

UNIVERSITY OF COLORADO BOULDER

ACADEMIC REVIEW AND PLANNING ADVISORY COMMITTEE

FINAL REPORT FOR THE LEEDS SCHOOL OF BUSINESS

Presented to Provost Russell Moore

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I. REVIEW PROCESS

The review of the Leeds School of Business (Leeds) was conducted in accordance with the 2014 review guidelines. The unit prepared a self-study, which was reviewed by an internal review committee (IRC). The IRC raised many questions about the self-study, which was substantially revised and resubmitted in response. An external review committee (ERC) visited the unit in May 2014 and, having reviewed the relevant documents, met with faculty, students, staff, university administrators, and members of the Academic Review and Planning Advisory Committee (ARPAC). ERC comments and recommendations are cited at appropriate points. This public document reflects the assessment of and recommendations for Leeds as approved by ARPAC.

II. OVERVIEW OF THE UNIT: INSTRUCTIONAL PROGRAMS AND RESEARCH/SCHOLARSHIP/CREATIVE WORK

The campus's standardized description of the unit may be found on the website of the Office of Planning, Budget and Analysis (PBA) (<http://www.colorado.edu/pba/depts/arp/index.html>). PBA updates the profile annually in the fall semester. This report cites the PBA data for Leeds posted October 15, 2013, reflecting the state of the school as of AY 2012-2013. More recent data from the revised Leeds self-study are cited where appropriate.

As of November 1, 2012, PBA reported that the school had 55 tenured and tenure-track (TTT) faculty, plus 33 instructors/senior instructors, 31 honorarium lecturers, and four non-TTT research faculty. The distribution by rank as of that same date, according to PBA, was 18 professors, 20 associate professors, and 17 assistant professors. The faculty are clustered in four academic divisions, each offering undergraduate and PhD degrees. These divisions are Accounting and Business Law, Finance and Economics, Management and Entrepreneurship, and Marketing. The Accounting Division offers a concurrent BS/MS program in accounting. The school also offers two MBA programs, one that is full-time and the other a part-time evening program. It jointly participates in offering an Executive MBA, together with the business schools at CU Denver and CU Colorado Springs. Fifty-five university staff and 26 classified staff members provide support for the school.

Leeds contributes heavily to the overall teaching mission of the campus. In AY 2012-2013, it ranked third in undergraduate student-credit-hour (SCH) production among all schools and colleges on campus. PBA reports that it awarded 925 degrees (at all levels) in AY2012-2013. The school had 3492 majors (undergraduate and graduate) as of census date in fall 2012 and produced 55,060 student credit hours that academic year. Its student body was comprised of 89% undergraduates. Given the size of the school's faculty and the large number of students taking majors in Business, the student-faculty ratio, as reported in the self-study, for TTT faculty is currently 36:1. Leeds argues that to be competitive with peer business schools and to move into the peer group with which

it aspires to compete, this student-faculty ratio must be reduced to something on the order of 28:1.

The ERC evaluation of the potential for Leeds “is very favorable; the faculty, staff and students are excited by the potential of the Leeds School and the leadership is in place to make significant progress on the vision.” Challenges in realizing this potential, as discussed by the ERC, are many and, in some cases, may be beyond the near-term resources of the campus.

Various rankings included in the self-study paint different pictures of the quality of Leeds degrees. *US News and World Report* ranks the undergraduate program 38th in the country overall and 23rd for public programs. *US News and World Report* ranks the MBA Program 79th in the country and the Evening MBA Program 36th among part-time programs. *Forbes* ranks the Leeds MBA Program 69th in the nation among top MBA programs’ return on investment. *Business Week*, in its overall rankings, places Leeds at 101 among undergraduate business programs. Meanwhile, its Undergraduate Entrepreneurship Program was ranked 9th among public and private national universities by *US News and World Report*. In none of these rankings is an indication provided in the self-study of the number of programs being compared in each category.

Personnel and Governance

The ERC offers enthusiastic praise for the direction that the Leeds School is taking under the leadership of its new dean: “Adopting a bold vision and developing new programs, [the dean] has set a path for the school that can significantly elevate its value and visibility to students, faculty, the university and the external constituency.” The change in the top leadership at Leeds comes after a period of what the ERC describes as “false starts in the past and the uncertainty of support from the administration.”

