

THE Exchange

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Reassessing the Fundamentals in a Changing World: Core Curriculum Revision at Columbia Business School

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Excellence in business education requires development of both basic business skills and leadership capabilities. Today's lightning-fast business environment is more complex and unpredictable than ever before, and an MBA should prepare individuals to analyze, decide, and lead in a truly global marketplace. MBA graduates can now become senior managers in as little as five to eight years, and frequent job changes—or even career shifts—have become commonplace. To remain relevant, management education must go beyond merely teaching a set of functional skills; it must hone the skills of entrepreneurially minded people to prepare them for a lifetime of success through the ability to recognize and capture opportunity.

Just as a core undergraduate curriculum seeks to provide students with wide-ranging perspectives on significant ideas and achievements in literature, philosophy, history, music, art, and science, so too does the Columbia Business School core seek to ensure that, as the world economy becomes increasingly complex, there will be a supply of leaders in all fields who understand the principles of business and its role in society.

The Columbia Business School core—the academic centerpiece of its MBA program—encapsulates the essential skills and knowledge necessary for analysis, decision making, and leadership. Moreover, the core provides the foundation upon which to build advanced business training through MBA electives for skill development and through the school's Master Classes for in-depth application.

It is essential to review core courses on a regular basis to ensure relevant and timely content. As part of its commitment to bridging academic theory and the real-world practice of business, Columbia Business School conducts periodic, comprehensive reviews of the core. The most recent of these reviews has produced a significantly altered and more flexible core, refining and improving what was already a strong product.

Examining the Existing Core

In 2006, I convened the Foundations Curriculum Committee (FCC), which was charged with evaluating the structure and content of the existing core and making recommendations for a smaller, more flexible curriculum that would still provide the content deemed necessary for every Columbia Business School MBA graduate. The FCC included tenured faculty from each of the school's five academic divisions—Accounting; Decision, Risk, and Operations; Finance and Economics; Management; and Marketing—and was chaired by Lawrence Glisten, the S. Sloan Colt Professor of Banking and International Finance and chair of the school's Finance and Economics division.

With the school's core value of bridging academic theory and real-world business practice as a guiding principle, FCC members were encouraged to envision an ideal core curriculum unconstrained by budget and staffing requirements and informed by their own expertise and industry connections. Their sole constraints were to adhere to the school's existing academic calendar and to ensure

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



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that their recommendations preserved the highly successful cluster system, which groups students into cohorts of 65 people to provide both pedagogical and long-term professional benefits.

The faculty's previous strategic planning work—including the collection of quantitative and qualitative data from a broad range of alumni and other business leaders, recruiters, and peer school faculty—served as a starting point for the FCC and provided background information about current marketplace requirements. In addition, student exit surveys confirmed that MBA students desired more diverse content in the first year in order to better prepare for summer internships and subsequent electives.

The FCC's recommendations focused on core course content to ensure both breadth of knowledge and the relevance of all core concepts and skills to every MBA graduate. At the same time, the FCC wanted to provide students with more flexibility to align their first-year studies—and core course selections in general—with their career interests.

The Recommendations for a Revised Core

In its recommendations for a revised core, the committee sought to achieve a balance between required curricular content and individual student needs. The new core reduced the total number of required courses from 9 to 8, including full-term courses in corporate finance and financial accounting, and 12 half-term courses. The FCC also added a co-curricular module on corporate governance that begins during MBA orientation and concludes in the final term of the program. While the committee collectively determined which courses and topics would be included in the core, the content design was entrusted to the expertise of each division's full-time faculty, working in partnership with the committee. This

strategy served to involve a breadth of faculty, creating further enthusiasm for the initiative.

The revised core permits first-year students to take an additional full-term elective course in the second semester. This empowers students to customize their course of study in preparation for internships, second-year coursework, and their longer-term career goals. Moreover, three of the half-term core courses fall into a "flexible core," which allows students to pursue their own professional and academic interests even within the confines of the core.

The Required Core and the Flexible Core

The Columbia Business School core is now organized into two sections: a "required core" of 6.5 courses and a "flexible core" of 1.5 courses. The required core covers material that is essential to an MBA degree, including accounting, corporate finance, leadership, marketing, operations, statistics, and strategy. Students are permitted to seek exemption from required courses by demonstrating mastery of the material through pre-term testing. The flexible core consists of three categories: Organizations, Performance, and Markets, each of which includes two to three half-term course options. Students select one course from each of these categories, and may take additional courses from each category as electives.

