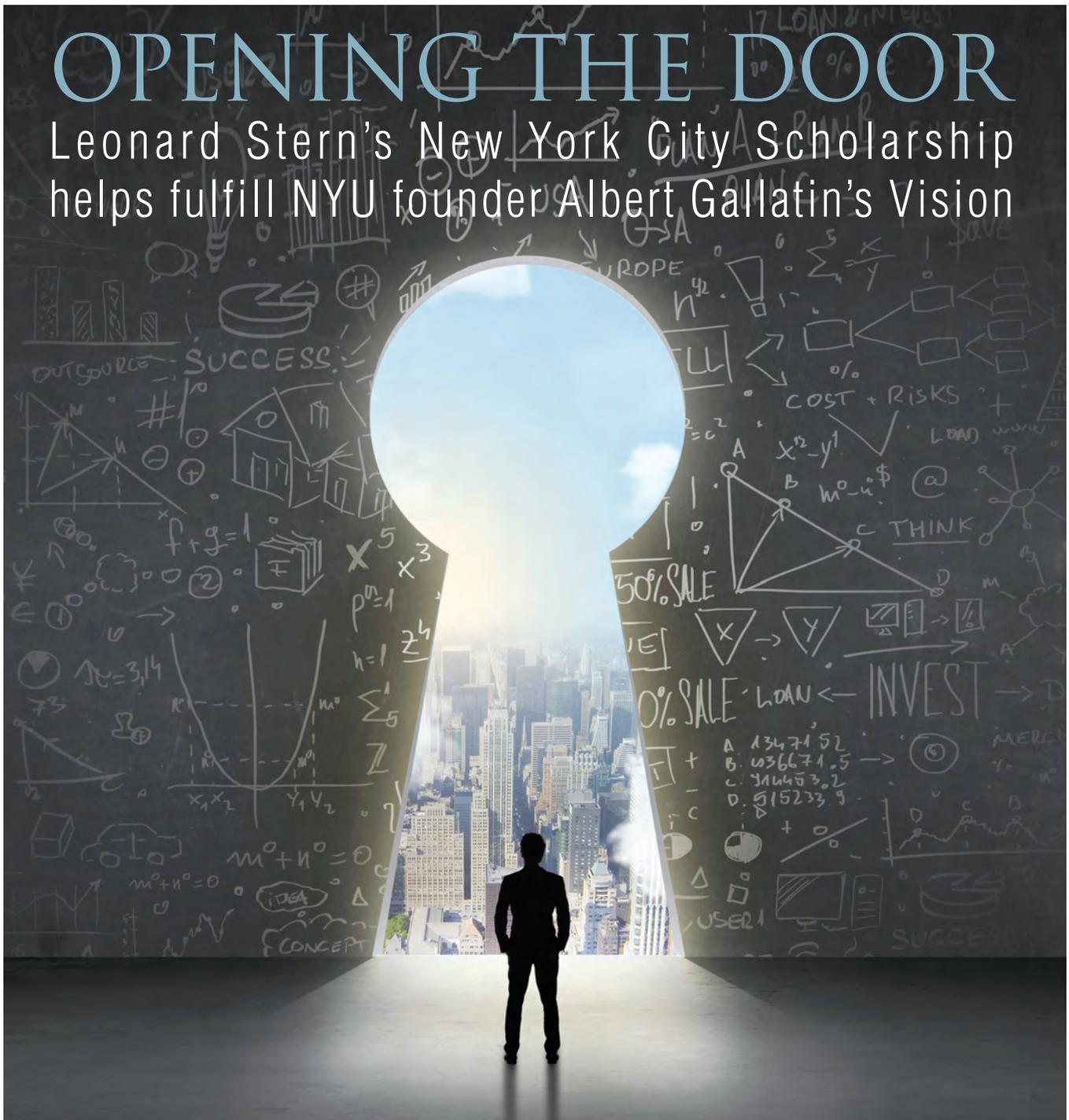


the Alumni Magazine of NYU Stern

STERN *business*

OPENING THE DOOR

Leonard Stern's New York City Scholarship helps fulfill NYU founder Albert Gallatin's Vision



Pankaj Ghemawat leads Stern's new global research center ■ JetBlue's Robin Hayes on the airline industry ■ Wall Street stars come to campus ■ John Fayerweather expanded Stern's boundaries



a letter from the

dean

NYU recently earned an important distinction, attaining first place among leading US colleges and universities ranked by the Institute of International Education (IIE) for both the number of international students hosted and the number of American students sent to study abroad. The Stern School shares proudly in this success.

At Stern we know we are at the forefront of global education, boasting our own offshore programs and unparalleled leadership when it comes to research on globalization. Through Stern initiatives such as the Urbanization Project, led by Professor Paul Romer, and the Center for Global Economy and Business, established in 2012 under the direction of Professor Kim Schoenholtz, we continue to deepen our understanding of the role of cities and countries. This year we've also expanded our research capability on the global economy into China, with the inauguration of the Volatility Institute at NYU Shanghai, which will operate in close partnership with the Volatility Institute here at Stern, directed by Nobel Laureate Professor Robert Engle.

In addition to our focus on cities and countries, as a business school we understand that corporations play a central role in driving future growth. This is why we were so pleased to welcome to our faculty this year Pankaj Ghemawat, one of the leading experts on corporate global strategy, who also directs Stern's new Center for the Globalization of Education and Management (CGEM), inaugurated this past November. Beginning on page 10, you can discover how Pankaj's research on global connectedness is upending the common wisdom about how "flat" our world is.

As important as our global outlook is, we should not forget Stern's ties to home. For many high-achieving students in New York City, a degree from Stern holds the promise of a more productive and prosperous future, yet the financial path to our door is unclear. I am deeply grateful to those of you who have already made gifts to help fund scholarships. Honoring your generosity with his own, Leonard Stern has helped create a pilot program to allow a number of talented New York City applicants to attend Stern's Undergraduate College for four fully funded years. The Leonard N. Stern New York City Scholarship initiative is introduced on page 7.

Once on campus, what do today's students experience? This fall, Stern put forward its best face with the renovated Andre J.L. Koo Lobby in the Kaufman Management Center, named for alumnus and Stern Overseer Andre Koo (MBA '94), whose generosity made possible a space that captures our commitment to

both virtual and in-person engagement. Andre, the second among three Koo generations to attend Stern, sat down with us to share his thoughts (page 6).

Of course students benefit in profound ways from their interactions with our faculty, who continue to distinguish themselves with notable research. In this issue, we sample three recent papers that highlight the human side of organizations. Lisa Leslie, Gavin Kilduff, and Becky Schaumberg each focus on various aspects of human behavior and its impact on how groups handle conflicts or promote leaders. The faculty research section begins on page 18.

Alumni and prominent business leaders are also a perpetual source of inspiration for students – and for all of us at Stern. Manuela Adl (MBA '02), who was in turn inspired by Professor Aswath Damodaran, transferred her finance skills from Wall Street to a position advising emerging economies. Mike Gupta (BS '92) will soon be finding strategic investments for Twitter (page 14). Returning to campus, NYU Trustee and Stern Overseer John Paulson (BS '78), president of Paulson & Co., and Warburg Pincus Co-CEO Joseph Landy (MBA '96) shared their views in the first in a series of "The Changing Face of Wall Street" events (page 2); the second brought back American Express President Edward Gilligan (BS '82). Finally, the Haskins Giving Society brought American Express Chairman and CEO Kenneth Chenault to Stern this spring to honor his achievements.

For all that alumni do for our School, finding ways to put them in the spotlight is a special pleasure. Stern alumni had a prominent place at Graduation in May: Bob Greifeld (MBA '87), CEO of Nasdaq, keynoted the Graduate Convocation; and Peter Morton, co-founder of Hard Rock Café and parent of Stern graduate Matthew Morton (BS '15), delivered the keynote at the Undergraduate Baccalaureate Ceremony.

As we wrap up another academic year, I want to express once more my appreciation for each one of you. Whether participating in panels and conferences, judging competitions, mentoring students, hiring graduates, or contributing to improve your School and make its tremendous opportunities available to those who merit it, your role is critical and deeply valued.

With all good wishes,

Peter Henry
Dean



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PUBLIC Offerings

CONCERN FOR A WORLD IN TRANSITION WAS A MOTIF AS THOUGHT LEADERS CONVERGED ON CAMPUS TO DISCUSS THE FUTURE OF FINANCE, CORPORATE RESPONSIBILITY AND ETHICS, AND THE GLOBAL ECONOMY



Left to right: Dean Peter Henry, William Berkley, John Paulson, Michael Corbat, Joseph Landy, and Francesco Guerrera presented a provocative program in this initial event in a series on the future of finance.

An all-star panel of financiers discussed changes on Wall Street and the rise of shadow banking

Dean Peter Henry and William R. Berkley (BS '66), chair-designate of NYU's Board of Trustees and chairman of NYU Stern's Board of Overseers, hosted "The Changing Face of Wall Street: From Universal Banks to Shadow Banks," the first installment of Stern's speaker series on the future of finance. Featured speakers to the packed auditorium last fall included **Michael L. Corbat**, CEO of Citigroup; **Joseph P. Landy** (MBA '96), co-CEO of Warburg Pincus; and **John Paulson** (BS '78), president and portfolio manager of Paulson & Co., NYU Trustee, and member of Stern's Board of Overseers. The discussion was moderated by **Francesco Guerrera**, money and investing editor at *The Wall Street Journal*, and ranged from the state of private equity, hedge funds, and big banks in the new regulatory environment to the growth prospects for these organizations. Paulson pointed out that because hedge funds aren't leveraged and have no required equity capital or government backstop, they pose no systemic risk, while Corbat added that because of the Dodd-Frank Act and other regulation, the likelihood of failure among regulated institutions is down "significantly." Landy said, "Anything that increases credit is a prerequisite to

growth and a good thing," whereas shadow banking without transparency is "a bad thing." Watch the video at stern.nyu.edu/sternbiz/changing-face-wall-street.

NY Fed's Dudley called for ethical use of reference rates and discussed ongoing efforts at improvement

William C. Dudley, president and CEO of the Federal Reserve Bank of New York, spoke with more than 100 students, alumni, press, and guests this fall as part of Stern's Financial Policy Platform Speaker Series, hosted by Stern's Sa-

lomon Center for the Study of Financial Institutions. Recent cases of market manipulation and false reporting of global reference rates, combined with the post-crisis decline in liquidity in interbank unsecured funding markets, have raised the question of confidence in the reliability and robustness of existing interbank benchmark interest rates, such as the London Interbank Offered Rate (LIBOR).

Dudley maintained that the wide usage of such rates in the global financial system as benchmarks for a large volume and broad range of financial products and contracts makes restoring the robustness and integrity of the reference rate framework essential. He discussed ongoing efforts to improve the structure and uses of reference rates and argued for the urgent need for financial institutions to reform their business cultures to promote more ethical behavior. Read the speech and watch the video at stern.nyu.edu/sternbiz/dudley-2015.



At an event sponsored by Stern's Salomon Center for Financial Institutions, William Dudley urged the financial industry to behave more ethically in order to restore confidence in interbank interest rates.

Economists tackled bond yields and the macro-economy



Economists Julia Coronado and Vincent Reinhart joined Professors David Backus, far left; Thomas Pugel, center; and Kim Schoenholtz, far right, at the Economic Outlook Forum on Stern's campus.

The Stern Center for Global Economy and Business hosted the Economic Outlook Forum in September with **Julia Coronado**, chief economist at Graham Capital, who ventured explanations for the conundrum of persistent low bond yields in an improving economy; **Vincent Reinhart**, chief US economist at Morgan Stanley, who talked about the tepid nature of the US recovery; and Professor **David Backus**, the Heinz Riehl Professor in Finance and Economics, who zeroed in on why investment hasn't recovered. The Center's director, Professor **Kim Schoenholtz**, moderated a panel discussion among the speakers. Watch the video at stern.nyu.edu/sternbiz/econ-outlook-forum-2014.



A panel of practitioners and academics explored various aspects of topics such as the persistence of low interest rates for bonds and other signs that the economic recovery is not all it should be.

Panelists focused on the need to monitor overseas labor and supply chains in order to maintain ethical business operations

In December, the Stern Center for Business and Human Rights and the US Council for International Business (USCIB) co-hosted an open dialogue on President Obama's recently announced National Action Plan (NAP) on Responsible Business Conduct. This event was



Attendees and presenters at December's Center for Business and Human Rights event – hosted by Center Co-Directors Michael Posner and Sarah Labowitz, above left – pointed out many areas for improvement in how businesses source and manufacture overseas. Elizabeth Cousens, right, offered the keynote address.



the first in a series around the country, where key stakeholders will be able to provide input. National Action Ambassador **Elizabeth Cousens** of the US Mission to the UN offered the keynote address, outlining current US initiatives, identifying the diverse array of representatives involved in the development and implementation of this NAP, and providing a framework for the conversations to come on issues of transparency and responsibility in business operations abroad. Panelists representing the US Department of State further underscored the importance of inclusivity and consultation to the development of the NAP. Professor **Michael Posner**, co-director of Stern's Center for Business and Human Rights with Research Scholar **Sarah Labowitz**, said, "We need to raise the bar of what's possible." Read more at stern.nyu.edu/sternbiz/responsible-business-conduct-2014.

Intel's "Pursuit of Conflict Free" initiative challenges Intel employees to eliminate from their supply chains the so-called conflict minerals – gold, tungsten, tin, and tantalum sourced from militia-controlled mines in the Democratic Republic of Congo (DRC). Intel has established a transparent system of traceability and a third-

party audit process to ensure safer practices for workers. In September, **Brian Krzanich**, Intel CEO, joined **Posner** for a discussion on the company's conflict-free initiative in the DRC. "The only way these problems are going to get solved is if [corporations, activist groups, and consumers] work together," explained Krzanich, speaking to a packed audience of NYU students, faculty, and guests. Krzanich emphasized that there are other ways in which business leaders across different industries and countries have the power to make an impact on broader social issues. Watch the video at stern.nyu.edu/sternbiz/intel-2014.



Professor Michael Posner spoke with Intel CEO Brian Krzanich about the company's initiative to shun so-called conflict minerals from militia-controlled mines in the Democratic Republic of Congo.

TRIUM grads showcased their entrepreneurial projects and Capstone stories, and how their business plans moved from idea to reality

More than 20 TRIUM Global Executive MBA Program alumni and students gathered at Stern in October to hear about and discuss their entrepreneurial projects and



The TRIUM Global Executive MBA Program boasts a high percentage of student projects that become actual businesses. Some of those projects were described at a forum held at Stern in October.

Global Incubator Capstone stories. The Capstone is an integral part of the TRIUM Program. Students choose a project category and develop a business idea from inception to launch, leveraging the resources of the TRIUM Program and faculty, classmates, and alumni connections. About 65 percent of capstone projects over the last decade have resulted in new businesses. A panel discussion was moderated by TRIUM Capstone Co-Director **Chris Burggraeve** (TRIUM '05). The panelists included **Arend De Jong** (TRIUM '10), co-founder, Renewthink; **Nabila Feroze** (TRIUM '10), founder, Roze; and **Nate Brochin** (TRIUM '05), digital brand strategist, Screaming Garlic Inc.