Under the dean’s leadership, the school has engaged in a strategic planning exercise that provides the rationale for a number of innovations underway and lays the groundwork for requests for additional changes at the campus and system level. These changes and requests are discussed below.

The leadership team assisting the dean includes three associate deans, an assistant dean, and directors for external relations and communications and marketing, as well as an advancement liaison.

The school is structured into four academic divisions (listed above) and six “Centers of Excellence.” The latter are the Center for Education on Social Responsibility, the Robert H. and Beverly A. Deming Center for Entrepreneurship, the Richard M. Burrige Center for Securities Analysis and Valuation, the University of Colorado Real Estate Center, the Business Research Division, and the Center for Research on Consumer Financial Decision Making.

Research and Scholarship

The self-study reports that the Leeds School “ranked 64th overall and 34th among public universities in the University of Texas at Dallas’ rankings of the Top 100 North American Business Schools Based on Research Contribution for 2006-2010.” This UT Dallas ranking, though a five-year lagging indicator, is relied upon by the Leeds School, according to the self-study, as the primary measure by which to assess the research productivity of its faculty. These rankings are based upon the number of research papers placed in 24 Business School-related, peer-reviewed journals, which the school indicates do not fully capture the set of journals in which Leeds faculty publish, given the research specializations in some of the divisions of the school (e.g., marketing).

Academic Analytics data for 2011, as presented by PBA, indicate that Leeds faculty members have published 15 books during the AA review period, ranking 106th out of 136 business school programs on a per-faculty-member basis; published 132 journal articles, ranking 83 of 136 on a per-faculty-member basis; generated 1633 citations, ranking 55th of 136 on a per-faculty-member basis; and obtained 1 grant, giving Leeds a ranking of 88th. The ERC was largely silent on issues relating to how improvements in research productivity might affect the reputation of Leeds relative to other business schools.

Information on research productivity at the division level would be useful for ARPAC – and doubtless the Leeds School, as well – to judge whether the individual programs within the school might benefit from additional investments or from measures designed to bolster their research activities.

Undergraduate Education

Leeds offers the Bachelor of Science in Business Administration (BSBA) in Accounting, Finance, Management, and Marketing. The self-study reports that, in fall 2013, there were 2,958 undergraduate students in Leeds, down from 2004, when there were 3,419 undergraduate students in the school. The 2013 undergraduate population was distributed as follows: 267 in accounting, 658 in finance, 485 in management, 594 students in marketing, ten in operations and information, and 944 undeclared. Business majors constitute 12% of the undergraduate student body at CU Boulder.

Undergraduate enrollments in Leeds have experienced ebbs and flows. After reaching a high of 3560 students in 2005, enrollment declined year-by-year to a low of 2848 students in Fall 2011. It has since climbed back to 2958 in Fall 2013 and 3088 in Fall 2014 (Source: http://www.colorado.edu/pba/records/time/enr/col_graphs.pdf).

In terms of diversity, PBA reports that the undergraduate student composition in fall 2014 was 62.6% male and 37.3% female students, compared to fall 2010 when it was 61.3% male and 38.6% female. In 2014, non-minority undergraduate domestic students were 76.2% of the student body in Business, compared to 81.8% in 2010. International

students were 5.8% of the Business student body in F2014, compared to 3.4% in F2010. Among all domestic undergraduate students in Leeds, 8.8% were Hispanic/Chicano (6.2% in F2010), 6.7% American Asian (6.7% in F2010), 1.7% African American (1.4% in F2010), and 1.6% Native American and Pacific Islander (0.7% in F2010). Among the stated goals in the self-study are to increase the number of students from ethnic and racial groups that have been historically underrepresented at Leeds, as well as to increase the number of accepted students who display potential for success in ways other than standardized college-admissions test scores (e.g., as identified by “non-cognitive” or holistic measures of success potential).

