricular extensions include diversity and innovation, integrated and self-reinforcing processes, and the Haas Team Performance Model.

10. Adaptive Governance: The trend is toward transparency in decision-making, while maintaining flexibility over time in organizational structure and decision rights. Governance is used broadly here to mean the set of methods enabling the organization to do its work. This includes empowering the discretion of managers to capture evolving opportunities. Curricular extensions include vertical relationships and firm boundaries, organizing for innovation, and measuring change.

For a business school like ours to reach consensus on capabilities, we needed them to meet two criteria: 1) they needed to be grounded in the social sciences and research-based; and 2) they needed to be demanded by recruiters and others in the marketplace.

On the first criterion, we worked closely with our core curriculum faculty to make sure they were involved in identifying these capabilities so they would be comfortable with the process and the list. Working closely with and communicating with faculty was important because if they thought our capabilities were simply a fad or extracted out of some top 10 bestseller book, then they would not agree to it.

Specifically, I spent perhaps twenty percent of my time working with a few faculty members for three to six months, including Professor Michael Katz, professor of strategy and director of our Institute of Business Innovation, and we read each core course syllabus, with the idea of "projecting" the notion of the innovative leader onto each existing syllabus. We then met with core course faculty members to discuss the contact points in their courses where we could see the innovative leadership capabilities integrated. And while working with the faculty, we came up with a list that was strongly grounded in research, for example, in areas like experimental design, links between influencing and problem framing, and pre-conditions for creativity in teams.

Faculty members were excited to talk with us on their turf—the interactions were powerful and creative. We conducted these one-on-one meetings and thus built buy-in from the bottom up. From those conversations, the leadership team began building candidate lists of capabilities and iterated a few times in order to distill the capabilities to elements our faculty were responding to most.

On the second criterion, that our capabilities needed to be demanded by recruiters or by others in the marketplace, we worked with recruiters to get feedback on what kind of toolkits and capabilities they most value. Firms had to tell us that our capabilities were in fact those for which they were interviewing. Eventually, we reduced the list of capabilities to 10 and we shopped it around to faculty and received more input until we began to feel like we had the right list.

I want to emphasize that this list is not just linking and labeling; it's not just marketing. We are actually changing these things in our classes and the changes will grow over time. The metaphor I use is that of rock candy. We've all dissolved sugar in water. Nothing happens until the stick goes in. The crystals gradually form around the stick. We just put ten sticks in our curriculum.

Once we had the final list, we sent a set of notes along with the list of capabilities to all faculty members because we wanted to give them some sense of the process that was behind the genesis of the list, especially if they hadn't worked directly on the core curriculum team. This was an important step for building support for subsequent in-class changes. Going forward, every MBA instructor now receives a personal email from me just prior to teaching each semester reminding them of the 10 capabilities and how other courses are connecting to them. We schedule some in-person meetings with key core faculty each semester to further reinforce the commitment.

Revamped MBA Core with Respect to the Ten Capabilities

Our team and the faculty spent about five months looking creatively at how our Haas MBA core curriculum could be renewed with respect to the capabilities of the innovative leader, culminating in a unanimous vote of support in May 2009 for our strategic plan and for the first phase of improvements and new initiatives. We implemented these curricular changes in the fall of 2010 in the Full-time MBA program and Evening & Weekend MBA programs. We are introducing elements of this plan to all of our graduate and undergraduate academic programs over time.

The Haas MBA Program is anchored by 12 required, rigorous, and integrated courses that promote a general management perspective and provide a framework for the more function-specific courses that follow. These courses comprise 40 percent of the overall curriculum. The first year of the program is divided into four quarters. Both the fall and the spring semesters contain two separate groups of courses, A and B.

Our core course names mostly look the same and remain anchored in hard skills such as finance, marketing, and accounting because we all know that innovative leaders still need to know these core subjects well. But of the 12 core courses, one is entirely new and two more have been restructured significantly (those in bold text below).