Former UK Prime Minister Gordon Brown discussed global economic problems and urged international cooperation to find solutions

The Right Honorable Gordon Brown, former prime minister of the UK and NYU's first Distinguished Global Leader-in-Residence, presented a talk entitled "Global Economic Problems, Global Solutions" to more than 100 NYU graduate stu-

dents from Stern, the Wagner School of Public Service, and the School of Arts and Science last fall. According to Brown, the current demand for change appears to be coming from every corner of the globe. As examples, he pointed to recent secessionist, protectionist, and immigration move-



ments across Europe, North America, Africa, and the Middle East. "Even in today's industrialized world," he explained, "we have insecurity about the future, which leads to increased pressure for disintegration." Calling these trends a paradox, Brown stressed the need for greater cooperation among countries to tackle the world's biggest problems.

Climate change is one such "modern-day problem," explained Brown, because it has worldwide implications, it requires a global commitment and coordination, and citizens are demanding attention. Other issues he considered urgent included severe poverty, children

being forced into labor and marriage, access to primary education, limited access to university-level education, discrimination against women, maternal mortality, and economic inequality.

Brown called for strong international organizations and processes, a sense of global citizenship such that people will act together, not unilaterally, and political leaders strong enough to win elections on a platform that promotes global cooperation. Read more at stern.nyu.edu/sternbiz/gordon-brown-2014.

Dean Henry, in China, kicked off the first NYU Shanghai-Pudong Forum on Economics, Business, and Finance



Dean Henry, far right, traveled to NYU's Shanghai campus to deliver an address about the lessons emerging economies can teach the developed world. His book, *Turnaround: Third World Lessons for First World Growth*, was recently published in Chinese.

In late October, Dean **Peter Henry**, gave the inaugural address at the NYU Shanghai-Pudong Forum on Economics, Business, and Finance, using lessons from his book *Turnaround: Third World Lessons for First World Growth*, as a jumping-off point. Throughout *Turnaround*, which was recently published in Chinese, Dean Henry argues that the secret to success for both emerging and advanced countries is discipline as well as an overarching commitment to growth strategy and economic efficiency.

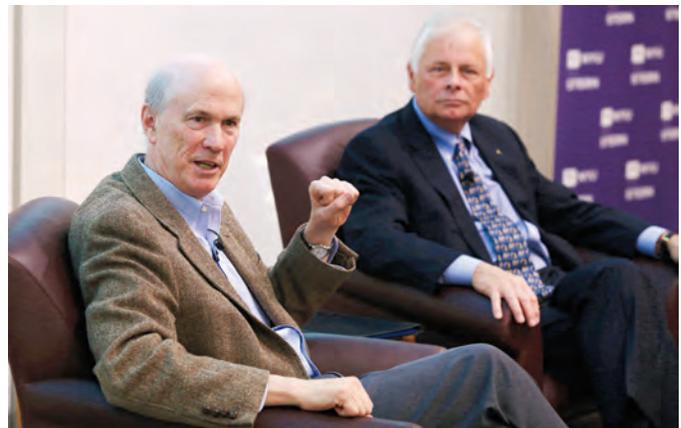
Using a wide range of examples including the drastic income disparity in the Caribbean islands, the “catch up” theory of economics in China, and the struggle to tame inflation in Latin America, Dean Henry illustrated that in many emerging countries, policies tend to be conservative and controlled.

The Dean credited his upbringing in Jamaica for having a strong influence on his economic, business, and fi-

nancial views. He posited that empowerment is the direct result of teaching people how to help themselves and explained how imperative it is for advanced economies to learn from the global growth of emerging economies, which have recently surpassed their advanced counterparts in three crucial categories: discipline, clarity, and trust. “Advanced economies have yet to embrace these common elements,” Dean Henry stated. “It’s time for advanced economies to do what they’ve been teaching emerging economies to do.” Read more at stern.nyu.edu/sternbiz/pudong-forum-2014.

The Home Depot Chairman Frank Blake talked about company values and corporate strategy with Langone Part-time MBA students

Frank Blake, chairman and former CEO of The Home Depot, joined MBA students and alumni for a Langone Speaker Series event. Professor **Charles Murphy** moderated the discussion, beginning with an interview and followed by an open Q&A session. The retail business has an enormous advantage over other industries because employees are also potential customers, Blake said, which means they can understand the business from multiple angles. Blake not only discussed the retail business, but also his professional



The Home Depot's Frank Blake, left, talked with Professor Charles Murphy about his company's culture and the importance of customer service, which he said is Home Depot's core vision.

background, and The Home Depot's strategy and culture. As CEO, Blake expanded the company's e-commerce business and focused its retail strategy back to its core vision, customer service. Read more at stern.nyu.edu/sternbiz/speaker-series-home-depot.



8 QUESTIONS

ANDRE J.L. KOO (MBA '94)

Chairman, Chailease Group

One of NYU Stern's most active alumni, Andre Koo, a member of the Board of Overseers and an NYU Trustee, co-chaired the 2013 Global Alumni Conference in Shanghai and has funded scholarships to support Stern students and the teaching and research of Stern faculty. Reflecting his commitment to Stern, the recently renovated, high-tech Andre J.L. Koo Lobby in the Kaufman Management Center provokes students to think broadly about the value of business as transformational and showcases faculty research and expertise. Chailease Group, the Taiwan-based company his father founded, comprises Chailease Holding and Yellowstone Holding. The former provides leasing, installment sales, factoring, and direct financial services. The latter handles non-financial investments. Koo's father attended Stern, and his son is a current student.

1. How would you describe the current global economic environment?

Globalization and technology are the two most influential drivers. The former enables competition to come quickly and strongly, while the latter expedites information and increases transparency. Today's entrepreneurs need to rely on core competencies that aren't easily displaced by technology and weave them into the fabric of their corporate DNA.

2. Who are your personal role models?

Hands down, this would be my father, the late Dr. Jeffrey Koo. He participated in Taiwan's most critical and dramatic economic development period, from 1966 to 1992, when the nominal GDP per capita increased from US\$249 to more than US\$10,000. He showed me the meaning of hard work, respect for others, and love of family and the land beneath our feet.

3. Are there any companies on the world stage that you especially admire?

Apple and Google both have significantly changed our lives through innovation and creativity. It is also very interesting to see how they compete with others and among themselves for growth, as the information technology business undergoes constant and rapid changes.

4. Where will Chailease continue to find growth?

Chailease has a twin-engine strategy: Taiwan is our home base, and China is our key driver for growth. We will continue our investment activities in the China market by opening three to five new branch offices each year. We are also studying other markets in the ASEAN region and Europe.

5. You attended military school in the US before entering Stern. How does that training, and what you learned at Stern, play out in running your business?

I learned discipline from the New York Military Academy. Situations may change and be difficult sometimes, but persistence in doing the right things still is the best rule to follow. Stern taught me the attitude and methods to deal with problems and find solutions.

6. How has Stern evolved over the period that three generations of Koo's have attended?

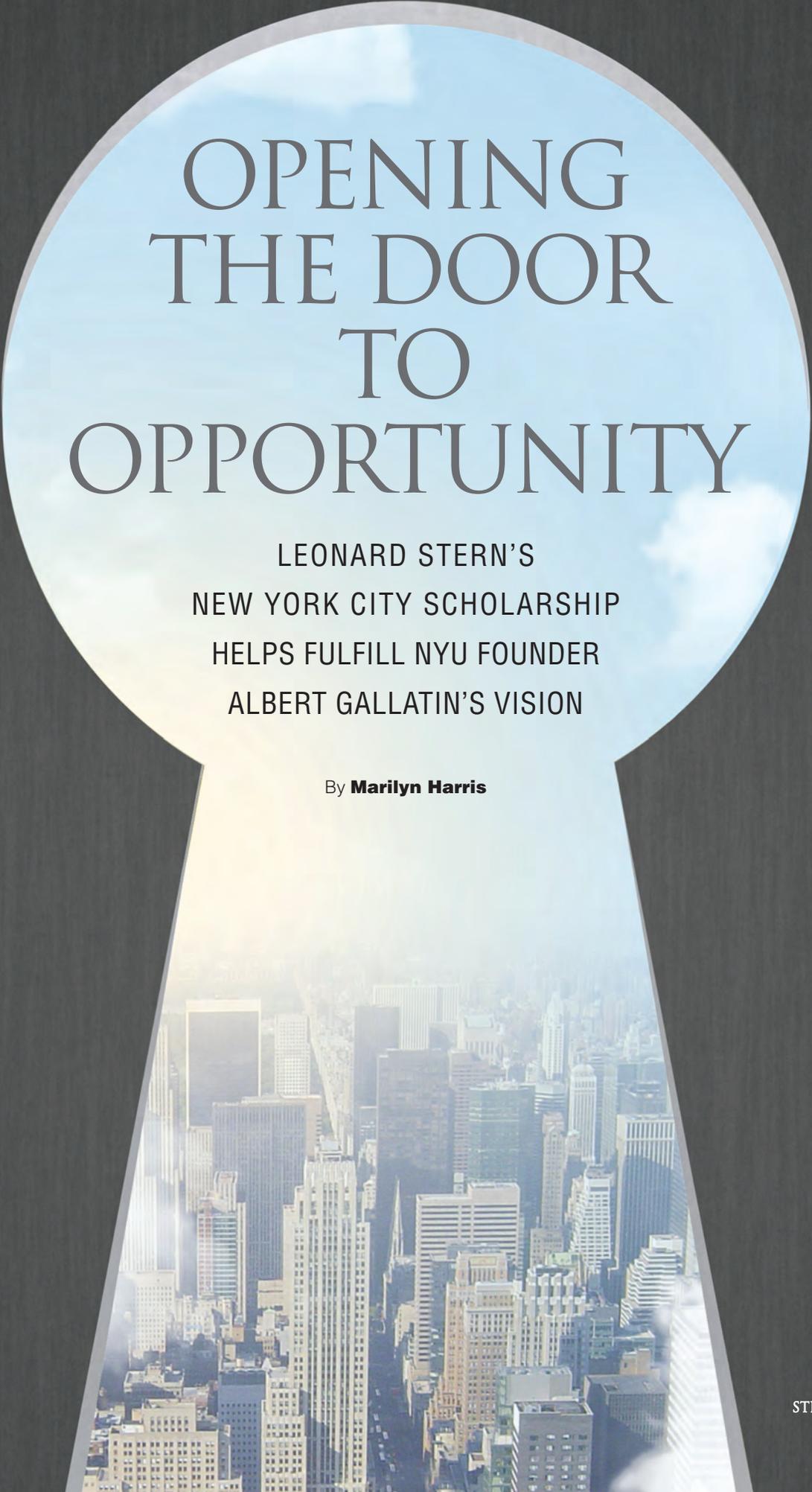
In my father's time, most people desired to come to New York. The Internet hadn't been commercialized yet, so classrooms, libraries, and physical books were the main learning places and media. Undeniably, the Internet is changing the landscape of education. Now, with NYU's Abu Dhabi and Shanghai campuses, in addition to the University's 11 global academic centers, "Sternies" can have more international exposure. I think this is amazing for today's students.

7. What about the role of education in today's society inspires you?

Through education we learn from the past and aim to create a better tomorrow. However, resources are limited, and it is regrettable that highly qualified and worthy students are unable to attend their most desired schools because of financial constraints. Fund-raising is so critical for establishing scholarships to help those students.

8. What are your fondest memories of your time at Stern?

I will always remember the first time that I met the classmates who became lifelong friends and partners in business. At Stern, we had marvelous opportunities to meet people from different backgrounds and cultures, and I certainly encourage students to take advantage of this, as true friendship is an invaluable asset. ■



OPENING THE DOOR TO OPPORTUNITY

LEONARD STERN'S
NEW YORK CITY SCHOLARSHIP
HELPS FULFILL NYU FOUNDER
ALBERT GALLATIN'S VISION

By **Marilyn Harris**

In 1831, when Albert Gallatin, an eminent statesman and two-time Secretary of the Treasury, founded New York University, he announced that it would be a university “in and of the city... a system of practical and rational education fitting for all and open to all.” Years later, NYU Stern was founded with many of the same hopes and expectations, in the midst of New York City’s greatest wave of immigration.

Today New York City and NYU remain a pathway to a better life for many. But as Dean Peter Henry pointed out in “The Economics of Opportunity” (*STERNbusiness*, Spring 2014), the difficult reality is that children born into the bottom quartile of the income distribution in the United States have only an 8 percent chance of going to college, compared with an 85 percent chance for those born into the top quartile. Where does Stern fit in this equation? Are we living up to our School’s legacy of social mobility through education?

This fall NYU Stern will meet the challenge head on, thanks to the continued generosity of Leonard N. Stern (BS ’57, MBA ’59), whose landmark gift in 1988 enabled the School to unite its graduate and undergraduate facilities at the Washington Square campus. Pioneering a new way for business schools to begin to address the issue of access to higher education, Mr. Stern is giving \$5.75 million to fund the Leonard N. Stern New York City Scholars, a local-impact initiative that will provide full tuition, room, and board for a select group of high-achieving, low-income New York City high school seniors who have been accepted to Stern’s Undergraduate College but who, without this level of assistance, would not be able to attend.

Mr. Stern’s full-scholarship initiative will benefit 40

talented students (10 per year) across all four years of their undergraduate education and supports the University’s “Momentum Campaign” to raise \$1 billion in six years for scholarships. Praising the initiative, Dean Henry said, “Through Leonard Stern’s inspired generosity, we can begin to open doors of opportunity for

the most promising young minds, right in our own backyard, carrying our legacy into the 21st century.”

While about half of Stern’s undergraduate student body receives some amount of scholarship aid, this level of support is unprecedented. Mr. Stern became motivated to create the Stern NYC Scholars initiative when he discovered that the School’s financial aid resources were not sufficient to provide full scholarships and, consequently, that many highly talented young people had little choice but to matriculate elsewhere in order to receive the support they needed.

“I always thought that pure ability should entitle students to get a first-class education,” said Mr.

Stern. “I’m quite convinced that if you take kids out of abject poverty, and if they have the intellectual ability and the fortitude to earn one of these scholarships, they really have the grit to be successful in life – and that major companies will be lined up to recruit them when they finish their studies.”

As Mr. Stern explains, the initiative is intended to give deserving, striving students in New York City the best chance for success. Our School will also benefit from bringing these students to campus. “We are grateful to Leonard Stern for his generous gift. This scholarship opportunity holds the great potential to be life-changing for students who have the intellect and motivation to pursue an undergraduate education at NYU Stern,” said Geeta Menon, dean of the Undergraduate College. “We look forward to welcoming our



future Stern NYC Scholars and to continuing to build a learning community of students with diverse interests, skills, and backgrounds.”

One benefit of the full-scholarship approach is that it offers those with the greatest financial need an equal chance to participate fully in School activities beyond the classroom. “There are few higher missions for a University than to provide an opportunity to a young person loaded with talent but lacking in means. Leonard’s gift is not only a noble investment in those students, but in New York City itself,” added John Sexton, president of New York University.

In targeting New York City students who possess the smarts and drive – but who have not historically had the support – to attend NYU Stern, Leonard Stern is applying his own well-honed talent for leveraging his philanthropy to make it work and make it last. The ability of the new Scholars to stay focused purely on their studies and extracurricular leadership opportunities will help them develop skills and networks that will last for years to come.