During fall of 2011, Leeds undertook a “listening tour” to garner feedback from undergraduates about their business school experience. A number of steps have been taken as a result of this process. One step, which the Leeds School is in the process of implementing, is what it calls the Whole Student Experience. This effort is designed to treat students holistically and not just as seats in classrooms. In so doing, the Whole Student Experience emphasizes six themes: business knowledge, principled leadership, value creation, innovation and action, and globalization. It is too early to have meaningful data to assess outcomes of this innovation.

Leeds is also revising its Business Core (BCOR) Courses, beginning in fall 2014 and continuing through the following academic year. The new BCOR, according to the self-study, “will allow the transcendence of functional silos before students dive into focused disciplinary electives; will motivate electives with applications of business principles; will develop team skills and communication skills, and promote leadership; and will help our students develop a complete business plan for a new venture (synthesis versus analysis) by the end of their sophomore year.”

Another innovation involved reconsideration of the business minor and its replacement with a substantially overhauled minor. The new minor requires 12 credit hours. One of the more innovative aspects of the minor is that during the first two semesters, students take a series of 7.5 week courses, which permits a doubling of subject matters to which students are exposed. In year two, students are able to select from three tracks: Innovation, Analytics, or Entrepreneurship. The minor has turned out to be quite popular. The self-study indicates that capacity for the minor was set initially at 150 students. Currently 185 students are pursuing the minor. Leeds hopes to expand capacity to 300 by fall 2015 to better meet demand.

One of the goals articulated by the Leeds School is to increase the quality of its first year classes. Improvements have begun to be realized. In fall 2004, the average student had a high school GPA of 3.58 and a 26 ACT score. In the fall of 2013, the average GPA was 3.69 and an ACT of 27. In fall 2013, the school launched what it is calling the Leeds Scholars Program. This initiative produced a group of 35 first-year admits with an average GPA of 3.9 and ACT of 30.6. This year, it is initiating an honors program, which it expects also to improve the academic profile of its student body. In addition to offering

a new honors program, the school indicates a goal of increasing the number of students participating in co-curricular programs addressing different elements of the whole student experience (mentoring, leadership, internships, etc.). Currently, the co-curricular programs, although described as providing key learning opportunities, is not treated as something for which course credit can be earned.

Graduate Education

Leeds offers three graduate business degrees: the MBA, an MS in Accounting, and the PhD. It is considering adding a fourth: a new Master of Science in Business.

The MBA is offered in a number of formats. One is the traditional two-year program, in which students are enrolled full-time, with internship opportunities in the summer between the two years. Another format is an evening program designed for working professionals. The evening program was altered in 2010 so that the degree could be completed in 24 months rather than 33. Leeds also participates in the joint executive MBA program with the business schools at CU's Denver and Colorado Springs campuses.

Demand for the traditional MBA program increased sharply from 50 students in 2005 to 119 students in 2009. The recession halted that increase. As of 2013, 76 students were enrolled in the program. The evening MBA program is smaller but has avoided the ups and downs of the daytime program. According to the self-study, it has maintained stable enrollments of about 40 students since 2006. PBA reports that the MBA student composition in fall 2014 was 69.1% male and 30.8% female students, compared to fall 2010, when it was 70.2% male and 29.7% female. In F2014, non-minority domestic students in the MBA programs comprised 72.4% of the student body, whereas it had been 86.6% in F2010. International students were 18.7% of the student body in F2014, compared to 9.4% in F2010. Among all domestic MBA students in Leeds, 4.1% were Hispanic/Chicano (0.5% in F2010), 2.4% American Asian (3.2% in F2010), 1.6% African American (0.5% in F2010), and 2.4% Native American and Pacific Islander (0.0% in F2010).

While the Executive MBA is a program in which Leeds participates, along with the other two CU business schools, there is little information about it in the self-study and no mention of it in the ERC report. The number and composition of students in the Executive MBA program could not be determined from the self-study or PBA documents.

The MS in accounting primarily serves undergraduate accounting majors who wish to continue for a fifth year and graduate with a master's degree. This program is concurrent with the BS, such that students graduate with both the bachelors and masters at the same time. Additionally, there is a stand-alone MS for students who previously have earned undergraduate degrees and want to further their education. In both versions, students choose a concentration in either a tax or a financial track. In the tax track, students take three tax courses taught by the law school in addition to courses in the business school.