- Data and Decisions
- Economics for Business Decision Making (Microeconomics)
- **Leading People**
- **Problem Finding Problem Solving**
- Financial Accounting
- Introduction to Finance
- Marketing Management
- **Leadership Communication**
- Operations Management
- Macroeconomics in the Global Economy
- Strategic Leadership
- Ethics and Responsibility in Business

First, the course, Problem Finding Problem Solving, is new. Faculty member Sara Beckman designed this one-unit course. The course teaches students several different modes of thinking in order to find and frame difficult problems that are characterized by complexity, uncertainty, volatility, and ambiguity—"wicked problems" that defy easy solutions such as managing climate change or alleviating global poverty. The course is less about models, and more about process. Students learn how they can think problems through by understanding the situation and framing problems in new ways that might alter how they generate and evaluate solutions.

The course grew out of a long lineage of previous courses that embed design into the MBA curriculum at Haas. The new course integrates many versions of problem solving processes including design processes, new product development processes, as well as quality improvement processes. We present students with a problem-solving process of five steps that stem from this research: 1) Understand, 2) Observe, 3) Synthesize, 4) Realize, and 5) Experiment. Although much of the material in the course is grounded in academic literature, the focus is on providing a hands-on and practical experience with a design process. We use *Business Model Generation* by Alexander Osterwalder and Yves Pigneur as an important component, augmented by a "Toolkit" of methods synthesized here at Berkeley-Haas.

The second change is a restructuring of the course, Leading People. Although we did teach it last year (2009), it is essentially a new course that focuses on additional innovative leader skills. Some of the material is from our former Introduction to Organizational Behavior course. We chose to slot Leading People at the beginning of the core curriculum (instead of in the second term where it was in 2009) to frame the program around leadership. Moving it to the beginning and requiring the course demonstrated our commitment to leadership development.

The third change is a reinvention of our one-credit Leadership Communication course. We changed the course from a focus on speaking skills to a broader set of influence skills such as the ability to influence without authority. This course emphasizes that influencing without authority requires: 1) Quality of message—people are influenced by strong ideas, arranged in a logical, clear, and compelling narrative; 2) Quality of messenger—an audience is constantly scanning for authenticity and character, and these are qualities that lead to trust and influence; and 3) Quality of form or skill with the *tools* of communication—the verbal and physical expressive capabilities that deliver the message with proper impact.

In addition to the three courses, as part of BILD, all core courses have been reviewed in depth to call out existing content or to add new content that emphasizes the 10 innovative-leader capabilities. For example, in Microeconomics, lectures on monopoly power, price discrimination, and game theory closely connect to the capabilities. Specifically, in the class on monopoly power, the first six capabilities (relating to defining opportunities and making choices) are integrated, while the other four capabilities are integrated into the game theory component of the course. The importance of *framing* a decision faced by a business with market power using microeconomic tools is emphasized in order to uncover the tradeoffs and thus *recognize the opportunities*. And since generally the location of a demand curve is not known, there is a role for optimal *experimentation* (to get a sense of the demand elasticity).

From Independent Experiential Learning Programs to An Integrated One

The final component of our "From-To" framework is that Berkeley-Haas is moving from a set of independent experiential learning programs to an integrated experiential learning curriculum. One can talk about innovative leadership at the 10,000-foot level for only so long—it is essential that students graduate knowing how to put these skills into practice.

As part of our curricular changes, all MBA students are now required to take at least one cutting-edge experiential learning course that prepares them to solve business and organizational problems and emphasizes innovative leader skills. We think of these as real-world laboratories. Even though 80 percent of our students were already taking at least one such course, we wanted to emphasize the importance of experiential learning by making it a formal requirement. These experiential learning courses are a finishing component to the core MBA curriculum—a structured process for actually delivering innovation into organizations. These experiential courses emphasize general management and BILD to include strong leadership components. The experiential course requirement is taken in conjunction with a problem-solving and teamwork module (see below), designed to make the experience as meaningful as possible.

Students may choose from a list of opportunities that includes already-existing programs such as our popular applied corporate-innovation program called Haas@Work or Cleantech-to-Market, which we developed with the Lawrence Berkeley National Lab and other campus departments to commercialize new science in the alternative energy area. All the experiential course projects focus on a real client and have an innovation application.