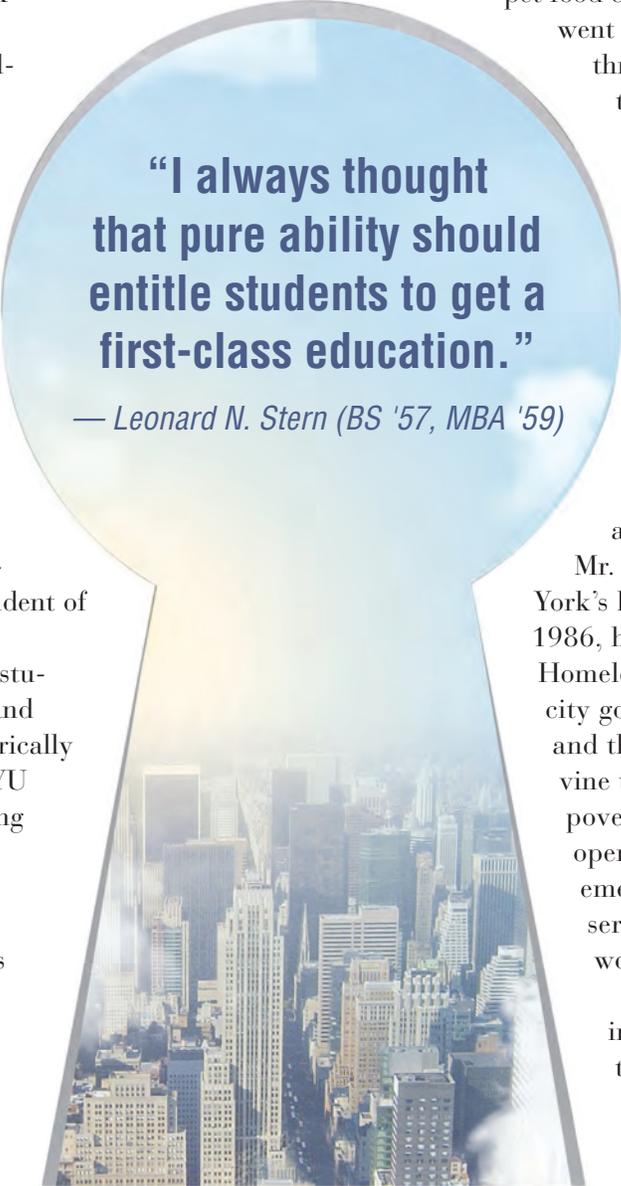
Indeed, a lasting legacy and the ability to appreciate the value of hard work from humble beginnings are both integral to the Stern story: Mr. Stern shares the immigrant beginnings of NYU’s heritage. His father Max, a German Jew who arrived in the United States in 1926 with 5,000 singing

canaries and no other assets. In 1959, his son Leonard took over the business and built it into the giant pet food company Hartz Mountain, then went on to become a leading philanthropist. (After broad diversification, the pet supply business was sold off in 2000; today, The Hartz Group is a large privately owned real estate and financial investment company.) Leonard Stern’s father thus provided a model for the generous giving that has characterized his own relationship with our School.

The new Stern NYC Scholars initiative isn’t the first time Mr. Stern has focused on New York’s low-income population. In 1986, he founded Homes for the Homeless as a partnership between city government, private business, and the Cathedral of St. John the Divine to alleviate the effects of poverty in New York City. Since it opened its doors, it has supplied emergency housing and supportive services to over 130,000 homeless women and children.

As the Stern NYC Scholars initiative moves forward, it has the opportunity to become a model that other business schools and donors will want to emulate. “While one school alone cannot solve society’s

problems of income inequality and lack of access to higher education, this is certainly a step in the right direction. Leonard has created a new model of the value we can create for business and society by investing in human capital,” concluded Dean Henry. ■



“I always thought that pure ability should entitle students to get a first-class education.”

— Leonard N. Stern (BS '57, MBA '59)

NYU STERN CREATES CENTER FOR THE GLOBALIZATION OF EDUCATION AND MANAGEMENT

A MISSION TO UNEARTH THE FACTS AND STUDY THE
POLICY IMPLICATIONS OF ECONOMIES THAT MAY BE
LESS CONNECTED THAN YOU THINK

By **Marilyn Harris**



In the recently published *DHL Global Connectedness Index 2014*, the US does not even rank among the top 10 countries in terms of overall globalization; the Netherlands tops the list. US international flows are small relative to their domestic counterparts, driving down the US's rank, but they are the second most broadly distributed around the world, after the UK's.

The index is the brainchild of NYU Stern Global Professor of Management and Strategy Pankaj Ghemawat, who along with his co-author Steven A. Altman, has tracked and reported this cornucopia of data since 2011. Their research measures the flow of trade, capital, information, and people across 140 countries, slicing the information three ways: by depth, distribution, and directionality. The central insight – that the world is not all that connected – virtually jumps out from the numbers and demolishes the reigning theories of a flat world.

This contrarian conclusion is critical for policy makers and educators alike. It's why Stern has created the Center for the Globalization of Education and Management (CGEM) and appointed Ghemawat its director. Dean Peter Henry said when announcing CGEM in November: "It's hard to overstate the importance of globalization. But Professor Ghemawat's work in measuring the global flows of trade, capital, people, and information is a critical component in our understanding of globalization. He brings facts to bear on theory, and he has no problem in punching holes in invalidated opinions. His work allows us to look deeply into globalization at the region and country level and to inform policy decision-making as well as decisions about corporate strategy."

Ghemawat, a native of India who was raised partly in the US, also holds the position of Anselmo Rubiralta Professor of Global Strategy at Spain's IESE Business School. Between 1983 and 2008, he was on the faculty at the Harvard Business School where, in 1991, he became the youngest person in that school's history to be appointed a full professor. Ghemawat was also the youngest "guru" included in the guide to the greatest management thinkers of all time published in 2008 by *The Economist*. His most recent book is the award-winning *World 3.0*, published in 2011.

CGEM, whose executive director is Ghemawat's *Connectedness Index* co-author, Altman, aims to house the academic world's most comprehensive base of knowledge on interactions that take place between countries and their implications for education and management. The Center will produce a variety of research outputs tailored to its various audiences: teaching content for educators, practitioner-oriented publications for business executives and policymakers, as well as academic publications for the research community. Interdisciplinary approaches and engagement with practitioners are emphasized as sources of novel insights that help address real-world challenges.

Several CGEM projects are already underway, including updating and expanding the analysis of international flows that underpins the Global Connectedness Index; a partnership with the Center for Global Enterprise on researching scale and speed in the globalization of business, which involved a conference at Stern in April; and the development of digitized materials for educating students about globalization.

Ghemawat recently answered questions about CGEM's mission, his work at Stern, and its implications.

THE WORLD IS STILL QUITE ROUND

Q&A WITH PANKAJ GHEMAWAT

Marilyn Harris: *What initially triggered your interest in, or pushed you to compile, massive amounts of data about globalization?*

Pankaj Ghemawat: The seeds of my interest in globalization were planted by my family's move from India to Indiana when I was five years old, and then back to India when I was nine. (The joke in our extended family was that my parents must have gotten confused – although my father was actually working on his PhD.) And my interests grew after I returned to the US for my own studies. In particular, working as a research assistant on resolving international conflicts and on international banking had an enormous influence on these evolving interests. So did opportunities to travel and work in various parts of the world.

All that was more than 30 years ago. When I started to focus my research on globalization and international business in the 1990s, I was struck by the stark contrast between the rhetoric and the research on those topics, and the large costs that disconnect imposes on firms and on society. Seductive "globaloney" about borders and distance becoming irrelevant was drowning out the clear message from a large body of research indicating that the "death of distance" or "flattening" of the world – pick your own favorite metaphor – was a myth.

In business, succumbing to "globaloney" and underestimating the importance of cross-country differences leads to underperformance in foreign markets and also contributes to negative views about business as a homogenizing force trammeling cherished cultural values. And from a policy perspective, exaggerated notions about globalization both blind people to the gains from boosting it (the economic component of which alone could exceed trillions of dollars) and also stir up fears about negative effects of globalization that fade away when people are told about how limited the phenomenon really is.

Once I started down this path, I was also spurred along by surveys indicating the extent to which people tend to overestimate levels of globalization and how exposure to data can change their views. In a survey where readers were asked to estimate some simple measures of globalization such as the percentage of people living outside their country of origin and the proportion of economic output that is traded across borders, the average respondent guessed that the world was three times more globalized than it actually was. And more shockingly, the CEOs in the sample had even more exaggerated views! Later on, I came across a survey by the German Marshall Fund of the US showing that sim-

ply telling people what proportion of their country's population is comprised of immigrants can cut opposition to more immigration by one third or more. As a researcher, what could be better than dispelling commonly held myths, the correction of which could have a large influence on important policy decisions?

MH: *What in your findings surprised you?*

PG: There have been many surprises along the way, but broadly I think what is actually most surprising, ironically, is the consistency of the findings on how the distances and differences that separate countries impact the interactions between them. The first type of international interaction I studied was merchandise trade, where it is perhaps not so surprising that geographic proximity (along with cultural and administrative/political linkages) boosts trade. It is more surprising how similar the effects of distance remain even when no physical goods have to be transported at all: investment flows, phone calls, patents, etc.

MH: *Is greater and greater globalization, to an eventual saturation level, an inevitability? And is there any downside to this trend?*

PG: Rising levels of globalization are not inevitable. In fact, levels of globaliza-

tion (especially in terms of trade and capital flows) dropped sharply at the onset of the economic crisis in 2008. Taking into account trade, capital, information, and people flows, the world had still only almost recovered its pre-crisis level of globalization in 2013, the most recent year with sufficient data available to calculate it.

Are there downsides to rising levels of globalization? There are certainly many fears about globalization, and widespread worries deserve to be taken seriously. Most but not all fears about globalization are exaggerated relative to actual levels of globalization, if not entirely misplaced. One notable exception involves high levels of international indebtedness, the dangers of which were vividly illustrated during the crisis.

MH: *In the three or four years you have been compiling global data, has any progress been made in terms of effecting change, or approaching change, on the policy level? And how would you anticipate that challenge could be met?*

PG: While there is much to be done, some of these ideas have indeed gained traction with policy makers. To cite a few examples, I have worked with a number of key policymakers and influencers in Northern Europe over the last few years, e.g., Crown Prince Haakon of Norway and Dutch Prime Minister Mark Rutte, on elabo-

MH: *You have said that a lot of "mischief" has been done thanks to misconceptions about the extent of globalization. Can you give an example? And other than Thomas Friedman's flat world thesis, what else has created those misconceptions?*

PG: Friedman's works actually follow on many earlier works with a similar message. Here's an excerpt from my book *World 3.0* on this...

... perhaps the most powerful reason most people buy into apocalyptic notions of globalization has to do with our almost religious worship of technology. I've already mentioned how empowering the Internet seems to many people. Since productivity growth and incomes really took off in the nineteenth century, people in the throes of industrial progress have been dazzled again and again by technology, enthralled with it, even locked into what I like to call a technotrance. (Younger readers will get the analogy with techno music and its effects on brain activity.)

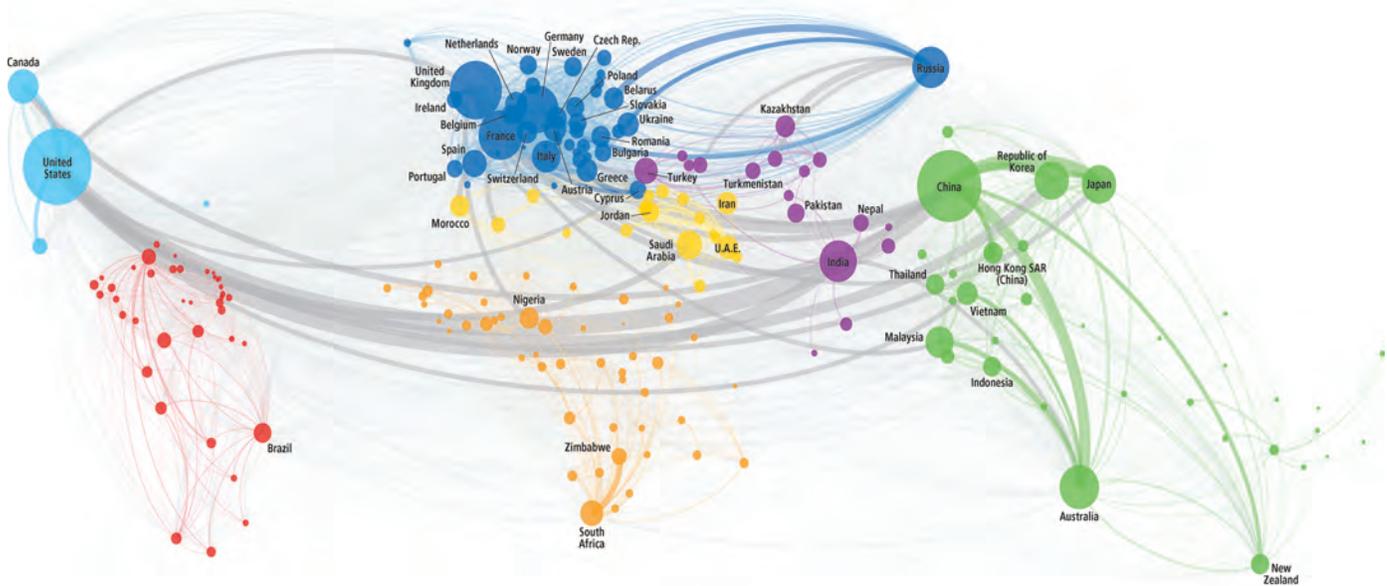
As far back as the 1850s, the Scottish missionary and explorer David Livingstone remarked that "the extension and use of railroads, steamships, telegraphs, break down nationalities and bring peoples geographically remote into close connection commercially and politically. They make the world one, and capital, like water, tends to a common level." US philosopher John Dewey, writing in 1927, argued that steam, electricity, and the telephone were not only creating a new world by compressing space but might also challenge local forms of self-government. In 1929, US carmaker Henry Ford gushed that "the airplane and wireless know no boundary . . . they are binding the world together in a way no system can." In 1933, English novelist and historian H. G. Wells, also an air enthusiast, imagined a world state based on air power that used the Basic English of aviators as its language and the air dollar as its currency – and had Basra, Iraq, as its capital...

After World War II, German philosopher Martin Heidegger continued in

this vein with his discussion in 1950 of the abolition of distance. He implied that "everything is equally far and equally near" and observed that "the peak of this abolition of every possibility of remoteness is reached by television, which will soon pervade and dominate the whole machinery of communication." Canadian cultural critic Marshall McLuhan popularized this vision of television in the 1960s and extended it to other technologies: "Today, after more than a century of electric technology, we have extended our central nervous system in a global embrace, abolishing both space and time as far as our planet is concerned."

Since then, the focus has shifted from television to the Internet and information technology, as witness Friedman's contribution. I should add that this emphasis on technology – especially, in the last few decades, communications technology – as the driver of World 2.0 seems, if anything, to have increased since the financial crisis, probably because the policy outlook appears less promising than it did pre-crisis. Back when Friedman wrote *The World Is Flat*, it was still possible to evoke (as he did) the 1989 fall of the Berlin Wall as capturing the spirit of the age. Not anymore. Other fences have, quite literally, gone up rather than come down: between the US and Mexico, India and Bangladesh, and Israel and Palestine, for example. More broadly, the aftermath of the crisis has seen a collapse in public support for globalization, a surge in separatism, new challenges associated with multipolarity (particularly from a US perspective), and uncertainty about the dollar's status as the world's reserve currency. Even the diehards straining to reassure believers that World 2.0 can be achieved recognize that recent changes in the policy climate do not help.