The self-study indicates that current enrollment in the two versions of the MSBA Accounting Program is 110, which appears to be more or less stable over the past several years. PBA does not provide information on diversity of MSBA students. The minimum admission criterion for the concurrent MSBA Program is reported to be a GPA of 3.0; minimums for the stand-alone program are an undergraduate GPA of 3.0 and a score of 550 on the GMAT exam.

Leeds offers a Ph.D. program, which is designed for graduate students who intend careers in research and teaching at universities. According to the self-study, there are approximately 46 doctoral students in any given year, majoring in Accounting, Finance, Marketing, Operations and Information Management, or Strategic, Organizational and Entrepreneurial Studies. PBA reports that the student composition in the Ph.D. program in fall 2014 was 52.7% male and 47.2% female, compared to fall 2010 when it was 67.3% male and 32.6% female. In 2014, non-minority Ph.D. domestic students were 55.5% of the Ph.D. student body, compared to 59.1% in 2010. International students were 36.1% in F2014, down from 40.8% in F2010. Among all domestic Ph.D. students in Leeds, 4.3% were Hispanic/Chicano (0.0% in F2010), 8.6% American Asian (0.0% in F2010), 0.0% African American (0.0% in F2010), and 0.0% Native American and Pacific Islander (0.0% in F2010).

Almost all Ph.D. students are funded with resources from the Graduate School. Leeds uses these resources to support approximately 35 students at any time (across all years in the program and all divisions). Current budgetary support is insufficient, according to the self-study, to provide more than four years of support for PhD students. Additional funding to support students in their fifth year is desired. In 2013, the dean's office began providing additional Leeds School funding to increase stipends to admitted Ph.D. students. With this additional funding made available, eight out of nine (89 percent) admitted students accepted the Leed's offers, up from the average over the prior four years of a 63% acceptance rate.

Placements for Leeds PhDs have been strong. The self-study indicates that over the five-year period from AY2008-09 through AY2012-13), 38 Ph.D. students graduated. All found placements, mostly in academia: 27 were placed as assistant professors, seven were placed in other academic jobs (instructor, visiting assistant professor, or post-doctoral positions), and four took non-academic jobs.

At the time that the self-study was prepared, Leeds had proposals for new MS degree programs pending. These have now been approved. These are a Masters in Supply Chain Management and an M.S.B.A. with a concentration in Analytics that began in fall 2014. In 2015-2016, the school will begin offering a Masters in Real Estate and an M.S.B.A. with a concentration in Finance. After a five-year roll-out period, the projected enrollment across all of these new programs is expected to total approximately 150 students.

Space, Staff, and Infrastructure

In 2007, the Leeds physical space was expanded by 75% with the addition of four large classrooms, nine seminar/meeting rooms, and more than 70 offices. Total combined square footage is now approximately 175,000 square feet. Funding for this new building addition came largely from campus-wide student fees, as well as external gift funds. In the self-study, Leeds argues that it has outgrown this space, with existing classrooms heavily utilized, team rooms in continuous use, and staff/faculty offices fully allocated. With student growth over the last few years, pending expansion in graduate enrollment from new MS programs, anticipated growth in international students, and any hoped-for growth in faculty and staff, Leeds sees a dire need for a second building. This new building would permit it to address what the school sees as a lack of labs, innovative classroom space, high-quality interview rooms, “new-design thinking spaces,” team rooms, and other features.

Leeds makes the argument that these space needs are directly related to the imperative of growing both its faculty size and staffing support levels. Much of the argument for additional faculty is that the school needs to reduce the faculty-student ratio from 36:1 to 28:1. The argument for additional staff is that “Highly ranked business schools have very strong and successful student services.” Accordingly, the school has already begun adding to its student services by hiring in 2011 a new student services leader and committing itself to continue adding student services and student development resources.

Leeds has taken steps to deal with the space crunch that will occur as it reaches capacity in its current building and before the relief that is sought with a second building. Starting in 2011, the Leeds School acquired priority scheduling of a large 200-seat classroom in Fleming. In 2013, it undertook a major reconfiguration of its current space. This included moving nearly 50 staff offices, co-locating many undergraduate student service areas into one contiguous area, thereby enhancing service delivery and convenience for the students, and shifting three centers of excellence into substantially smaller quarters

The new building that the Leeds School is proposing is expected to be about a \$50M construction project that would add about 100,000 new square feet of space. Should such a new building be completed, total square footage of the Leeds School of Business would be about 275,000 square feet.