New Categories

The three new flexible core categories expand the scope of the core curriculum and are designed to complement material from the required core. The Organizations category focuses on organizational change and the importance of social networks and interpersonal skills. The Performance category combines the disciplines of risk management and accounting; courses cover the impact of operational strategy and introduce accounting-based performance measures as tools for decision making.



Lastly, the Markets category covers macroeconomics and microeconomics, including game theory.

Corporate Governance

As part of its curricular revision, Columbia Business School determined that all MBA students should have an understanding of the role of corporate governance in business and society. Presented as a required pre-term module, the corporate governance course is part of the school's "Individual, Business, and Society" curriculum, which is integrated throughout the broader MBA program and equips students with the ability to thoughtfully consider the sometimes-competing demands of business, individuals, and society at large. The module consists of a series of pre-term readings and class sessions taught during MBA orientation and developed under the aegis of the school's Sanford C. Bernstein & Co. Center for Leadership and Ethics in collaboration with Columbia CaseWorks, the school's own case-writing initiative. The program finishes with a capstone session during the final term of the MBA program.

The corporate governance segment of the enhanced core is designed to introduce students—whatever their background—to the positive economic effect that strong, responsible governance has on business and society. The study and teaching of governance includes the workings and organizational dynamics of boards of directors and the distribution of rights and responsibilities among auditors, boards, executives, employees, shareholders, and other stakeholders in specific national and industrial contexts. Topics include the role of boards in public corporations, the challenges of governance in partnerships and venture capital contracts in varied national contexts, the responsibilities of senior executive decision-making processes, transparency and reporting, executive compensation and strategic risk management, and the impact of ethics and corruption on social welfare and economic development. Students are

expected to gain an enhanced understanding of their duties and responsibilities as managers and directors of firms, as well as an appreciation of the role of corporate governance in their careers, the business entity, the economy, and society at large.

Looking Ahead

The FCC introduced changes to the core that have effectively made a good product even better. The core's rigorous course of study provides a foundation upon which to expand and build advanced business training and, ultimately, a successful career. It also provides essentials that pave the way for customization through the flexible core, which in turn prepares students for electives and Master Classes in the second year that align with their interests and career aspirations. The overall reduction in the length of the core and the options made available through the flexible core will result in a more focused and customizable foundational education for all students.

In the flexible core, healthy competition among courses within each category may well be a welcome by-product of the new curricular design. This competition will provide additional incentives to faculty to continually refresh their courses through the introduction of their own relevant research. In both the short and long term, the school expects the flexible core to serve as a built-in mechanism for curricular innovation.

Columbia Business School's commitment to bridging academic theory with real-world business practice, and to preparing every MBA student for long-term success, has yielded an innovative transformation of the core curriculum. As changes in business and the global economic environment accelerate, ongoing curricular innovation ensures that the school maintains preeminence as a leader in global business education, even as it provides students with the essential knowledge and skills required to recognize and seize opportunity over a lifetime.



About Columbia Business School

Led by Dean R. Glenn Hubbard, the Russell L. Carson Professor of Finance and Economics, Columbia Business School seeks to provide a truly global business education that lasts and evolves over a lifetime, preparing students for strong leadership in any industry. The school's cutting-edge curriculum bridges pioneering academic theory with industry practice, imparting not only functional skills but the

entrepreneurial mindset required to recognize and capture opportunity in a competitive business environment. Beyond academic rigor and teaching excellence, the school offers programs that are designed to give students practical experience making decisions in real-world environments. In addition to the MBA degree, the school offers non-degree executive education programs. For more information, visit www.gsb.columbia.edu.

Columbia's Core Curriculum—Fall 2008

FIRST SEMESTER					
1st Half	Corporate Finance	Financial Accounting	Managerial Statistics	Managerial Economics	Strategy Formulation
2nd Half			Marketing Strategy	Operations Management	Leadership Development

SECOND SEMESTER					
1st Half	Global Economic Environment	Decision Models	Managing Marketing Programs	Elective 1	Elective 2
2nd Half	Menu 1: Organizations	Menu 2: Performance	Menu 3: Markets		

FLEXIBLE CORE MENU OPTIONS		
Organizations	Performance	Markets
Organizational Change	Operations Strategy	Game Theory and Business
Power and Influence	Performance Management	Global Economic Environment II: Business Cycles and Financial Markets
Social Capital		Strategy Structure and Incentives