Read more about *World 3.0* and Ghemawat's other work at ghemawat.com.



One aspect of globalization that the NYU Stern Center for the Globalization of Education and Management (CGEM) examines is flows of people - tourists, students, and migrants. This cartographic visualization demonstrates the international movement of students (inward direction only).

rating the implications of these ideas. In the US, I was delighted to have Assistant Secretary of Commerce for Global Markets Arun Kumar participate in the launch of our new Stern Center for the Globalization of Education and Management. And in India, I'm working with a state government on the local implications of my research on globalization.

MH: You have said that Stern is the only institution you considered when you decided to reestablish a presence in the US. Please elaborate.

PG: NYU's creation of the first Global Network University provides a unique context for me to carry forward my work on international education. I am looking forward to developing course content that is not only taught on NYU's multiple campuses but also leverages links between the campuses to strengthen the educational experience. Also, I was excited to see that this year's Institute of International Education (IIE) Open Doors report named NYU as the US's top university both for hosting international students and for sending students to study abroad.

MH: In regard to the education portion of your mandate, you've experienced the limited success of MOOCs (massive open online courses) and described your intent to develop a hybrid online/classroom model. How soon do you think you might be able to roll that out at Stern?

PG: During spring 2015, I am focusing on developing and offering a new course on the globalization of business enterprise (GLOBE) for undergraduates on the New York campus, and doing limited experimentation with links to NYU's other portal campuses. We will spend time in the summer and fall on digitizing some of this content so that it can be used to offer regionally inflected versions of the GLOBE course in Shanghai and Abu Dhabi as well.

MH: CGEM is collaborating with the Center for Global Enterprise on developing a framework for management best practices in regard to attaining speed and scale

on a global level. How will you go about that and what is your timeframe?

PG: I will drive this research project along with other leading academic researchers. The Center for Global Enterprise (CGE) has commissioned white papers from these authorities on six separate management elements: global versus local sales and marketing; creating, managing, and protecting intellectual property; company culture, leadership identification, and development; economic and financial management; supply chains/global configuration of operations; and building governmental trust.

The preliminary drafts of the six white papers were discussed among academics and business practitioners in the spring of 2015 at a CGEM conference at Stern. The conference is followed by a rapid revision phase that will reflect the discussions at the conference, with the final research due by summer 2015. I am scheduled to synthesize and present the findings at CGE's Global CEO Exchange in Hainan, China, in December 2015.

MH: How does teaching in NYU's global network complement or further your research in globalization and in education?

PG: There's nothing like putting one's ideas into action and learning from the results. I've researched for more than a decade how firms should adapt to cultural, administrative, geographic, and economic, or "CAGE," distances and differences. The same idea applies to education at multiple levels: students need to be prepared for life and work in different locations, and the educational experience itself should also be varied in accordance with cross-country differences. Rolling out across locations but within a single University, from a research perspective, controls for one source of variation (the University) while allowing me to focus on the variation that is my primary interest, the cross-country differences and their implications.

Learn more at stern.nyu.edu/cgem and follow Ghemawat on Twitter: [@PankajGhemawat](https://twitter.com/PankajGhemawat).



Bringing Business Savvy to Silicon Valley

By Carolyn Ritter

“Working with passionate entrepreneurs and early-stage businesses is a privilege,” says Mike Gupta (BS ’92), senior vice president of strategic investments at Twitter. In a newly designed role, Gupta’s charge is to mastermind a corporate venture arm within the social networking giant.

In addition to spotting the next big thing, Gupta identifies ventures that are relevant and strategic for Twitter. “Beyond financial return, we’re looking for investments in areas that are either core to Twitter or adjacent to what we do, such as advertising technology, mobile applications, and video,” he explains. “In addition to strategic fit, we evaluate their team, the target market, and the competition they face.”

This is not the first time that Twitter has tested Gupta’s mettle. Referred to as “the architect behind Twitter’s IPO” by *The Wall Street Journal*, Gupta joined the company as CFO in late 2012 with a clear mandate: to steer the company through a critical milestone. Drawing from his prior experience at Zynga, a social gaming company that went public in 2011, Gupta helped Twitter avoid missteps throughout the process. Under his close watch, Twitter raised more than \$2 billion during its IPO.

Gupta traces his path to Silicon Valley back to NYU Stern. “Growing up on Long Island, I knew early on that I wanted to go to business school in New York,” he explains. “Stern’s reputation was a huge draw, and living in Greenwich Village was unbeatable. More important, Stern is where I learned how to think strategically.” Equipped with what he calls “the right mindset and an ability to frame decision-making,” Gupta launched his career at KPMG, earned an MBA from the University of Chicago, and then secured a position in Merrill Lynch’s Financial Institutions Group.

In late 1999, he joined the firm’s technology invest-



Mike Gupta, bottom right, being presented a certificate of listing on the New York Stock Exchange, guided Twitter through its IPO.

ment banking business on the West Coast – “right before the tech bubble burst,” he recalls. Fearless, Gupta determined to shift his career to the technology and media sector, joining Yahoo in 2003 in a strategic corporate finance position. His eight-year tenure at Yahoo was punctuated by a number of milestones, including advising on the company’s profitable investment in Alibaba and guiding negotiations with Microsoft.

After 15 years, Gupta has grown to love California. “There’s no city like New York, but the Bay Area has a wonderful culture and is a great place to raise a family.” The father of three young children, Gupta admits that free time is hard to come by. Nevertheless, he finds ways to maintain a seamless flow between work and family life. “I’m lucky to have the support of family during busy work peaks, but I also commit

to taking advantage of less busy times at work and spending them with my wife and kids.” Adding to his already full plate, Gupta recently joined the board of Zulily, a publicly traded e-commerce company based in Seattle.

Gupta appreciates that Silicon Valley attracts some of the best and brightest, from engineers and IT specialists to financiers and marketing experts. “The mission-driven culture here is unmistakable – if you crave a fast-paced, dynamic environment, with driven colleagues who are breaking new ground in technology and consumer products, there’s no better place.”

Gupta also points to the rapidly changing technology and media landscape. “Mobile technology and the proliferation of smart phones globally is a huge driver,” he explains. “Similarly, high-speed connectivity is changing the way people consume content and driving a trend in rich media and video.” He believes we’re still in the “early innings” for over-the-top (OTT) content, or media delivered via the Internet, and he can’t wait to see what happens next. ■

The Ties that Bind

By **Niamh Roberts**

“I have always had a passion for helping others,” Manuela Adl (MBA ’02) explains, describing her recent career transition from the world of corporate finance to the International Finance Corporation (IFC), part of the World Bank Group. With more than 25 years of private sector experience, Manuela was inspired to use her knowledge and skills to help rebuild emerging economies after seeing the on-the-ground effects of the global financial crisis. “Media images of starved and almost lifeless children during the famine in the Horn of Africa haunted me,” she recalls.

In her role as IFC’s global administrative manager, she says, “I have found a way to marry my private financial sector experience with development impact.” IFC’s mission supports the World Bank in its efforts to eradicate poverty and build prosperity across the globe, plus an additional charter to achieve universal access to finance by 2020. “This means working through financial intermediaries to reach the 2.5 billion adults who don’t have a bank account and 200 million businesses who lack access to credit,” Manuela explains, whether through investing in those institutions or providing them advisory solutions in core banking, microfinance, financial technology, or banking on women, all while negotiating a wide array of languages, cultures, legal systems, and levels of need.

Manuela notes that her inspiration stemmed from Stern Professor Aswath Damodaran and his Corporate Finance and Equity Valuation course: “His depth of knowledge and passion when teaching always fascinated me, and I think that’s one of the reasons I’m now at IFC in the Financial Institutions group, where we provide corporate finance and advisory services in 120 countries.”



Manuela Adl has made her way through cities great and small throughout the world, but New York and NYU Stern are the ties that bind her experiences together.

Moreover, Manuela says, her experience in Stern’s Executive MBA Program was “the single most important contributing factor to where I am now and to pursuing a more satisfying career.” In addition to the knowledge and practical exposure she received, she credits the team-based approach to learning and the meaningful relationships she developed with her

classmates for her ability to thrive in the complex environments where she now works.

The key to success, she explains, “is the ability to work as part of a team, where experts – whether economists, water engineers, health experts, or financial inclusion and banking specialists – bring their collective knowledge and experience together to find solutions to individual challenges and problems.”

Knowledge sharing also keeps Manuela connected to Stern. She maintains strong relationships with “an entire network of people who make an influential impact in their fields” through international conferences in Rome and Paris, as well as the many local events in her home bases of New York and Washington, DC. “These events are great opportunities to bring alumni together not only to network, but to learn and participate in discussions on the most current topics in finance, industry, technology, and disruption, amongst others,” she says.

Manuela’s passion for helping others and developing relationships has taken her to countries like Afghanistan, Bangladesh, Nepal, Myanmar, Vietnam, India, China, and Brazil – just to name a few – and she hopes it will soon bring her to one more: England. An avid runner, Manuela has her sights set on the London Marathon, where she plans to dedicate her run to UK Children with Cancer. ■

THIS IS YOUR PILOT SPEAKING

JetBlue President Robin Hayes discusses his company's tailwinds and industry turbulence

Robin Hayes is JetBlue's president, responsible for the New York-based value airline's commercial and operations areas, including airport operations; customer support and reservations; flight, inflight, system, and technical operations; and communications, marketing, network planning, and sales. He served as JetBlue's executive vice president and chief commercial officer from August 2008 until December 2013. Prior to joining JetBlue, he was British Airways' executive vice president for the Americas. Over the span of a 19-year career with British Airways, he also served as area general manager for Europe, Latin America, and the Caribbean. Hayes is a graduate in electrical and electronic engineering from the University of Bath in the UK, where he earned a BSc and Masters in Engineering.

Robin Hayes was interviewed on November 17, 2014, by NYU Stern Professor of Management Practice Charles J. Murphy, as part of the Langone Speakers Series.



Professor Charles Murphy: *The airline industry has so many different issues to manage. For instance, fuel prices have dropped precipitously lately, so how do you determine what portion of your fuel to hedge and when?*

Robin Hayes: We look at hedging as a risk mitigant, rather than trying to make money out of something. We say okay, we have some of our competitors who are completely unhedged, US Air and American, which is now the same airline. And then you have other airlines, which tend to be the ones that have longer average flight lengths, and so are more exposed to the price of fuel. They'll hedge more heavily because they want to remove that risk. We try and sit in the middle of them. Our hedging is more about not wanting to be exposed on one end of the hedging risk or the other.

CM: *How do you deal with the weather issues — thunderstorms in the Midwest, or tornadoes?*

RH: When we have major events coming in, it's about getting the fleet set down. You don't want any aircraft sitting in an airport where hurricanes are coming in, you want to make sure all your crew members are safe and out of harm's way. We had an issue last January with winter storm Hercules, when we were criticized for being slower to recover than any other airline. Certainly, there were lessons learned, but that's just part of the territory of being a New York airline.

CM: *When do you buy a new airplane as opposed to keeping the other old ones going?*

RH: Our model is to buy new planes because we don't have a big maintenance setup. Most of our maintenance is outsourced, so we prefer the efficiency, especially with fuel, that comes with the new planes. Fuel is the biggest cost for any

airline. But we pay more for the planes, plus the ownership cost of those planes is higher. You can buy a 20-year-old MD80 for probably half a million dollars, and a new Airbus is going to cost you close to \$50 million. With our model, when oil goes high, airlines like JetBlue with a very young fleet do well because our planes are more efficient, but as oil prices go down, you lose that advantage, and we're paying a much higher aircraft ownership cost because we bought a \$40 million to \$50 million asset versus a \$1 million asset, and that doesn't change.

CM: *How do you train your customer-facing people, especially at the ticket counters, where passengers can be notoriously testy?*

RH: What I most appreciate about JetBlue is our culture. We choose to believe that culture is the only real competitive advantage in our industry because it's the only thing that can set us apart. So we invest heavily in culture from both a financial and a time perspective. One example is our JetBlue University in Orlando. Most of the executive leadership will come down and spend the day with new hires, so about 10 percent of the CEO's time and the senior leadership's time in JetBlue is personally greeting every single new crewmember that joins JetBlue, talking about our strategy and culture, why it makes a difference, and the importance of customers. Also, we have a saying: don't ask anyone in your team to do anything that you wouldn't be prepared to do yourself, and that includes executives' putting on blue gloves and helping clean the plane after a flight they've taken. Our crewmembers see that we're not asking them to do anything that we wouldn't do ourselves. Each leader in JetBlue has an airport that they adopt, and they all spend once a quarter in that airport working with the crewmembers. It could be an airport with just 15 people, it could be an airport with 400 people.



JetBlue President Robin Hayes speaks with Professor of Management Practice Charles Murphy about leading the New York-based value airline at a Langone Speaker Series event.

CM: How do you handle the irate customers when you do have a major problem and there are 300 or 400 people in the terminal?

RH: What we try to remember is that everyone has a

story. The toughest environment is actually from a risk management perspective, if something happens in the airplane. What really helps us is that about one in 10 of our flight attendants are now retired FDNY firefighters, and we also have a lot of retired police officers. If there's an incident, cool, calm, and collected are the three key words.

CM: You have a lottery that's called ticketing, that's turned into a fantastic science of when fares go up and down.

RH: It's true that you're most likely to get a cheaper ticket on a Tuesday and Wednesday. Most of our bookings come from our website, and Tuesday and Wednesday are when the traffic is the highest, so that's when we want to be with our best foot forward in terms of pricing.

CM: So technology has to be an incredibly important element of your business plan.

RH: One of the biggest points of leverage for an airline is the average ticket price, because that determines your revenue. You have to maximize the revenue on any flight, in terms of fares and load factor. If I reduce the fare on this one, am I going to impact the fare on another flight or affect my profitability in that market? We generate about \$6 billion of revenue a year, and after taxes, it's a 7 percent margin business, so \$400 million, say, in profit. Now, if you're wrong by 1 percent, in terms of your average fare, it may only be 1 percent on revenue, but it's a much bigger whack on your profitability. We have a lot of really smart people and really smart tools to monitor that.

CM: After the airlines deregulated, there was a tremendous amount of consolidation and some bankruptcies. How do you see that playing out over the next five or 10 years?

RH: Over the last five or six years, the US airline industry, which a decade or so ago was really sick, has become the healthiest in the world, and every major airline here is profitable. Margins are expanding, they're not contracting. Capacity discipline seems to be here, which means that airlines' management teams are

competing for return on invested capital, rather than competing for market share. That's new. In Europe every country has an airline, if not more, and in Asia, it's a very high growth market, but airlines are growing more quickly than the market's growing, putting a lot of downward pressure on fares. I think in the US we have several years of really solid, profitable growth ahead, providing we don't return to that market share mentality.

CM: Any plans for new markets?

RH: About a third of what we fly now is to Latin America, so we're not just a domestic airline. Just this month, we filed for approval to fly to Mexico City, and most of our growth in the next year or so is going to be aimed at that part of the world. So at the moment, we're spreading south. In terms of flying across the pond, of course it's possible. It's very interesting that the plane that every airline guy loves is the 757 because it was a relatively low-cost plane to operate but had tremendous range. The A321, which is the Airbus equivalent of the 757, has never had the same range, but there's a new Airbus variant that's going to be available towards the end of the decade called the A321neo LR. That's going to potentially provide airlines like JetBlue and other low-cost airlines around the world, at last, an airplane that can actually fly across the Atlantic and do it at a much lower cost structure than anything today.