Budget

The budget of the Leeds School relies on three primary revenue sources: general fund, which includes its share of tuition revenues and additional funds from the campus that derive from state appropriations; auxiliary funds, which include self-generated funding sources from the MBA and certificate programs; and gift fund sources, which include cash donations, endowments, and endowment distributions. In FY2014, tuition and general fund support was \$22.7 million; other revenue, including that from masters programs, was \$2.8 million; and gifts and endowment distributions totaled \$7.0 million.

Additionally, \$0.2 million was drawn from reserves. These sources in FY2014 provided a total of \$32.8 million.

The self-study argues that Leeds would benefit from a shift of its budgetary process toward a Responsibility Centered Management (RCM) model. This model gives greater financial responsibility to the school or unit level in order to tie that responsibility to the level at which authority over programmatic and operational decision making are primarily lodged. The idea is to couple authority, which is typically highly decentralized in universities, with financial responsibility, which is often held centrally, by decentralizing the latter. The ERC makes an impassioned case for the desirability of shifting Leeds to an RCM model, arguing:

This will help to focus strategic financial alignment with the mission of the School. Adopting a more transparent allocation framework incentivizes merit and does not overly tax successful entrepreneurial efforts. Because RCM-like models often allow all or part of the revenues generated through new degree and non-degree programs to flow back to the responsible unit, this type of financial model encourages entrepreneurial behavior on the part of schools.

It is interesting to observe that neither the self-study nor the ERC report provides specific examples of how the large number of innovations in the past few years would have been undertaken differently had an RCM-like model been in place. The main argument is in terms of the predictability of resources as a function of choices made by the school.

III. HISTORY OF PROGRAM REVIEW

The Leeds School of Business last underwent program review in 2005. More recently, the school underwent a five-year maintenance of accreditation review in 2011-2012. As part of that review process, additional information was submitted in 2012-2013.

Much has been accomplished by Leeds in the period since 2005, although many issues raised in that review cycle continue to be of concern in this cycle. At that time, there were several recommendations relating to the need for a strategic plan that focused on the role and visibility of the undergraduate program in addition to the MBA and PhD programs. Leeds has moved strongly in that direction, with a new vision for the undergraduate curriculum and new masters programs. It is less clear what changes, if any, have been made in the Ph.D. program based on recommendations to consider expanding the fields within that program that at the time had substantial unmet needs.

The Program Review Panel (PRP) also made multiple recommendations about research productivity. Leeds was asked to incorporate an analysis of research productivity into the strategic planning process for the purposes of resource planning. There was a recommendation that a transparent, accountable system be implemented for allocating research incentives and for measuring returns on research investments. Likewise, there

was a recommendation to revise the evaluation of research publications so as not to restrict the frequency and breadth of publication.

Based on the materials submitted as part of the self-study, these recommendations appear to have been met only to a very modest degree. The summer income stipends received by faculty members, though now provided through a more transparent process, reward past scholarship and appear not to create an incentive to reward new scholarship. Nor are those stipends tied to incentives to obtain external grants and/or contracts that provide direct financial benefits to graduate students and the school. As noted above, the sole measure of research productivity discussed in the self-study is an annual ranking provided by the University of Texas at Dallas. This measure alone is inadequate. Moreover, the use of the UT Dallas ratings, which are based on a limited and fixed set of journals, is a move in the opposite direction from the recommendation to evaluate research so as to create incentives for increasing the frequency and breadth of publication.

Other recommendations from the 2005 process relate to chronic issues that most units confront. These include the need to increase communications within the unit, especially for new colleagues and students; concerns with mentoring of junior faculty; and the need to strengthen efforts to improve diversity and classroom climate. There is evidence of improvements on several of these issues, but with room for additional improvements. ARPAC makes a number of recommendations concerning some of these same issues, including the need to broaden efforts at communications and mentoring for faculty in the instructor ranks, as well as in the TTT ranks, and to make additional improvements in diversity at all levels.