Students can choose one or more from nine experiential learning programs:

- **Haas@Work:** Haas@Work sends teams of Berkeley MBA students to work with top executives at major firms, such as Visa, Virgin America, Cisco, Disney, Panasonic, Clorox, and Wells Fargo. Students research and develop solutions for a major competitive opportunity identified by the firm. The best ideas are then selected for student implementation by the firm's executives.

• **Cleantech-to-Market:** Cross-disciplinary student teams (including business, engineering, molecular biology, law and public policy, for example) work with scientists at Lawrence Berkeley National Laboratory and other UC Berkeley departments to evaluate the commercial viability of new technologies.

• **International Business Development:** International Business Development (IBD) arranges projects with a variety of for-profit and nonprofit clients. Students work in small teams with clients throughout the spring semester and then for three weeks each summer in various countries. Recent examples include Finland, Cambodia, Zambia, and Indonesia.

• **Managing New Product Development:** Students develop a product or service from idea through first-pass prototype in a cross-disciplinary team. This course is fully joint with Berkeley's terrific College of Engineering. Teams are typically half MBA students and half doctoral students in Engineering.

• **Social Sector Solutions:** This innovative course partners with the consulting firm McKinsey & Co. to engage in major consulting projects for nonprofit organizations. Students work with senior leaders of the organizations and McKinsey consultants in offering plans, creative ideas, and solutions. The course is co-taught by Nora Silver, Director of the Center for Nonprofit and Public Leadership, and Paul Jansen, McKinsey & Company Director of the Global Philanthropy Practice.

• **Strategic Corporate Social Responsibility:** Students engage with companies such as Wal-Mart to develop socially responsible business strategies that are aligned with business objectives. These projects are combined with classroom "best practice" lectures of companies who have attempted to implement socially responsible strategies while generating financial returns.

• **Entrepreneurship:** This course is focused on how to start and grow a successful high-potential enterprise. Students will select from a variety of opportunities that challenge them to come up with real business solutions and business plans for diverse companies.

• **Applied Finance:** Our three experiential opportunities in the finance area include courses in hedge fund strategies, socially responsible investing, and real estate investment analysis.

• **Team-Initiated BILD Project:** This course gives students the opportunity to work in teams on an experiential-learning endeavor of their own design.

In addition to making an experiential course mandatory, we also wanted to integrate the experiential program more tightly with the rest of the curriculum. A task force composed of staff and external consultants worked on integrating the experiential programs into the curriculum. That, coupled with our internal staff who understood and knew the individual faculty members and contexts, helped to get everyone on board. Ultimately, we wanted to preserve the unique character of each of these courses; while simultaneously coordinating and integrating them more.

Specifically, we realized that our Problem Finding Problem Solving course could serve as a front-end integrator for a lot of our downstream experiential learning courses—a kind of training program for using these real-world labs. We came to this conclusion because many businesses told us that they need business students and people who can think more effectively further upstream—identifying and framing opportunities in sharper ways than the status quo. Our experiential-learning courses now put greater emphasis on these upstream thinking skills.

As a result of our curricular change process, faculty running these experiential courses now communicate more with our core faculty and the two formerly separate areas are more integrated around the capabilities that we have identified. We have had the opportunity to clarify the role these experiential learning courses play in supporting the "stronger thinkers" developed in our core with guidance on how to apply that thinking. For example, Sara Beckman, the lead Problem Finding Problem Solving professor, meets with all the experiential-learning instructors to continue a dialogue so that principles introduced in Problem Finding Problem Solving are truly integrated into those courses. This is also a good way for Professor Beckman to get feedback and change the course based on the input she receives from those faculty. These conversations would not have happened before we embarked on the curricular change. Our experiential-learning faculty are now communicating with each other more too.

Team Performance Coaching and Training Module

Based on prior feedback from alumni that working on teams in experiential-learning courses was more challenging than in theory, we developed a new required module that is taken in tandem with the experiential-learning courses. Through this module, we are putting greater emphasis on how to be an effective member and leader of a high-performance team and to influence without authority more effectively. An innovative leader needs such skills, especially the latter. This serves as a second content integrator of our experiential learning curriculum.

