

# Management Task Force: 3 November 2009

## Summary

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Cornell University has three highly ranked management programs; two at the undergraduate level, the School of Hotel Administration and AEM, a department within the College of Agriculture and Life Sciences, and one at the graduate level, the Johnson Graduate School of Management. In addition, specialty management programs are located within the Colleges of Human Ecology, Engineering and Industrial and Labor Relations. Student satisfaction with the programs is in line, or higher, than that of Cornell's peers. The development of each of these programs has its own history and logic, and represents strategic decisions that made sense within the context of local maximization of resources and program quality in the respective colleges. However, Cornell is unique among its peers in having graduate and undergraduate management programs separated within different colleges. Cornell is also unique among its peers in having specialized colleges in Hotel Administration and Industrial and Labor Relations. At this point in Cornell's history, it is logical, however, to examine whether such a structure is best for the University and whether this combination of programs can be maintained over time. The Management Task Force (MTF) thus considered whether a restructuring of these offerings was desirable and efficient, and whether such a restructuring would strengthen the University's teaching, research and reputation in the relevant management specialty fields.

We have summarized below various options for the Management Sciences at Cornell. Supporting and counter arguments are detailed in the complete report.

### Restructuring

In general the MTF members agreed that the current structure of undergraduate business instruction at Cornell is complex and a result of a series of historical decisions rather than a definitive plan. The current opaque structure (combined with an equally opaque University web presentation) constricts external visibility and may limit the quality and impact that could be achieved with a larger pool of resources and faculty within a single administrative structure. Further, no other university that we know of locates the undergraduate management program in the Agriculture School. Thus, we considered three options. There are significant arguments for and against each of these options.

A. Move the management faculty and students from AEM into an endowed unit (the Johnson School) to create a single school of business at Cornell. The primary motivation

would be to increase the worldwide footprint of the management school at Cornell and improve the quality of the faculty and programs.

B. Combine portions of AEM, PAM and ILR to create an undergraduate School of Management and Public Policy. The benefits would be principally academic, in that teaching might be more fully rationalized and like-minded faculty would be brought into a single tent. Implementation would be more straightforward than a. above, as all these units currently exist on the statutory portion of the campus. The remaining faculty would need to be moved, particularly from ILR and AEM into other departments.

C. Create a Division of Undergraduate Business. Students would be applicants to both to a department or college and to the Division (as is presently done with the Graduate School). Admissions and placement could be centralized, increasing coordination and reducing the costs associated with duplicate efforts. Colleges and Schools would contribute funds presently spent on these activities and share on pro-rated basis in savings.

If none of these options is further considered, it seems clear that Cornell cannot continue to support localized decision making on the future direction of individual management programs without a set of guiding strategic principles that would need to be developed.

### **Efficiencies in Teaching and Research**

A. Solve the transfer pricing problems associated with the different prices associated with having statutory and endowed units. A single, transparent, stable price needs to be established for the payments from one college to another for student enrollments. For example, when AEM offers a new course that attracts 400 students, AEM would presumably be remunerated for this instead of treating this as one more cost (more TAs, more coordination, more papers, etc). Current incentive structure is backwards for the “non-tub” colleges.

B. Eliminate other, nonfinancial barriers to students enrolling in courses across colleges (or at least making all colleges behave in the same way). This only makes sense if 2A above is resolved. Course offerings should be driven by academic excellence, not barriers to student movements.

For both a. and b. above, site specific teaching responsibility where it belongs and require more cooperation between different faculty and colleges teaching in the same fields. The variation across the colleges in requirements for in-college coursework serves as a barrier for students seeking the best course for their specific needs.

C. Eliminate a nontrivial number of elective courses to allow for smaller introductory courses – particularly in AEM.

D. Encourage and enable further cross listing of courses that meet requirements in more than one department or college.

E. Work to facilitate the scheduling and teaching of courses across units. For example, the registrars for each unit should collaborate on scheduling to avoid time conflicts between courses that students are likely to take across units. In addition, sabbatical coverage might be more efficiently arranged across colleges within similar fields of teaching. Finally, some increased use of courtesy appointments may facilitate increased across unit coordination.

### **New Programs**

A. Take advantage of existing reputation(s) of all the Schools to selectively create specific MPS programs. These might be offered across colleges with significant benefits as compared to marginal cost increases. Specific suggestions include:

B. Grow the student body at a measured pace, presumably at the expense of majors and colleges less in demand. If the quality of the first student rejected in Management is higher than that of admittees in other departments and colleges, these programs should be allowed to grow.

C. Appropriately grow Executive Education where such growth would not detract from primary teaching and research missions. This is not nearly as straightforward as it seems, and would take careful planning and execution before additional surpluses would be realized.