Notable achievements on recommendations of the last program review are important to highlight. Most importantly, the recommendation for a major expansion of facilities was accomplished. Likewise, substantial numbers of new faculty lines, which the earlier program review recommended, were approved. Leeds was able to gain control over admissions standards for its undergraduate major, as recommended by the PRP, allowing it to better manage enrollment numbers. The school, working with the central campus, was able to negotiate revenue sharing arrangements in some of its graduate programs, though not without some unintended consequences, such as the “threshold” problem discussed below.

One of the recommendations to the provost in the prior program review was for a reassessment of the terms under which Leeds could offer graduate programs in Denver. This issue reappears in the current program review. It appears to be an issue that will need to be approached at the system level rather than at the level of the Boulder campus. Below, ARPAC discusses a recommendation to address this issue once again, a recommendation that is made to the Denver-based University of Colorado vice president for academic affairs.

IV. BUSINESS IN A CAMPUS CONTEXT

The Leeds School has eight dual-degree program options with other graduate programs on the Boulder campus. These include Law, Anthropology, German and Slavic Languages, Art and Art History, Theatre and Dance, Environmental Studies, Computer Science, and Telecommunications.

Beyond these co-curricular activities, there is little mention in the self-study or other documents of the extent to which Leeds faculty members are active on campus. There appears to be a high level of involvement in the larger community by many members of the faculty, especially through its Centers of Excellence.

V. BUSINESS IN A DISCIPLINARY CONTEXT

The authors of the External Review report wrote at length about the disciplinary context in which business schools now find themselves. Rather than summarize, the following is quoted directly from their report:

The competitive environment for business schools has intensified due to global expansion, digital transformation and changing supply and demand. Today, according to AACSB, there are over 13,000 business programs globally, almost 700 of which are accredited. In addition to the rise in the number of business programs, quality has also been increasing. About a decade ago, the *Financial Times* ranking of the top 25 business schools included only 4 schools located outside the U.S. Today, more than half of the top 25 schools are located outside the U.S. The implications for business schools in the US are profound as these schools face intense global competition for both top faculty and top MBA students.

Another significant factor is that a number of issues, including the financial crisis, have caused the luster of the MBA degree to diminish. The rise in the popularity of distance/online programs and the growing prominence of business schools outside the United States has placed additional pressure on full-time MBA programs. Business schools have changed strategies quickly by diversifying their portfolio of options for students. These dynamics are exceedingly important for the Leeds School as it attempts to enhance its quality and recognition. Accordingly, as described below, the School has recently implemented a number of innovations in response to the changing environment.

A third important trend is the move toward more specialized degree programs and dual degree programs, especially at the master's level. Students and corporations involved in advance programs are seeking business schools that are willing to provide curricula that are targeted (e.g., industry specific courses). This increases the costs of offering programs and the need for faculty who have knowledge and skills in specialized areas.

A fourth trend/challenge for business schools is the rising costs. Most notable are faculty costs. Schools are in competition for top faculty candidates. This, in turn, has caused rising salary expectations and actual costs. A similar type of competition can be seen when it comes to attracting the best and brightest students. The need for merit-based and need-based scholarships and the costs to universities and schools of these scholarships continue to rise. Moreover, with the increase in supply of educational programs (noted above), especially at the graduate level, students (and their parents) have begun to “negotiate” for higher levels of support during the college search process.

VI. ANALYSIS

Mission

Given the external review team’s concern with structural changes impacting business schools across the country, one of the primary concerns raised by the ERC was that Leeds should pay considerable attention to its mission. The ERC writes that “in an intense competitive environment, it is imperative that Leeds define the unique factors that will allow the School to succeed in our environment, where so many other schools have similar ambitions. The factors that make Leeds stand out need to be identified, communicated broadly and most important, the school’s strategy needs to be positioned around those factors. Moreover, the mission needs to identify those areas in which Leeds will truly excel, those areas that will be excellent but not extraordinary and those areas that will be just ‘good enough.’ Failing to do so with limited resources will eventually cause the quality of all areas to suffer.” ARPAC concurs with this recommendation and sees the need for future review cycles to focus not just on the Leeds School as a whole but to focus additionally on comparisons within and across divisions within the school, analogous to the review process used for Engineering and the College of Arts and Sciences. This approach will help to identify strengths within the school and opportunities for targeting investments strategically.