The rationale for this module was to provide students additional team skills in a real-time, applied setting. We now provide students with coaching in the act of experiential learning. When the experiential-learning teams need help, the module's professional facilitators provide support in-class or outside-of-class on team issues, sharing best practices for starting up, giving feedback, and resolving difficult conflicts.

Electives

Beyond the 12 core courses and experiential-learning requirement, students may select from hundreds of electives that give them the option of studying various aspects of innovative leadership in greater depth, including popular courses such as Open Innovation taught by the founder of the field, Henry Chesbrough. The idea is that students can take what they've learned about the 10 capabilities in the core, mix it with lessons from Problem Finding Problem Solving, the experiential learning course, and the team performance module, and apply all of this to their electives within their areas of interest.

Other Initiatives Beyond the Curriculum: Leadership Development Series

To deliver the ten capabilities and build innovative leaders, we provide classroom instruction through the core and electives, applications outside the classroom through our experiential-learning curriculum, and a Leadership Development Series, which I will discuss more here.

Leadership Development Series

The Berkeley MBA Leadership Development Series is a popular suite of non-credit, hands-on workshops and seminars designed to round out the experience and knowledge gained by students in the classroom and through experiential-learning opportunities. This series ensures that students have access to a full complement of executive training options focused on three areas: self, team, and organization. Topics include how to build one's personal brand, how to lead change, and how to navigate corporate politics.

Launched in 2009, the series has included workshops on leadership led by best-selling authors Marshall Goldsmith (author of *What Got You Here Won't Get You There*) and Patrick Lencioni (author of *The Five Dysfunctions of a Team*). Such leadership development experiences are part of a new approach to our non-credit curriculum. We think that these opportunities help greatly to flesh out what students learn in the classroom.

The original idea behind the Leadership Development Series was to mirror what students might see at well-run firms in the private sector, where employees have the opportunity to take applied master classes on leadership with senior executives. At Haas, we saw a gap in our "value chain" because a lot of this leadership material did not fit into our curriculum, but there was a clear need for such training.

Implementation and Getting Buy-In

As mentioned above, when we put our curriculum redesign to a vote in May 2009, we had unanimous faculty support: fifty-four of our teaching staff approved, four abstained, and no one voted against the changes. The changes have also been well-received by our alumni and incoming students.

This is not to say that the process of achieving buy-in hasn't been without its challenges; in fact, the biggest challenge during this process of change has been related to buy-in. Part of Berkeley's charm is that Berkeley lets you be you, affording people a degree of freedom through a culture of democracy. However, when you need to align people in an environment that prides itself on democracy and independence, then there can be a steeper slope to climb because people are not naturally oriented that way. For Berkeley-Haas, getting people on the same page meant using more of a high-touch, personalized process to get people to buy into what we were thinking and that process has certainly taken more time.

That said, we were able to move quickly from our initial one-on-one discussions of what the innovative leader capabilities list might look like, to making sure people felt comfortable with them, to implementation, because we worked so hard to get intellectual buy-in initially. We were able to move from connecting the 10 capabilities to our core courses pretty rapidly because we didn't have much resistance from faculty. It was clear that we ultimately wanted a set of skills or capabilities that the faculty felt comfortable with.

And we never stop working and communicating with faculty because getting buy-in from faculty members is an ongoing process. For example, in the fall of 2010, after we launched the first core curricular changes, I sent an email to all the fall instructors in the core curriculum—the fundamental front-line players—asking for tangible examples of things that they changed or ways that they were linking to these new ideas in their classes. In response, the faculty members sent me six pages of very specific examples. One professor wrote that he had been skeptical that our approach could enhance his current teaching effectiveness, but that in truth, the capabilities are "VERY helpful" (emphasis his).

We have also provided constant feedback to faculty members on what the practical applications of our initial culture conversation are, meaning how we are implementing the culture part of our plan. We provide examples of how we are embedding our culture in everything we do such as our different letter-of-recommendation and application questions.