CM: How would you describe yourself as a manager?

RH: One of my favorite lines is "A players hire A players, B players hire C players." I think it's really true. As leaders, the job is to find someone who's going to do the job better than we do.

"I think in the US we have several years of really solid, profitable growth ahead, providing we don't return to that market share mentality."

AUDIENCE QUESTIONS

Q: What's your feeling about the state of the Federal Aviation Agency right now?

RH: The FAA's primary responsibility is safety of flight, and they've led the world in the last 20 or 30 years. One of the FAA's challenges is funding, and there have been a couple of years recently where the FAA reauthorization bill has been held up. It's really hard to run a strategic air system that way. There's quite a bit of debate going on now in Congress asking what the right model is for the FAA. In Canada, NAVCanada has been set up as a not-for-profit private enterprise. You've got models in Germany and the UK that are a combination of private and public partnerships. My view is, whether it's public or private is less of the issue. It's more about making sure that there's guaranteed secure funding.

Q: How long do you think it will take to upgrade the infrastructure in terms of what the FAA uses to control the planes flying in the air?

RH: It's going to take probably at least another five or six years to upgrade the FAA's infrastructure. It's a challenge, because the airlines are required to equip every airplane with new equipment, and it's expensive. I think the FAA will resolve it with mandates — by a certain date, airlines have to equip.

Watch the event at stern.nyu.edu/sternbiz/robin-hayes. ■



CORPORATIONS “R” US

ORGANIZATIONS BEHAVE IN VERY HUMAN WAYS

By **Marilyn Harris**

The US Supreme Court has affirmed repeatedly over the years that corporations are people, and, while the justices' rulings focused on various rights and protections, recent research from NYU Stern management and organizations faculty illuminate other ways in which corporations are all too human. The following three research papers suggest that the evolution of social structures within companies and the way a company “behaves,” as an organization, have everything to do with individuals' psyches and patterns of interaction. Gavin Kilduff shows that status and success within an organization may be driven, to some extent, by the mindset individuals bring to group interactions. Lisa Leslie demonstrates that the way companies resolve conflict emanates from the personal style of its leaders. And Rebecca Schaumberg suggests that people with a strong sense of guilt and responsibility make the most capable and effective leaders.

ACCENTUATE THE POSITIVE

IN GETTING TO THE TOP, SOMETIMES ATTITUDE OUTPLAYS MERIT

So many external factors have been shown to influence who gets ahead in organizational contexts that the concept of a true meritocracy can seem hopelessly idealistic. Such attributes as race, height, personality, and connections – most of which are unrelated to competence or value – are well known to tilt the playing field. And now, according to NYU Stern Professor Gavin J. Kilduff, mindset can be added to the list.

Kilduff and his co-researcher, Columbia Business School Professor Adam Galinsky, conducted a series of studies that demonstrated how a person's status within a newly formed group can rise or fall according to his or her frame of mind at the outset of the group's activity. In lay terms, go in with an energetic, positive attitude, and you will be accorded a higher status by your peers; be anxious or reluctant to speak up, and you'll be left behind. This research is the first time, Kilduff said, that such a dynamic has been credibly demonstrated.

In "From the Ephemeral to the Enduring: How Approach-Oriented Mindsets Lead to Greater Status," Kilduff and Galinsky described studies where they "primed" the partici-

pants – that is, influenced their frame of mind – to feel happy, powerful, or focused on their ambitions – and asked them to engage in team activities and then rate their colleagues according to their status and influence within the group.

For example, one set of participants was primed by being asked to describe a situation where they had power over someone else. A second set had to describe the reverse: an incident where someone had power over them. The third set was asked to describe a trip to the grocery store (a neutral prime). Then the participants were reorganized into groups

of three, one from each set, and asked to collaborate on a task, such as planning how to survive in the Arctic. They were videotaped and assessed on leadership by independent observers, and they were also asked to rank each other in terms of status, leadership, and influence within the group. The same groups were asked to undertake a similar team activity two days later – with no preparatory priming – and were measured again.

As the authors had predicted, the individuals who were primed to feel higher power achieved higher status within their group than either the low-power or neutral individuals had,



both immediately and two days after, when presumably the participants' mindsets had moved on from their original primed states. This effect was driven by individuals' assertive behavior during the first few minutes of group interaction – for example, people primed with high power were much more likely to speak first. “This supports our thesis that the psychological states group members bring with them to a group can influence the group’s status hierarchy and that these effects can endure beyond the lifetime of the psychological states themselves,” said Kilduff.

The implications of this research present two sides of the same coin, the authors suggested. On one hand, the data point to an element of randomness in how humans organize themselves hierarchically, and in life’s outcomes generally: “Status and success may be driven, to some extent, by chance variation in the mindset individuals bring to group interactions,” Kilduff said, in addition to more stable characteristics like race, height, and personality. On the other hand, the work suggests that, armed with this knowledge, people might be able to strategically adjust their psychological state or

behavior when first meeting with a new group in order to achieve more status. First impressions do matter.

The bottom line – fortunately or unfortunately, depending on one’s perspective – is that, as Kilduff put it, “Our work establishes another way in which those at the top of hierarchies may not always represent the best and the brightest.”

GAVIN J. KILDUFF *is an assistant professor of management and organizations at NYU Stern.* ADAM D. GALINSKY *is the Vikram S. Pandit Professor of Business at Columbia Business School.*

WE CAN WORK IT OUT

HOW ORGANIZATIONS MANAGE CONFLICT HAS
CONSEQUENCES FOR THEIR SUCCESS

Anybody who’s ever worked in a corporate environment where conflicts are resolved through infighting, backstabbing, and institutionalized, white-collar forms of bullying knows just how toxic that can be. How much more civilized – and productive! – it would be to spend your days in a collaborative environment that prizes open dialogue, joint problem solving, and negotiation. In fact, according to NYU Stern Professor Lisa M. Leslie, not only do organizations tend to exhibit distinct, unit-wide conflict-resolution styles, it appears that certain styles lead to better outcomes in several metrics of



company success than others.

In a study designed to broaden the understanding of conflict-management behavior to include organization-wide, rather than individual or small group, styles, Leslie, an associate professor of management and organizations at Stern, and her co-authors, Michele Gelfand, Kirsten Keller, and Carsten de Dreu, surveyed the employees of 159 branches of a large bank in the mid-Atlantic US. Their paper, “Conflict Cultures in Organizations: How Leaders Shape Conflict Cultures and their Organizational-Level Consequences,” demonstrated not only that conflict-management styles fall into three main categories, but that each of these styles has implications for an organization’s performance and viability.

The three categories of how individuals, small groups, and now units tend to resolve differences are dominating, collaborative, and avoidant. In a dominating culture – exemplified by the defunct computer giant Digital Equipment Corp., which emphasized “truth through conflict” – organizational members collectively seek

competition and victory and try to outwit others. Employees in collaborative conflict cultures – Southwest Airlines, or Hewlett-Packard in its early days – reach resolution through dialogue, teamwork, and negotiation. In conflict-avoidant cultures – such as Versity.com, an online education company – employees suppress their differences and withdraw from situations that put them in opposition to colleagues, often acquiescing to others’ views for the sake of harmony.

The authors showed that these styles emanate from the top down and are perpetuated by hiring practices that, in essence, self-select – with employers recruiting people whose style would likely set them up for success in that particular culture.

Collaborative cultures ranked at the top in such measures as employee satisfaction, low burnout, productivity, and customer service. At the other end of the spectrum, dominating cultures scored lowest in those measures. In terms of creativity, the authors found that organizations with conflict-avoidant cultures wiped out, largely because

such an environment discourages the discussion necessary for generating creative ideas and solutions.

The data and conclusions produced by this research can be useful to managers who may want to shape or reshape their corporate culture, the authors suggest. “Given that leaders’ styles are important correlates of conflict cultures,” Leslie stated, “it is possible for organizations to strategically select and/or train leaders” to set examples that align better with the group’s goals. She added: “Leaders need to be made aware that their own conflict-management styles have implications far beyond their interactions with specific employees and extend to the unit as a whole. Conflict cultures can be challenged, contested, and changed.”

LISA M. LESLIE is an associate professor of management and organizations at NYU Stern. MICHELE J. GELFAND is a psychology professor at the University of Maryland. KIRSTEN M. KELLER is a behavioral scientist at the Rand Corporation. CARSTEN DE DREU is a psychology professor at the University of Amsterdam.

GUILT

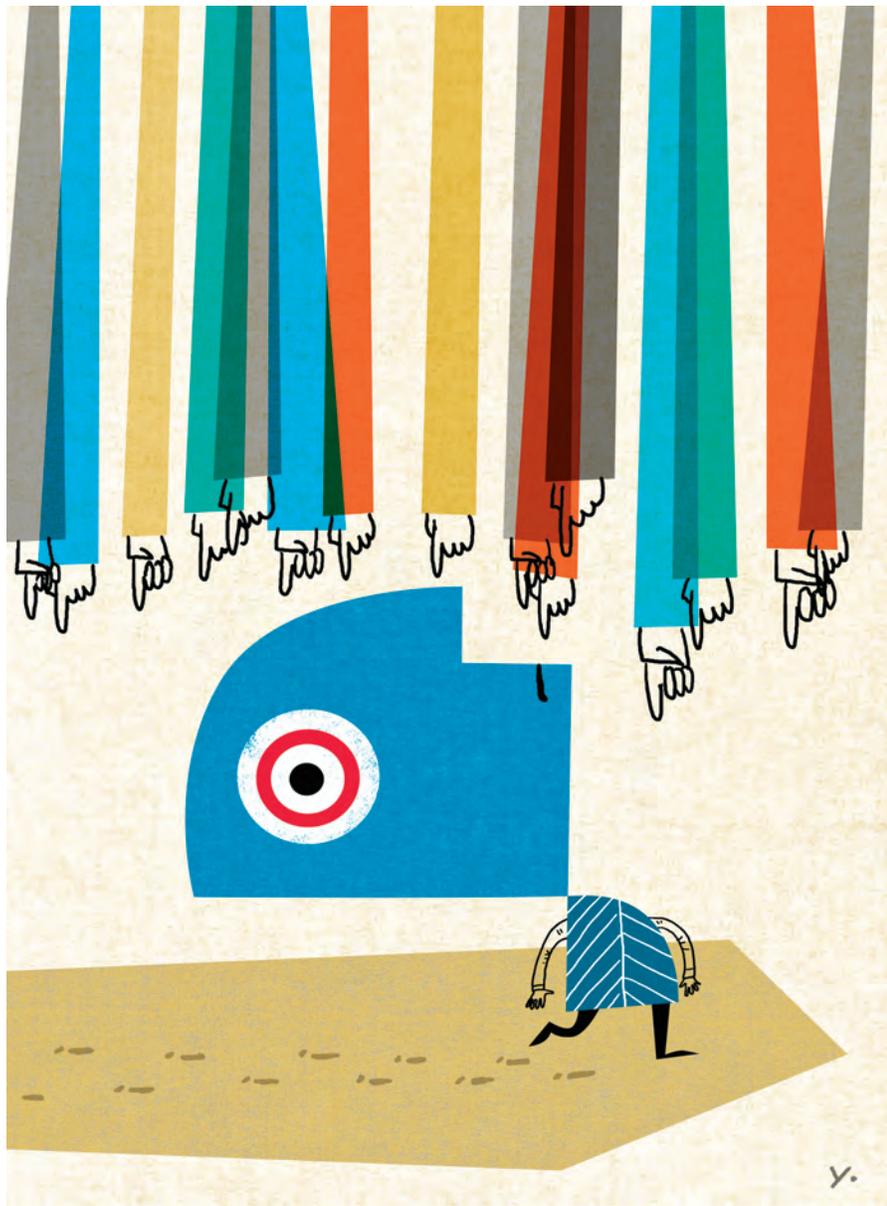
UNEXPECTEDLY, THE TENDENCY TO FEEL IT MAKES FOR EFFECTIVE LEADERS

The humorist Erma Bombeck called guilt the gift that keeps on giving. According to new research by NYU Stern Professor Rebecca Schaumberg, Bombeck may have been right in ways she didn’t intend. In the list of qualities an effective leader is reported to possess, a tendency to feel guilt would likely not top anyone’s

list, yet Schaumberg has demonstrated that it’s a significant predictor of who will not only emerge as a leader but be perceived as an especially effective one.

Schaumberg, an assistant professor in Stern’s management and organizations department, and her co-author, Francis Flynn, of Stanford’s business school, acknowledged

that good leaders are typically endowed with a number of positive qualities, such as extraversion, openness to experience, emotional stability, and conscientiousness. Yet the authors hypothesized, counter-intuitively, that the tendency to experience certain negative emotions – in particular, the tendency to feel guilty – could also be an integral part of an effective leader’s



psychological makeup.

As described in their paper, “Un-easy Lies the Head that Wears the Crown – The Link between Guilt Proneness and Leadership,” Schaumberg and her co-author designed their experiments to isolate three patterns: guilt proneness versus shame proneness and how that affected the perception of leadership ability; the participants’ leadership behavior within groups vis-à-vis their degree of guilt proneness; and the perception of that behavior by their peers.

“It may seem unlikely that guilt

proneness would make someone a more capable leader,” Schaumberg acknowledged, because guilt is a negative emotion that makes people uncomfortable and is preferably avoided. But unlike other negative emotions, like shame or embarrassment, she added, guilt can propel people to rectify past wrongs and avoid future mistakes and even engage problems hoping they can be solved. The positive consequences of guilt stem from a strong sense of responsibility, and “thus guilt-prone individuals may feel compelled to take the

lead in group settings because failing to contribute their fair share, fulfilling their obligations to others, or achieving the group’s objectives would engender guilty feelings.”

To test their assumptions, the authors surveyed several hundred random participants in one study and also created a second study asking small teams of student participants to undertake group tasks and rate each other for leadership qualities. These studies confirmed that guilt-prone people not only are seen as good leaders but emerge more frequently in that capacity. An additional study, using young managers as participants, confirmed that people who were judged to be effective leaders by colleagues, clients, and supervisors were more prone to feelings of guilt – implying, said Schaumberg, “that the manner in which individuals respond to their mistakes or transgressions influences perceptions of the status they deserve.”

The achievement in this set of studies is in adding nuance to the understanding of what makes a good leader. The tendency to feel guilt – as a result of feeling responsibility for and toward others – is perhaps the first negative emotion to be identified as an important leadership quality. “It’s a functional emotion that not only promotes positive interpersonal behaviors such as forgiveness and reconciliation but also can propel people to positions of greater status and social influence,” Schaumberg concluded.

REBECCA L. SCHAUMBERG is an assistant professor of management and organizations at NYU Stern. FRANCIS J. FLYNN is the Paul E. Holden Professor of Organizational Behavior at the Stanford Graduate School of Business.



PROSPECTUS

Volatility Institute Launches at NYU Shanghai

In December, NYU Stern's Volatility Institute expanded to Shanghai. The Volatility Institute at NYU Shanghai (VINS), located at the NYU Shanghai Pudong Academic Building in the heart of Liujiazui, Shanghai's financial center, aims to create opportunities for research focused on both Chinese and global financial markets. It also seeks to facilitate collaboration and community building among market participants and academic researchers within China and abroad. VINS aims to help improve global financial markets by providing timely financial information and analysis to academics, practitioners, regulators, and policy makers through innovative technology platforms and services.

