

# BizEd

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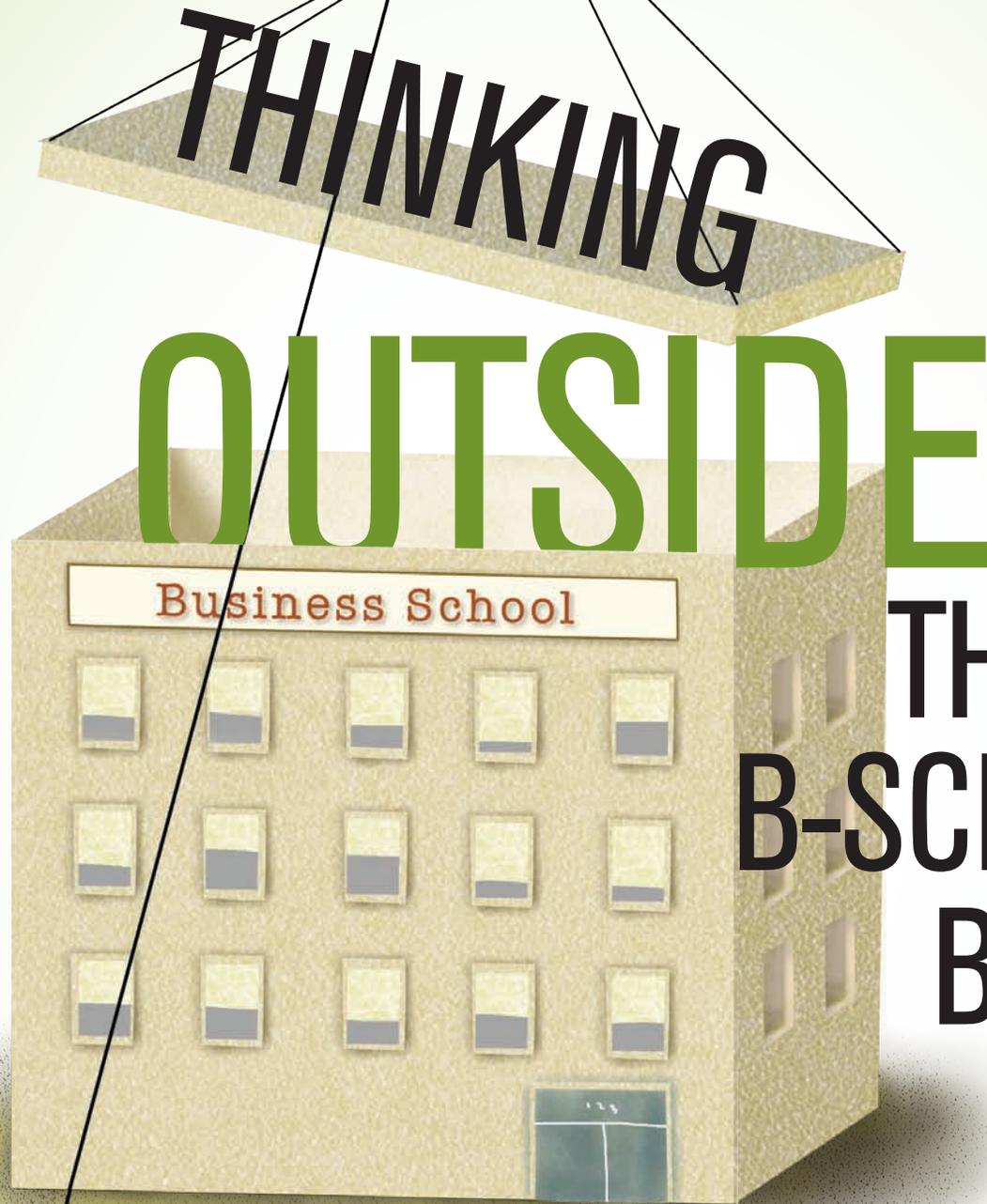
# INCENTIVES THAT WORK



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**W**hat's the best way to teach business?

In recent years, schools have started to move toward more experiential learning, a deeper focus on softer skills, and multidisciplinary curricula. While traditional classroom styles and subjects still persist, new perspectives are slowly changing the way business students worldwide learn about industry and commerce.

In the next few pages, two unconventional educators advocate for fresh approaches to the business school classroom as they call for teaching methods that are anything but traditional.



# Teaching With Heart

BY CHIH-LING TSAI

Over the last decade, we have watched powerful businesspeople wreak havoc on the global economy and harm individual investors by making foolish and risky choices. For instance, last year, a rogue trader at JPMorgan Chase lost US\$5.8 billion trading in obscure and complex credit derivatives. As such behavior seems to grow more common, the general public has stopped trusting business and financial institutions to act responsibly. This distrust has tarnished the reputation of business schools—and of graduates who have earned MBA degrees.

My belief is that MBAs could break this destructive cycle if they were taught to be self-reflective instead of being taught only to pursue ever-increasing profits. In today's business school classrooms, teachers overemphasize technical skills instead of modeling personal responsibility and morality. We fret over the minutiae of our curricula, yet fail to consider whether we are helping students become better people. By broadening our approach, we can help MBA graduates earn greater respect for their contributions and their roles in society—not just big paychecks.

Business school faculty must learn to teach with heart, no matter how technical and focused their classes seem to be. At the Graduate School of Management in the University of California at Davis, I teach statistics, a course that many would consider to be without nuance. And yet I use a teaching method that allows me to combine practical knowledge with empathy, morality, creativity, and persistence. I also show students how to draw from empathy and compassion in their roles as leaders.

Anyone can learn this method to teach any topic—and I believe business

education will be profoundly improved if more professors teach their courses with heart. This is a call to action.