Measuring Performance

We are committed to measuring our new curriculum's effectiveness. The larger goal is, of course, the success of our graduates. In terms of our "From-To" framework that I introduced at the outset, on the first culture piece, we want to see changes in terms of who we are and what we do. As noted, I will myself be part of a 360-degree review relative to the defining principles. More broadly on the staff side, we have invested a lot in defining the specific behaviors that we associate with each defining principle so that we can track them more sharply in performance evaluations and by other means. Students are increasingly being asked to include the defining principles in evaluating peers as part of the regular flow of work. We are beginning to solicit input from students about which of our faculty are the strongest exemplars. Work on measuring progress against these principles is advancing on many fronts.

In terms of the second "From-To" piece, moving from a coordinated curriculum to a capabilities-integrated curriculum, we want to determine if the students are really better at experimentation, for example, as well as the other capabilities. We're in the process of partnering with various private firms to determine how to measure these 10 capabilities internally within our student body because these firms have experience measuring this kind of change in deliberate and disciplined ways. Furthermore, our executive director of BILD and the new head of our MBA Program Committee will be focused this year on performance measurement of our curricular changes. This includes behavioral change, applicability in the workplace, as well as satisfaction. Assessments will include surveying alumni as well as recruiters.

Specifically, on the curriculum, our new Problem Finding Problem Solving course was one of the biggest risks operationally because it was a new kind of course. Invariably, there are students who might feel less comfortable with the course, but overall, students seem to have responded positively so far. Students are realizing it is a toolkit that they can use throughout the rest of the courses at Haas and beyond.

On the third "From-To" piece, experiential learning, we want to determine if our new course, Problem Finding Problem Solving has been as useful to the students as we intended and whether the Toolkit was sufficiently referenced and applied throughout our curriculum and the experiential programs. Our Team Performance modules are currently happening but it is still too early to tell how effective they are. Students seem to appreciate the additional training. Our Leadership Development Series as part of BILD has been very effective, at least as measured by student satisfaction surveys.

The Future

It is a natural human tendency to say that we live in a different time, a different place in history, so we need to be careful when we make such assertions. But I think that this is one of those moments in history where the collective consciousness of so many human beings is aligned. People are looking at our planet and its ability to sustain life as we know it, and thinking that we're going to hit some walls, that we're running up against some limits—the "unsustainabilities" I discussed earlier.

At Haas we aim to develop innovative leaders who should be able to solve not only business problems in new ways, but also to help mobilize people to solve some of the large problems. We took a stand on our defining principles in the hope of being more intentional, like so many of the great firms have been. We've also focused on building a capabilities-integrated curriculum. Although there's really nothing new on the list of our 10 innovative-leader capabilities, the point is that we have taken a stand on a set of capabilities and will use them as focal points to hold ourselves responsible for delivering on those capabilities. We are getting better at delivering on those capabilities than we used to be because we are now coordinating around them. And if we deliver on those 10 capabilities, we are getting much closer to a signature leader archetype than we have ever before. Finally, we believe that our experiential-learning curriculum needs to go further upstream in that problem finding and framing is just as important as problem solving. Our experiential-learning program has to be intentional about delivering on that.

Ultimately, the mission of Haas is to "develop leaders." While this is true for us, it is also true for most other top business schools—and it is undifferentiating. It is therefore critical that we fulfill this mission in a way that is distinctively Berkeley and distinctively Haas. We have a set of deep assets that not only provide all the requisites of a top business school, but also distinguish us. This led us to the final wording of our mission: to develop leaders who redefine how we do business. These redefiners are armed with a particular culture, mindset, and skillset for determining what's next, for our markets and for our societies.

The crisis has sparked a vigorous period of introspection for business schools. We have been given a little extra latitude—by our alumni, by our students, by society—to renew, re-create, and redefine what we are, how we do it, and where we want to go. I think there is even more room for us to sharply define our narratives, school by school. It's all right if we get more differentiation among our business schools. There is no one way to do things. One of the big opportunities now and in the future is for schools to re-differentiate, to find their own heartbeat and to use it as a true north.