The Volatility Institute at NYU Shanghai will operate in close partnership with and as an extension of the Volatility Institute at Stern, under the direction of Nobel Laureate and volatility expert **Robert Engle**, and with generous support from the Pudong Institute of Finance and NYU Shanghai. The Volatility Institute was created by Engle, the Michael Armellino Professor of Finance, in March 2009, with the mission of developing and disseminating cutting-edge research on risks in global financial markets and in financial econometrics that will ultimately contribute in a meaningful way to international financial policy. In 2010, the Volatility Institute introduced the Systemic Risk Ranking, a weekly ranking of the risk that the largest financial institutions pose to the global economy.



NYU Stern Professor and Nobel Laureate Robert Engle (left) launches the Volatility Institute at NYU Shanghai.

research roundup



Elizabeth Morrison

Management and Organizations Professor **Elizabeth Morrison** and Assistant Professor **Kelly See**

investigated why employees often fail to speak up about concerns and the situational factors that can affect this behavior in their paper, "An Approach-Inhibition Model of Employee Si-



Kelly See

lence: The Joint Effects of Personal Sense of Power and Target Openness." The paper is forthcoming in *Personnel Psychology*.

In "Leaning In or Leaning On? Gender, Homophily, and Activism in Crowdfunding," Assistant Management Professor **Jason Greenberg** and Ethan Mollick of the University of Pennsylvania



Jason Greenberg

used data from crowdfunding sites to examine whether higher proportions of female funders lead to higher success rates in capital-raising for

women. They found that women – including female founders proposing technological projects, a category largely dominated by male founders and funders – outperform men and are more likely to succeed at a crowdfunding campaign.

Assistant Accounting Professor **Michael Jung** and his co-authors, Franco Wong of INSEAD and



Michael Jung

Frank Zhang of Yale, developed an early indicator of changes in firm fundamentals, capital market activities, and stock returns. Their study, "Analyst Interest as an Early Indicator of Firm Fundamental Changes and Stock Returns," was the first to examine an observable aspect of analysts'

due diligence prior to their decision to initiate coverage of a firm's stock. It also showed that an awareness of changing analyst interest in a firm can provide investors with an early indicator of a firm's fundamental changes. The paper is forthcoming in *The Accounting Review*.

Assistant Management and Organizations Professor **Deepak Hegde** and



Deepak Hegde

Bhaven Sampat of Columbia University investigated whether lobbying by special interest groups

affects funding for research by the National Institutes of Health (NIH). They found that lobbying does affect NIH research grants and showed how lobbyists' influence plays out. The paper, "Can Private Money Buy Public Science? Disease Group Lobbying and Federal Funding for Biomedical Research," will be published in *Management Science*.

The *Journal of Consumer Research* accepted a paper by **Durairaj Maheswaran**, Paganelli-Bull Professor of International Business, **Pragya Mathur** (PhD '08) of Baruch College, and Cathy Yi Chen of Singapore Management University that examined how preconceived stereotypical notions about a country affected the evaluations of its products. In "The Effects of Country-Related Affect on Product Evaluations," the authors found that positive associations with a country enhance evaluations of its products, while negative associations harm affiliated product evaluations – in which case, the authors concluded that advertisers should emphasize a product's specific strengths rather than its country of origin.



Adam Alter

In "People Search for Meaning When They Approach a New Decade in Chronological Age," Associate Marketing Professor **Adam Alter** and his co-author, Hal Hershfield of UCLA's Anderson School of Management, examined why certain chronological ages inspire greater self-reflection than others. They found that adults periodically undertake existential reflection, which leads them to behave in ways that suggest an ongoing or failed search for meaning — e.g., by exercising more vigorously, seeking extramarital affairs, or choosing to end their lives. The paper will be published in the *Proceedings of the National Academy of Sciences*.

In "Falling Short of Expectations? Stress-Testing the European Banking System," **Viral Acharya**, the C.V. Starr Professor of Economics in Stern's finance department, and co-author Sascha Steffen, of the European School of Management and Technology, calculated the capital shortfalls of banks using publicly available data and a series of short-fall measures. The pair documented which



Viral Acharya



Joe C. Magee

banks will most likely need capital, where a public backstop is likely needed, and, since many countries are already highly leveraged, where a European Union-wide backstop might be necessary.

Managers who consider the views and feelings of others are likely to make better decisions, according to new research by Associate Professor of Management and Organizations **Joe C. Magee**. In "Acceleration With Steering: The Synergistic Benefits of Combining Power and Perspective-Taking," Magee

and co-authors Adam D. Galinsky, Diana Rus, Naomi B. Rothman, and Andrew R. Todd investigated the interplay of power and perspective-taking and their role in distinguishing good decision makers from poor ones.

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shorttakes

Dean **Peter Henry** was awarded the Foreign Policy Association (FPA) Medal, its highest honor, at the organization's annual Financial Services Dinner, held in February. The FPA awards medals annually to leading practitioners of foreign policy and to academics who research and teach in the area of US foreign policy.



Dean Peter Henry



Xavier Gabaix



Thomas Philippon

Finance Professors **Xavier Gabaix** and **Thomas Philippon** were featured in the International Monetary Fund's list of the "25 Brightest Young Economists," those under 45 judged to be influencing the global economy. The list appears in a special 50th anniversary issue of IMF's quarterly magazine, *Finance & Development*. **Philippon** also received the 2013 Germán Bernácer Prize for his research at the intersection between macroeconomics and finance and its relevance to policy. Three of the five past winners came from Stern's finance department. **Gabaix**, the Martin J. Gruber Chair in Asset Management, was included in the economics and business category of Thomson Reuters's list of "The World's Most Influential Scientific Minds: 2014." The list comprises researchers whose work has been most frequently cited by their peers.

Finance Professors

Xavier Gabaix and **Thomas Philippon** were featured in the International Monetary Fund's list of the "25 Brightest Young Economists," those under 45 judged to be influencing the global economy. The list appears in a special 50th anniversary issue of IMF's quarterly magazine, *Finance & Development*. **Philippon** also received the 2013 Germán Bernácer Prize for his research at the intersection between macroeconomics and finance and its relevance to policy. Three of the five past winners came from Stern's finance department.



Undergraduate College Dean Geeta Menon



Anindya Ghose

management science and information systems research fields.

Economics and International Business Professor **Nouriel Roubini** addressed the International Monetary Fund's High-Level Caribbean Forum in Montego Bay, Jamaica, in October, arguing that greater trade



Nouriel Roubini

Undergraduate College Dean **Geeta Menon** was named to *The Economic Times's* list of the Top 20 Global Indian Women in business and the arts, which includes other notable women such as PepsiCo CEO Indra Nooyi and film director Mira Nair. She was also honored at the Indian American Kerala Cultural and Civic Center's annual banquet in November, and served as keynote speaker.

Anindya Ghose, professor of information, operations, and management sciences (IOMS) and professor of marketing, won Best Paper awards from both of the top journals of the manage-

ment science and information systems research fields. Economics and International Business Professor **Nouriel Roubini** addressed the International Monetary Fund's High-Level Caribbean Forum in Montego Bay, Jamaica, in October, arguing that greater trade and economic integration are key to the Caribbean's sustained economic growth.

IOMS Professor **Arun Sundararajan** spoke in December at the Congressional Internet Caucus Advisory Committee's panel discussion on the sharing economy, entitled "Should Congress Be Caring About Sharing?"



Arun Sundararajan

PEER TO PEER

Student Life in Washington Square and Beyond

Bringing Back an Old Standard

Through a new print publication, NYU Stern undergraduates are exploring the student experience, building pride, and engaging the community

By **Karl Brisseaux**

The Gould Standard, Stern's undergraduate student newspaper, was founded during the spring 2012 semester. However, it embraces a medium whose demise has been predicted for several years.

Maria Xing (BS '15), the newspaper's editor-in-chief, said that although *The Gould Standard* is available online, the newspaper's executive board felt it was important that the publication was available in print as well.

"In a sense, the newspaper is like a yearbook," said Xing, a Stern senior whose concentrations include finance and marketing. "It's a physical copy – something students can keep forever – and we distribute the newspaper so that it's available and visible throughout Tisch Hall."

The idea was conceived by Lin Ling (BS '14), the paper's first editor-in-chief, while she was having lunch with Stern Undergraduate College Dean Geeta Menon in her junior year, together with several other students. Ling thought that *The Gould Standard* would be a great way for her peers to feel a sense of pride about Stern. Dean Menon encouraged Ling and her friends to investigate whether there was traction for this idea.

"In this digital age, I was surprised that a print newspaper would have appeal among this generation of undergraduate students," said Dean Menon. "However, the idea that a physical paper planted strategically at elevators and other public areas would encourage students to pick up a copy and read was an intriguing one. Additionally, I thought it was a great idea for generating Stern pride and a feeling of community. I'm always happy to see students take pride in the school. It can be a really powerful community builder."

Today, *The Gould Standard* has a strong team of students working on all aspects of the newspaper's execution. A design team works alongside the editorial staff to execute layouts, and students map out a distribution and marketing



Undergraduate College Dean Geeta Menon, student Maria Xing, and Professor Jeffrey Younger take a look at the latest issue of *The Gould Standard*.

plan to spread the word about each issue.

In the fall 2014 semester, Stern Professor Jeffrey Younger joined *The Gould Standard* as its faculty adviser. He has helped the newspaper's executive board take steps to develop long-term strategies to ensure *The Gould Standard's* longevity, especially as the current executive board graduates over the next few years, and also advises on editorial strategy.

"One of my goals has been to encourage students to move from summary to analysis in their writing," said Younger, who teaches management communication at Stern. "They have done a great job focusing on issues that are important to students." Recent issues have covered the roles women take on in the business workforce and student entrepreneurs, among other topics.

"Professor Younger has been great. He's helped bring a lot of structure to our organization," said Xing. "Each meeting starts with updates, then we pitch ideas and break out into sections and teams to discuss editorial, design, communications, marketing, and distribution strategy."

Xing, who graduates in May 2015, came to Stern with a passion for writing; in high school, she took creative writing classes at a local university in Iowa. She also serves as a digital media correspondent for Liverpool Football Club, publishing original content for the soccer team's website.

"Writing is important, no matter what field you end up in," said Xing. "I enjoy writing about soccer, but I also wanted to focus specifically on business writing, and through *The Gould Standard*, Stern provided a great opportunity to do that."

"There are lots of parallels between business writing and journalism," said Younger. "Both are about getting to the point and recognizing that you need lots of evidence to support your claims, and you have to structure your arguments logically and produce engaging content. The students have done a great job of that." ■

Summer Internships at the Intersection of Business and Society

By Anna Christensen

NYU Stern's Social Impact Internship Fund (SIIF) empowered 18 MBA students to pursue summer internships at the intersection of business and society in 2014. Stern created SIIF seven years ago to support first-year, full-time MBA students who would like to use

their business education to positively impact the broader world around them, and the program has grown each year. Each fellow is provided with a stipend of up to \$10,000 to intern with a nonprofit company, government office or for-profit social enterprise. Alumni donations help fund SIIF, and fellows' MBA classmates also support the program with a popular annual "Think Social, Drink Local"

(TSDL) event. Co-hosted by Stern's Social Enterprise Association and Luxury and Retail Club, TSDL features a runway show with Stern students and administrators modeling locally produced fashions.

Last year's fellows interned at a diverse set of organizations ranging from the Clinton Foundation to a clean energy company to a micro-fund in Africa, and several of the students shared insights from their experiences.

"My SIIF fellowship at the Overseas Private Investment Corporation was exactly what I was looking for this summer – to participate in directing capital to socially responsible, for-profit companies," described MBA student Humaira Faiz. "I had the opportunity to work right at the epicenter of development finance on deals ranging from microfinance institutions to cookstoves, seeing firsthand the tremendous impact the innovation and passion of the private sector can have on improving the lives of those at the base of the pyramid."

Robert Carper, who interned at the US Department of Treasury, noted the perspective he gained from working in the public sector. "The US Department of Treasury plays a fundamental role in our nation's economic growth through pragmatic policies to support job creation, investment, and



2014 SIIF fellows shared photos from their summer internships at a diverse set of organizations, including the Overseas Private Investment Corporation, the National Park Service, and The Bootstrap Project.

economic stability," he said. "The funding I received from SIIF allowed me the opportunity to understand financial markets at a level that makes a direct impact on people's lives daily."

Luke Douglas, who interned at the National Park Service, reflected on the mutual benefit resulting from MBA internships in the

public and social sectors: "A lot has recently been written about how we need to expand the scope of the private sector to include some of the public sector's values. Yet, the focused private sector has also been the greatest driver of overall human development that we as a species have invented. How then do we successfully blend these two ideas of business

and service? The SIIF fellowship is one step in the right direction, cross-pollinating MBA-trained business thinkers with mission-driven, holistically focused organizations."

The program enabled Olivia Fay to spend last summer focused on her start-up, DENT. "I have been working to launch a socially motivated, contemporary dress brand in New York while earning my MBA," she explained. "For every dress sold, a school uniform will be given to a girl whose access to education is threatened. Our uniforms will be given to schoolgirls in regions that are highly affected by gender inequality and poverty, where the cost of a school uniform can be the difference between a girl going to school or missing out on yet another year of education. As a result of SIIF, I could finally work full time on my venture this summer!"

The students have, above all, emphasized the importance of applying their business knowledge to create value for society. Shay Murphy, who interned at impact investment firm Imprint Capital, explained, "Witnessing firsthand how business can develop and contribute to social and environmental impact was a profound experience for me that both reinforced my future career goals and further justified my decision to come back to business school at Stern." ■

ALUMNI RELATIONS Alumni News & Events

ALUMNI HOLIDAY CELEBRATION AT THE NEW-YORK HISTORICAL SOCIETY

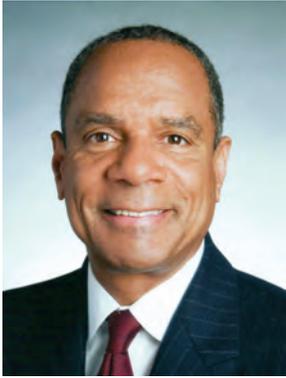
On December 11, 2014, more than 850 alumni and friends celebrated NYU Stern and the holiday season at the New-York Historical Society. The evening featured live music, cocktails, and a culinary tasting of New York's diverse food scene. Attendees enjoyed special access to a variety of exhibitions including *Annie Leibovitz: Pilgrimage* and *Holiday Express: Toys and Trains from the Jerni Collection*.