## Putting Your Heart Into It

There are four critical components to my holistic teaching approach: purifying the heart, cooling the heart, warming the heart, and teaching students heart-to-heart.

■ The first step is to lead students into *purifying their hearts*. In my classes, I teach students to observe nature and then reflect on how humans participate in the flows and cycles of the natural world.

Since many students attend business school because they wish to “climb to the top of business,” I ask them to extend this metaphor and think of the business world as a mountain. The metaphor allows students to see the formidable challenges they'll face in business in a more concrete way, one that disabuses them of notions of quick or easy success. I remind them that climbing a mountain is a slow, deliberative process, beset with many obstacles, with few if any shortcuts. Reaching its peak requires persistence and appreciation. It takes just one misstep or one powerful storm to cause a climber to tumble, just as an error in judgment or lack of foresight can cause even the strongest leader to fall.

Once a mountain's summit is achieved, a climber must descend gracefully and carefully to the base, just as a business leader at the top of his field must consider the ideal way to step down gracefully from his position of power. When students truly understand the natural cycle of business in this way, they learn to make decisions carefully and deliberately, and they learn to understand the essence of any subject.

Analogies to the natural world can be used with any topic, such as my own subject of statistics. I teach students to polish a statistical model by removing unnecessary noise—that is, to make sure they consider only those fac-

tors that are absolutely relevant to the matter at hand. For example, students recently used quantitative forecasting techniques to better predict sales for a multinational high-tech company, filtering needless noise from the data and eliminating unrelated variables from the models. Another team of students sorted and analyzed data to forecast passenger volume for a major international airport and create the key leading indicators for managing expansion and construction.

But, more important, I explain to students how polishing the model in this way is akin to purifying their hearts by removing all the dust and extraneous considerations from their lives. I use critical life lessons as examples—for instance, I tell them that selecting the best statistical model is analogous to choosing the best spouse by removing all the “noise” from the heart and concentrating only on the essentials. I believe that teachers should always link the subjects they're teaching to examples from the human heart. This allows students to see inside themselves and realize that every business discipline is ultimately rooted in humanity.

Once students are taught to think this way—in both their professional and their personal lives—they can apply this model to all their major decisions. It is my contention that business leaders who have learned to be self-reflective, who know how to erase the “noise” from the situation they are contemplating so they can see the essential truths and likely outcomes, are less likely to become rogue traders or CEOs who take rash and ultimately disastrous actions.

■ Business professors also must teach our students to be reflective through *cooling their hearts*. I encourage students to take three to five minutes outside of class each day to sit alone and silently reflect on the new knowledge they've acquired. They should take time to digest what they've learned about every statistical topic, including motivation and purpose, data



collection, model formulation and assumptions, parameter estimation, model diagnosis, statistical inference and prediction, and interpretation. This digestion process allows them to cool down, overcome panic, and build confidence. It also helps them to develop their creativity and independent thinking skills.

More important, this process naturally leads students to further ponder their own life experiences and nurture greater tendencies toward appreciation, sympathy, forgiveness, persistence, and innovation. As a result, they learn to keep their own counsel. They understand that conscientious and deliberate decisions emerge only after calm and careful reflection.

I am convinced this process is valuable because, after they've earned their MBAs, alumni often get in touch with me. They share with me how the insights they gain are helping them in their careers to better understand complex information, ask the right questions, find solutions, demonstrate complicated concepts in an effective manner, and apply quantitative skills to make decisions.

■ Most business students learn that they should make their decisions based on cold, rational analysis, but I believe they also must learn the value of *warming their hearts*. That is, I want them to feel a sense of excitement about what they've learned and be able to communicate that excitement to others. Respected leaders in art, music, literature, and sports energize and inspire others through their passion and discipline, and the same approach works with MBA students. To this end, my goal for each class is to find ways to ignite my students' passions—to help them take what they've learned and practice using it in unexpected ways.

For instance, to deepen their connection to the knowledge they've gained, I want them to solve a problem by hand with a small sample of data. This exercise helps them comfortably grasp concepts and makes statistics come alive.

They also learn to convey quantitative results in layman's terms for a nonquantitative world, and they use this skill to produce a series of high-quality reports. Through the process of warming their hearts, they develop a sense of passion, energy, and confidence that they carry with them the rest of their lives.

■ None of this is possible if teachers aren't *communicating heart-to-heart* with students. I build a tight connection with my full-time MBA students by interviewing them at the beginning of class. I learn their backgrounds, abilities, strengths, weaknesses, and expectations for the course. These interviews build trust between the students and me, which makes it easier for me to offer them appropriate personal and academic advice. The interviews also allow me to spend more time with students who need additional assistance in purifying their hearts and digesting and practicing what they've learned.

But communicating heart-to-heart means I also must be a role model for my students. I must demonstrate the passion, integrity, morality, diligence, and knowledge I wish them to develop further. From my example, students learn that the best leaders inspire trust among followers by listening to them, understanding them, and serving as mentors and role models.

### A Heartfelt Philosophy

My approach and methodology may seem unconventional—perhaps even

contrary to the philosophy and pedagogy in place at most business schools. However, in my 30 years of teaching, I have seen how my methodology can lead to positive results. I am continually inspired and energized by the response I receive from students who appreciate learning life lessons in their statistics class.

Business professors can help their graduates earn great respect as innovative leaders who create economic opportunities for generations to come. But I believe we can only do this if we reach the hearts of our students, build trust with them, and prepare them to lead with love and soul, whether we're teaching soft skills like leadership and communication or hard skills like statistics and accounting. In fact, it's the errors our graduates make in applying the seemingly straightforward hard skills that most often make sensational headlines. We can change those headlines—but only if we teach with heart. **Z**

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