1. Lorraine Spradley Wilson (MBA '12, Alumni Holiday Celebration Host Committee) and Sean Donald Wilson (MBA '10)
2. Anuj M. Saxena (BS '06) and Liz Schnitter (MBA '11)
3. Joan Martens (MBA '75) and Shirley Onacilla (BS '74, MBA '75)
4. Hundreds of alumni and guests celebrated the holiday season at the New-York Historical Society.
5. Yogesh Ker, Neeta Kher (MBA '14) and Maria E. Cevallos (MBA '14)
6. Undergraduate College Dean Geeta Menon and Manish Somaiya (BS '92, Alumni Council Member)
7. Dean Peter Henry, Justin Choudhury (MBA '14), and Rachel Hirsch (MBA '13)
8. Asha Shivaji (MBA '12), Michelle Klausner (MBA '12), Katrin Warren (MBA '12), Emily Tran (MBA '12), and Neha Chinai (MBA '13)
9. Alumni enjoyed exclusive access to a number of exhibits at the New-York Historical Society.
10. Ben Cabrera (MBA '07) and Paul Redner (MBA '07)
11. Kurt Fields (BS '11), Stefanie Kern (BS '11), and Vitali Bourchtein (BS '11)
12. Michael Ratpojanakul (MBA '14), Briana Harper (MBA '14), Brian Zakrocki (MBA '06, Alumni Council Member, and Host Committee Chair), Olga Banner (MBA '14), and Jackie Beer (MBA '14)



NYU Stern Haskins Giving Society Honors Kenneth Chenault, Chairman and CEO of American Express



On April 30, NYU Stern celebrated hundreds of its most generous and dedicated donors at the 36th annual Haskins Award Dinner. The evening event took place at The Plaza Hotel and honored Kenneth Chenault, Chairman and CEO of American Express. During his tenure, Chenault has re-

shaped the American Express business model and made its products the gold standard of the industry today. Chenault has also demonstrated a steadfast commitment to social responsibility both personally and professionally, serving on a number of corporate and nonprofit boards and prioritizing the company's involvement in training emerging leaders for the nonprofit sector.

Visit sternalumni.nyu.edu/haskins to learn more about the Haskins Giving Society and to become a member.

SHOW US YOUR STERN SPIRIT

MBA Academic Affairs and Advising brought together Langone MBA students, alumni, and faculty for the “Making Strides Against Breast Cancer” walk in Westchester on October 26, 2014. Sternies joined other participants to raise more than \$1 million for the American Cancer Society.



Photo left: Frances Milliken, Academic Director of the Langone Part-time MBA Program (Westchester Campus); Ginny Goldberg, Assistant Director of Academic Affairs (Westchester Campus); Melanie Gordin, Assistant Director of Academic Affairs and Advising (Westchester Campus); and Skip Auch (MBA '82) Right: Gwen Melnyk (MBA '15) and husband, Ruwan Parakramaweera

REUNION 2014

Nearly 500 Stern alumni joined us on November 7 and 8 to reconnect with classmates and celebrate their fifth-50th class-year reunions. Guests enjoyed dinner and dancing at the Waldorf Astoria on Friday evening. The night included class cocktail receptions, live music, a photo-booth, and an address from Dean Peter Henry. NYU Alumni Day on Saturday, November 8, featured a luncheon, panel discussions, tours, and faculty lectures.



1. MBA Class of 2009
2. Paco Hervella (MBA '94)
3. Adam Rosenberg (MBA '09), Ward Jones (MBA '09), and Tom Catherwood (MBA '09)
4. Dean Peter Henry and Allan Boomer (MBA '04)
5. Tammy Harrison (MBA '04), Christine Etheredge (MBA '04), and Monisha Deshpande (MBA '04)
6. Paul Goldstein (MBA '84)
7. Wendell Bristol (MBA '94) and Lisa Farrow (MBA '94)
8. Aakash Patel (BS '04), Neha Thumar (BS '04), and Karishma Patel
9. Members of the Undergraduate Class of 2009
10. Damian Benders (MBA '04), Kevin Jordan-Deen (MBA '04), and Joe Edmonds
11. Brian Hopkins (BS '03), Daniel Hsu, L.G. Clark, and Laura Hill (MBA '84, Reunion Committee Member)
12. Kavita Gupta (MBA '99), Mike Jung (MBA '99), Paul Leibowitz, Stacey Leibowitz (MBA '99), Don Reed (MBA '99), Raj Das (MBA '99), and Niithya Das



Believe in Possible: The Fourth Annual NYU Stern Scholarship Reception

At the fourth annual NYU Stern Scholarship reception on March 11, nearly 150 attendees gathered to acknowledge the generosity and accomplishments of Stern scholarship donors and recipients. The reception offered a unique opportunity for



Top image: Alan P. Gallo (BS '87, MBA '90), benefactor and a member of the Stern Alumni Council, poses with student scholarship recipients Kathy Hong (BS '15) and Justin Wych (BS '15). *Bottom image:* Dean Peter Henry addresses attendees in The Rosenthal Pavilion at NYU's Kimmel Center.

current students to share their stories with the donors who have so positively impacted their lives.

Deans Peter Henry and Geeta Menon expressed gratitude in their remarks, highlighting the transformative power of scholarships. After hearing from scholarship donor Alan Gallo (BS '87, MBA '90), two scholarship recipients took the stage to share their stories. Lindsey Melki (MBA '14, MPA '15) spoke of transitioning from the military to business school to pursue a career rooted in the social aspects of the business sector and centered upon giving back to the veteran community. Justin Wych (BS '15) shared stories from his four years at Stern, where he recently completed a degree in finance and accounting and has been able to take advantage of the breadth of Stern opportunities, even spending two weeks with a class in Abu Dhabi.

To learn more about the Momentum Campaign and support scholarships at NYU Stern, please visit sternalumni.nyu.edu/momentum.



Have you moved recently? Changed jobs? Let's keep in touch! Update your information online at sternalumni.nyu.edu/update or by calling **212-998-4040** to receive important updates about the School, information on career services, and invitations to alumni events in your area. Make sure to provide your **email address** and keep us environmentally friendly.



SAVE THE DATE: REUNION 2015 ON OCTOBER 24, 2015

Mark your calendars for this annual NYU Stern tradition! Alumni from the classes of 2010, 2005, 2000, 1995, 1990, 1985, 1980, 1975, 1970, and 1965 will be honored at this year's reunion. Join us for a day of programming with our world-renowned faculty and an evening celebration at the Waldorf Astoria. To join your Reunion Committee or to make a gift in honor of your class, please visit the Reunion 2015 website at sternalumni.nyu.edu/reunion.

class notes

Send us your news, update your contact information, and access the contact information of your fellow alumni through NYU SternConnect, Stern's online alumni community, at sternalumni.nyu.edu.

1940s

Stanley Turkel (BS '47), of Flushing, NY, was designated as the 2014 Historian of the Year by Historic Hotels of America, the official program of the National Trust for Historic Preservation. His fifth book is *Hotel Mavens: Lucius M. Boomer, George C. Boldt and Oscar of the Waldorf*.

1950s

Alvin Hampel (BS '50), of New York, NY, celebrated a book party at Hallmark Senior for his bestseller *Sticking My Ads Out*.

Martin Packer (BS '55), of Bal Harbour, FL, was elected Mayor.

1960s

Gulabsi Ratansi Khimji (MBA '63), of Oman, was profiled by *Construction Week Online*.

Richard J. Berman (BS '64, MBA '73), of New York, NY, has been appointed to the Board of Directors of MetaStat, Inc.

Harry Edelson (MBA '65), of Ho-Ho-Kus, NJ, was named a Director of Pinyon Technologies.

1970s

Robert J. Bahash (MBA '72), of North Brunswick, NJ, was elected to the Board of KapStone Paper and Packaging.

William Pesce (MBA '75), of Basking Ridge, NJ, helped establish the Pesce Family Mentoring Institute at William Patterson University. He is also a member of NYU Stern's Board of Overseers.

Peter Kraus (MBA '76), of New York, NY, was named one of the "Top 100 Art Collectors" by *Lifestyles Magazine*.

Gary Glickman (MBA '78), of Chevy Chase, MD, has joined Accenture in its Health and Public Service Operating Group.

Leonard M. Baynes (BS '79), of Forest Hills, NY, was named Dean of the University of Houston Law Center.

Christine Reilly (MBA '79), of Berkeley Heights, NJ, has been named Chief Risk Officer for LiftForward, a financial services software company.

1980s

Betty Wong (BS '80), of New York, NY, just completed the first \$5 million IntroAmerica Jiangsu Star Students Search program in China, arranging for 16 US colleges to offer scholarships to Jiangsu high school students coming to the US in 2015.

Nicolas Berggruen (BS '81), of New York, NY, was named one of the "Top 100 Art Collectors" by *Lifestyles Magazine*.

Kenneth J. Monaghan (MBA '81), of Garden City, NY, joined asset management firm Amundi Smith Breeden as Head of Global High Yield.

Kevin Parker (BS '81), of New York, NY, has joined the Board of Directors of The Sustainability Accounting Standards Board.

Barbara Schecter (MBA '81), of Manalapan, NJ, launched Barbara's Cookie Pies, offering classic desserts with an artisanal twist.

Vita Cassese (MBA '82), of New York, NY, joined the Board of Directors of Loftware.

Michael Senft (MBA '82), of Chester, NJ, was appointed Vice President, CFO, and Treasurer of KLX Inc.

David Gurwitz (MBA '84), of Monsey, NY, was featured in a news story on *Good Day Atlanta* about reconnecting with a former mentee 25 years later.

Pradeep Paurana (MBA '84), of Nairobi, Kenya, was elected Chairman of the Kenya Association of Manufacturers.

Mark W. Haye (BS '86), of Pt. Barrington, IL, was named a Vice President Producer of Lockton, a Chicago-based risk management, insurance, and employee benefits company.

Cathy Martin (MBA '86), of Far Hills, NJ, was appointed Treasurer and CFO of Guide Dogs for the Blind.

Barbara Osborne (MS '86), of Alpharetta, GA, was named President and CEO of LEO Pharma Inc. US.

Mark Patterson (MBA '86), of Bronxville, NY, Co-Founder of MatlinPatterson, was interviewed by OneWire for its Open Door series on YouTube.

Daniel Schulman (MBA '86), of New York, NY, joined PayPal as President, and will become CEO of PayPal following the planned separation of the business into an independent, publicly traded company in the second half of 2015.

Al Sapienza (BS '87), of West Hollywood, CA, has joined Fox's "Gotham" in the role of "Dick Lovecraft."

Edward Munshower (MBA '88), of New York, NY, was appointed to the Board of Directors of the New York Police and Fire Widows' and Children's Benefit Fund.

Joseph Nimmich (MBA '88), of Port Republic, MD, was nominated by President Barack Obama to serve as Deputy Administrator of the Federal Emergency Management Agency for the Department of Homeland Security.

Donald Preate (BS '88, MBA '94), of New York, NY, has been promoted to Executive Vice President at Cushman and Wakefield, Inc.

Debra Sandler (MBA '88), of Morristown, NJ, was named the Chief Health and Wellbeing Officer at Mars, Inc.

Katherine Uniacke (MBA '88), of Darien, CT, has been appointed to the Board of Directors of Goldman Sachs Institutional Funds II Plc.

Mark Divine (MBA '89), of Encinitas, CA, spoke at the Operation Military Family Cares National Gala Event.

Scott Lemone (MBA '89), of Wesley, MA, has joined TriArtisan Capital Partners LLC.

1990s

Larry Gaffaney (MBA '90), of Juneau, AK, was appointed to the Alaska Royalty Oil and Gas Development Advisory Board.

Kathleen Navarro (BS '90), of New York, NY, was appointed Chief Diversity Officer of New York Life.

Christine Anderson (MBA '91), of Reva, VA, founder of Christine F. Anderson Publishing and Media, was profiled by Flash Fiction Chronicles.

Charles Scharf (MBA '91), of New York, NY, has been appointed to the Board of Directors of Microsoft.

Yogesh Bahl (BS '92, MBA '03), of White Plains, NY, was named Managing Director, Financial Advisory Services Group, of AlixPartners.

Elizabeth Elting (MBA '92), of New York, NY, and **Phil Shaw (MBA '93)**, of Beverly Hills, CA, are Co-Founders and Co-CEOs of TransPerfect Translations, which was ranked third on the list of New York area's "Top 25 Women-Owned Companies" in *Crain's New York Business*.

Ron Nersesian (MBA '92), of Windsor, CA, has been promoted to President and CEO of Keysight Technologies, the original Electronic Test and Measurement business formed by Bill Hewlett and Dave Packard.

Ajay Poddar (MBA '92), of Morristown, NJ, and his wife, Ranjini Poddar, are the Co-Founders of Artech Information Systems, which was ranked fourth on the list of New York area's "Top 25 Women-Owned Companies" in *Crain's New York Business*.

Oliver Baete (MBA '93), of Germany, was named CEO of Allianz.

Lawrence Handen (MBA '93) joined Macquarie Capital as Senior Managing Director of its US Principal Transactions Group.

A Passion for Dance

Dancing has been a lifelong passion for Priya Pandya, co-founder and CEO of the Bollywood-inspired fitness phenomenon Doonya, a series of cardio and conditioning workouts. Classical Indian style dance, called Bharatanatyam, “has always been a way for me to connect to my heritage,” says Pandya. During her time at NYU Stern, Pandya was given what she called “the tools and framework to think big-picture” and to develop her business idea into a successful brand. Perhaps just as valuable as the case studies and classwork she did as an MBA student, Pandya cites the Stern community as a catalyst to get her new venture off the ground. “Stern allowed me to engage with like-minded, entrepreneurial peers. This network provided the safety I needed to take risks with my ideas,” says Pandya.

Pandya’s fitness brand, Doonya, is rooted in its global reach. In fact, “Doonya” means *world* in Hindi and Arabic. Although first established in Washington, DC, and expanded into New York City, Doonya’s brand has reached followers in South Africa, India, and Dubai through digital platforms. “Social media has been a huge asset in growing the audience,” says Pandya. In addition to a partnership with Reebok, Doonya has been featured on a variety of prominent outlets, including Oprah, Live! With Kelly and Michael, and numerous women’s health and fitness magazines.

After her first year at Stern, Pandya received the Social Impact Internship Fund (SIIF) award, and spent a summer working abroad in Malawi and Pakistan with the Clinton Foundation. “My time abroad was transformative, so much so that I extended my stay, and through which I earned an international degree in business. The School values this aspect of its MBA program, and this has made the difference in my career.”

Despite Doonya’s growth, adding instructors and locations, Pandya continues teaching classes at the brand’s New York City hub. “Running a business based on a passion is a unique experience, one that requires constant reassessment and check-ins on our company’s commitment to our values.” She stresses the importance of living the life of an entrepreneur immersed in her business but also acknowledges that “it can come at a cost. It may never be an equal split time-wise, but my priority is to be fully present in each area of my life, whether at work or at home.”

Pandya continues to draw on her Stern education. “I didn’t have all of the answers when I graduated. Nobody can. But with each step forward, my Stern education has come to life, informing my decisions and responses and giving me the confidence to build my business.”



Priya Pandya (MBA '09)

Michael Spolarich (MBA '97), of Sag Harbor, NY, was named Vice President of Empire National Bank.

John Delbridge (MBA '98), of New York, NY, the CEO of Mimeo, was named a 2014 William F. Glaser '53 Rensselaer Polytechnic Institute Entrepreneur of the Year.

Justin Pollack (BS '98), of New York, NY, was appointed Senior Vice President of PineBridge.

Anibal Wadih (MBA '98), of Miami, FL, has become Managing Director of Global Environment Fund.

Joel R. von Randon (MBA '99), of New York, NY, married John Sublett on September 20, 2014, in Sagaponack, New York.

2000s

Kevin Crissey (MBA '00), of Mahwah, NJ, was appointed Director of Investor Relations at JetBlue.

John Fay (MBA '00), of Bernardsville, NJ, was named CEO of INTRA.

Baylor Ann Lancaster (MBA '00), of Miami, FL, married Lawrence Samuel in Camden, ME.

Marta Martinez (MBA '00), of White Plains, NY, was named Global Head of AOL Video Sales.

Sunny Tam (BS '00), of New York, NY, married Lee Lee Au in East Meadow, NY.

Russell Weiner (MBA '01), of Ann Arbor, MI, was named President of Domino's Pizza USA.

Jobi George (MBA '02), of San Jose, California, has joined start-up Elasticsearch as Senior Director of Global Business Development.

Lukas Neckermann (MBA '02), of London, England, has published his book *The Mobility Revolution: Zero Emissions, Zero Accidents, Zero Ownership*.

Matthew Cook (MBA '03), of Philadelphia, PA, has been promoted to Executive Vice President of Strategic Planning and Business Development at The Children's Hospital of Philadelphia.

Kal Goldberg (MBA '03), of New York, NY, has been named Partner at RLM Finsbury.

Jim LaChance (MBA '93), of Short Hills, NJ, has joined the Board of Directors of Energy XXI.

Richard Chang (BS '94), of Port Washington, NY, was named one of the “Top 100 Art Collectors” by *Lifestyles Magazine*.

Boris Groysberg (BS '94), of Brooklyn, NY, was appointed to the Board of Directors of First Republic Bank.

Julia Kadison (MBA '94), of Washington, DC, was appointed CEO of the Milk Processor Education Program (MilkPEP).

Ellen Kratzer Rose (MBA '94), of New York, NY, has been named to a two-year term as President of the Association of Junior Leagues International.

Carlos Lopez, Jr. (BS '94), of Whittier, CA, was named Vice President of Investments at FIRMO Investment Consulting Services.

Richard Toolen (MBA '94), of London, England, has recently moved there from Zurich, Switzerland. He has set up a Stern MBA London alumni group on LinkedIn, and its first event was in December.

John Doehring (MBA '96), of Pepperell, MA, published his book *Fast Future! Ten Uber-Trends Changing Everything in Business and Our World*.

Richard Koehler (MBA '96), of Princeton, NJ, joined Hamilton USA as President, Middle Markets and Programs.

Dana Weinstein (MBA '96), of New York, NY, has joined Morgan Stanley as Managing Director and Head of Business Services EMEA.

Michael Metzger (MBA '03), of Chappaqua, NY, was appointed CEO of Regado Biosciences, Inc.

R. Tina Patel (BS '03), of Tenafly, NJ, has joined Klasko Immigration Law Partners, LLP.

Deepak Raghavan (BS '03), of North Caldwell, NJ, has joined Radiologic Associates of Fredericksburg.

Luis Solis (BS '04), of New York, NY, was named part of "The Folio: 100," an annual list of the magazine and media industry's innovators, entrepreneurial thinkers, and disruptors.

Jerry Xie (MBA '04), of Hong Kong, has been appointed as a non-executive Director for Lamboo Resources.

Jennifer Yip (MBA '04), of New York, NY, joined DistroScale as a Vice President.

Sunny Wang (BS '05), of Cedar Grove, NJ, was featured in an issue of *HouseFun News*.

Jane Randazzo (MBA '06), of Wyckoff, NJ, joined the recruiting team at Right Executive Search, LLC.

Vivian Lee (MBA '07), of New York, NY, was elected to the Board of Directors of Merrimack Pharmaceuticals.

Jill Anderson (MBA '08), of Bronxville, NY, was on *Profiles in Diversity Journals* list of "Women Worth Watching 2015."

Alina Costica DiMeglio (BS '08), of Brooklyn, NY, was named Vice President at Swander Pace Capital.

Amy Thurlow (MBA '08), of New York, NY, was named COO and CFO for Dick Clark Productions.

Justin R. White (MBA '08) was named Partner at Casey, Quirk & Associates LLC.

Michael Gorman (MBA '09), of Philadelphia, PA, has joined Cowen and Company's Equity Research department as a Director.

Michael Lean (MBA '09), of West Harrison, NY, has been named Director of Equity Research, Americas, at CLSA Americas.

Leon Wu (MBA '09), of Los Angeles, CA, launched Sharpe Suiting, an LGBTQ-inspired fashion start-up.

2010s

Seth Greenfield (MBA '10), of Long Island City, NY, married Amanda Bicofsky on

An Entrepreneurial Spirit



Erik Kimel (BS '08)

Erik Kimel was no stranger to business when he began his four years at the NYU Stern Undergraduate College. Many students come to campus with ideas, but Kimel, with an eye for spotting the need within his community, had already laid the groundwork for a promising enterprise. One small ad in the newspaper, and his business was primed for takeoff.

In 2003, as a 17-year-old high school senior, Kimel founded Peer2Peer Tutors with \$50 he earned serving pizza at a local restaurant. His business, based in the Washington, DC, area, connected teenage tutors with struggling middle-school students looking for help in school at an affordable rate.

When it came time to think about colleges, the decision was easy. "All it took was a visit," says Kimel. "I knew that studying business in the center of New York City was a unique opportunity, and seeing the campus sealed the deal." Kimel, who applied early to Stern's BS program, credits the School with teaching him the fundamentals he needed to be successful. "Everything I learned in class applied directly to running my business – financial accounting, presentations, all of it," says Kimel, whose concentrations at Stern included finance and management. Kimel further honed his skills outside the classroom – he served as president of the Entrepreneurial Exchange Group (EEG) and co-founded The Little Café, a snack and coffee shop located on the third floor of Tisch Hall in the heart of Stern's student study lounges.

As a freshman, Kimel entered Peer2Peer into the Berkley Center's Maximum Exposure Business Plan Competition. He walked away with a third-place ranking and a chance to meet with Professor Kenneth Preston. "Professor Preston had seen the business plan and set up a meeting. Being a less-than-polished freshman, I showed up wearing a backwards hat and an earring," Kimel recalls somewhat sheepishly. But the meeting proved to be influential for Kimel and Peer2Peer, blossoming into a long-term mentoring relationship with Professor Preston, one that still exists today.

By 2012, Peer2Peer was acquired by a larger college admissions and test prep company. At the time, Kimel's business had created more than 5,000 youth jobs and 5,000 customer relationships, and the acquisition led to the rapid expansion of the business from 12 to 27 sites nationwide. After the 14-month integration period, he made the decision to step away from the project he founded to take a break and look for a new challenge.

Today, Kimel is the director of brand activations for Harry's, a new online men's grooming line that delivers high-quality shaving products at affordable prices.

Gaining new experiences and skills is important to Kimel. "Stern connected me with mentors and taught me how to learn," Kimel says. "It helped me feel prepared for the next steps of my career."

September 20, 2014, in New York, NY.

Adam Grossman (MBA '10), of Chicago, IL, published his book, *The Sports Strategist: Developing Leaders for a High Performance Industry*.

Shyra Smart (MBA '10), of Brooklyn, NY, was named Vice President of Business Development at The Daily Beast.

Joseph Stauffer (MBA '10), of Skillman,

NJ, was appointed Chief Medical Officer at Cara Therapeutics.

Ferdinand Willem Tuinstra (MS '10), of the Netherlands, joined the Board of Directors at the LOCKO-Bank.

Siddharth Choraria (MBA '11), of New York, NY, has joined APS Asset Management, one of the largest hedge funds in Asia. He recently won a global investment

contest run by SumZero.

Michelle Harrison (MBA '12), of New York, NY, married Brian Bacharach in Nevada.

Samir Mirza (MBA '12), of Kildeer, IL, **Andrew Jones (BS '06)**, of Wayne, PA, and former student **Brian Long**, of New York, NY, Co-Founders of TapCommerce, sold their company to Twitter.

Nikhil Thomas (BS '12), of Jericho, NY, and **Fredric Andres Uribe (BS '12)**, of Weston, FL, launched Lukly, a backup solution that allows for access to personal contacts from another person's phone.

Huriyyah Muhammad (MBA '13), of Jersey City, NJ, is producing a documentary called "Bulbul: Song of the Nightingale," about a young girl from the Banchara tribe in Madhya Pradesh, India.

Michael Peroni (MBA '13), of Brooklyn, NY, joined Praesidian Capital as Principal.

Michael Rooney (MBA '13), of San Francisco, CA, married Elizabeth Fabiani on September 20, 2014, in Lenox, MA.

Rachel Tofel Ferrante (MBA '14), of New York, NY, married Cameron Adams Ferrante on November 1, 2014, in Buxton, ME.

Ankita Sharma (MBA '14), of Alexandria, VA, co-founded Saffron Fix, which offers pre-measured ingredients and recipes for cooking Indian food at home. The company launched with the support from a successful Kickstarter campaign.

Crystal Ung (MBA '14), of New York, NY, co-founded Seyrue, a women's professional clothing line.

In Memoriam

John Abrams (BS '87)

Melissa Campbell (BS '91)

Gilbert Datz (MBA '71)

Charles Dicalogero (MBA '53)

Thomas Dso Yun Fok (MBA '50)

Barbara Greeley Kopta (MBA '78)

Saul Hertzog (BS '42)

Sherri King (MBA '01)

Jerry Klein (BS '66, MBA '68)

Ida Murray (BS '65)

Ronald Nackman (BS '60)

Milton Shumsky (BS '48)

Amar P. Singh (MBA '82)

Howard Tames (BS '64)

Eric Vandercar (MBA '87)

Marilyn Walsh (MBA '63)

A Calling to Serve



Fr. James Spillane (PhD '73)

A business education might seem like unconventional training for a priest, but scholar and missionary Father James Spillane believes that it was precisely the foundation he needed in order to do the most good in the world. After completing degrees in mathematics and philosophy at Boston College and taking his first vows as a Jesuit novice, Fr. Spillane was sent to Al-Hikma University in Iraq in September 1968 to teach mathematics in the school's engineering department, just as the Ba'ath Party gained power. Because of the political turbulence that followed, he and the other members of the Jesuit scholar community were expelled only three months later. However, this brief brush with the developing world made a lasting impact on Fr. Spillane. As he explains, "I realized that being a math teacher was not the best way to help

people in extreme poverty, so I decided to pursue doctoral studies focusing on international economics and business – that way I could train people to manage better, run businesses better, and practice entrepreneurship."

Fr. Spillane considered NYU Stern, then called the NYU Graduate School of Business Administration (GBA), "to offer the best instruction in international business." In 1969, the School was located at its Trinity Place campus in the heart of New York's financial district, and Fr. Spillane vividly recalls commuting from Union Square to Wall Street each day, just as construction began on the World Trade Center. He also speaks fondly of the close relationships he forged with Professors Ingo Walter and the late Robert Hawkins, noting that, "they were especially affirming and served as excellent role models because of their diligence, professionalism, and caring personalities." His work at the United Nations' Center for Building, Housing, and Planning during the summers led to his thesis topic on the housing planning and production process during the industrialization period in Iran under the Shah. His doctoral work culminated with a UN mission to Iran in 1971 to mark the 2,500th anniversary of the Persian monarchy, and from there he went to work in Bogota, Colombia, for the country's national planning agency and to teach at the Universidad de Los Andes.

Reflecting on his life and career, Fr. Spillane says that his academic pursuits at Stern have most notably informed the work he did for 33 years at the Jesuit-run Sanata Dharma University in Yogyakarta, Indonesia. Because the area is widely known within Indonesia for its tourism, he eventually took a serious interest in the hospitality industry. Later he transitioned into a position at St. Augustine University in Mwanza, Tanzania, where he founded the Tourism and Hospitality Management Department in 2009. Today he is dean of the university's Faculty of Business Administration. Of his contributions in Africa, he says: "It's been exciting to establish a good, solid program in tourism and hospitality management in Tanzania, one of the poorest countries in the world. It has many tourism assets like Mount Kilimanjaro, Serengeti Game Park, and the island of Zanzibar. However, few young people are trained to be tourism professionals, so the quality of service is lacking. Tourism is truly a multidisciplinary field, so I can draw from all aspects of my educational background – mathematics, philosophy, theology, and economics and management – to educate others."

Fr. Spillane encourages everyone in the Stern community to use his or her talents and skills to teach and serve others: "The self-satisfaction and self-esteem you get in return is a kind of 'psychic income' that is qualitative. It's hard to measure but very real. It leads to true happiness."



PAST PERFORMANCE

Global Visionary

John Fayerweather helped make Stern a leader in international business education

By Marilyn Harris

Much has been made over the years of NYU Stern's distinction in the field of finance. Less well known, perhaps, is that more than half a century ago, Stern was one of the very first business schools to develop a serious academic capability in international business (IB). The necessity of importing a sense of the world outside the US into business education was the vision – the crusade, actually – of Professor of Management and International Business John Fayerweather, who died in 2005 at age 82.

The era during which Fayerweather began his quest was the end of both the Eisenhower administration and a post-war period when America had returned to an intensely inward focus. The possibility that companies could become truly multinational was a new concept. Fayerweather, however, was a true believer and an apostle of teaching international business, writing 10 books on the subject and founding the Academy of International Business (AIB) in 1959.

A lifelong outdoorsman, born of sturdy New England stock and educated at Princeton and Harvard Business School, Fayerweather likely gained a glimpse of this global future during his Army service in World War II and the Korean War. He joined Stern in 1961 and brought his expansive outlook with him.

Ingo Walter, the Seymour Milstein Chair in Finance, Corporate Governance, and Ethics (whose doctoral oral exam panel included Fayerweather) recalled his colleague's intensity and seriousness of purpose as the faculty

debated the best way to teach IB in the early 1970s. "We had a huge fight," Walter chuckled, "because John opposed the creation of a distinct IB group with a multidisciplinary focus, arguing that it would degenerate into an interdisciplinary department that would dilute each subject area. He believed that IB should ultimately be integral to the life of every department." After vigorous faculty debate the multidisciplinary approach won out, with professors owning dual appointments in their home departments and collateral appointments in IB. For three decades, Stern was top-ranked in just about every business school ranking, despite the absence of a formal IB department. By 2002, the global view was so integrated into every corner of the curriculum that a separate IB group seemed superfluous. "In the end," Walter said, "John's model was correct, and he lived to see the day. The only issue was how to get there."

Fayerweather, who taught at Stern for 20 years, was a prolific and respected author. According to the AIB, his *Management of International Operations: Text and Cases*, published in 1960, was the first IB textbook. In a eulogy for Fayerweather, the AIB's former president, Jean Boddewyn, wrote that the book "had few adoptions because there were hardly any IB courses outside of international economics, finance, and foreign-trade (import-export) management." Fayerweather organized summer



programs in the mid-1960s to guide the new young teachers of international marketing and management, comparative systems, area studies, and business-government relations.

Unified Field

Added Boddewyn: "His crowning academic achievement was his 1969 mono-

graph *International Business Management: A Conceptual Approach*, which gave unity to the field [of IB] by presenting major themes that remain valid and inspiring today."

Stern's continued leadership in many dimensions of global business education would have greatly pleased Fayerweather. Stern undergraduates have plenty of opportunities to study international business both in the US and overseas, full-time MBA candidates can elect a Global Business specialization alongside their functional areas of concentration, and several executive degree programs are taught in multiple countries. Faculty pursue their research in several centers with a multinational perspective, including the Center for Global Economy and Business, led by Economics Professor Kim Schoenholtz; the Center for Business and Human Rights, co-directed by Professor of Business and Society Michael Posner and Research Scholar Sarah Labowitz; and the recently launched Center for the Globalization of Education and Management, directed by Global Professor of Management and Strategy Pankaj Ghemawat (see page 10). ■

MARILYN HARRIS is editor of STERNbusiness.

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