The need for Leeds to be able to align its mission with financial responsibility is raised emphatically by the ERC. The first recommendation of the external reviewers is that an RCM fiscal model be adopted by the central administration vis-à-vis the Leeds School.

An issue addressed by the ERC that was not raised in the self-study is that the Leeds School is not permitted to offer educational programs in Denver. The ERC recommends that this constraint be lifted. Such a constraint precludes the state’s largest and most prestigious business school from being able to tap into the largest market in the state, actually the largest market for at least 500 miles in any direction from Boulder. Without the ability to focus its mission on the opportunities presented by Denver’s economy, Leeds is hampered in growing its resource streams through its various graduate

programs and in developing a more prominent “brand” in Colorado’s dominant population center.

Central to this issue raised by the ERC is the sad state of the current Executive MBA program. ARPAC notes that these programs tend to be marquee offerings by business schools and are virtually always situated in the major metropolitan areas that dominate regional economies. In the case of the CU Executive MBA, none of the three campuses that nominally share in its implementation to be committed to its success.. Its current structure seems inefficient and even dysfunctional, arising as it does from the effort to find a work-around to the constraint on the Boulder campus in offering programs in Denver. Indeed the situation is so bad in the case of the CU Executive MBA that universities from out of state have moved into the Denver market to offer Executive MBA programs. Clearly something must be done about this situation.

Hiring Goals

Leeds has been hiring aggressively over the past few years. Since 2010, it has added nine tenure-track/tenured faculty. Still, it argues that it needs to grow its TTT faculty roster by a third.

Leeds sees the TTT student-faculty ratio of 36:1, as of 2013, as a significant factor in why the school is not rated higher by *US News and World Report*, *Business Week*, and other publications. It also points to a regression analysis of the UT Dallas research productivity rankings as evidence that its TTT faculty numbers need to grow. It finds that Leeds School falls directly on the estimated regression line when UT Dallas’s productivity measure is regressed on faculty sizes of business programs. The self-study argues that fact this supports its contention that adding faculty would lead to more articles published in the journals used by UT Dallas in evaluating research productivity. Another interpretation is that being on the regression line means that the research productivity of Leeds is at the average for business schools of its size.

In concurring with the need for new faculty lines, the ERC recommends that the advancement office focus on bringing in additional faculty chairs/professorships and fellowships.

The ERC recommends that Leeds take a careful look at growth areas (e.g., business analytics) and, if needed, add new faculty members to cover those areas. This suggestion is consistent with the recommendation by the ERC for the school to hone its mission. ARPAC notes that, to be persuasive, arguments for decreasing the ratio of students to faculty will need to be based not just on teaching needs. In the context of a research-intensive university, such arguments must be based also on raising research productivity and improving indicators of research quality.

Beyond this advice, however, there is little information in the self-study or ERC report to indicate which divisions merit the greatest increases in faculty strength. In part, this lack may be due to vagaries of the current program review process, which focuses on the Leeds School as a whole. This approach is not well-suited to the development of a well-

grounded discussion by the Leeds School or by ARPAC of the strengths, weaknesses, and potential of each of the divisions within Leeds. It may well be that more aggressive hiring plans should be a key strategy for addressing issues in some divisions but not in all.

Salary Issues

The ERC notes that high salaries for new faculty hires have produced salary compression and, in some instances, inversion. This issue of compression and inversion appears also to be a result of retention offers made to faculty members who have been recruited by other universities, raising salaries of retained faculty above those of their peers and frequently more senior colleagues within the Leeds School. The self-study reports that retention challenges now increasingly involve non-tenure track faculty, in addition to the longer standing issue of retention of tenure-track faculty. For non-TTT faculty, workloads have been reduced from eight to seven courses per year, a reduction that also permitted increased service participation in the new curriculum and other initiatives. Tenure-track retention takes the form of providing teaching loads comparable to peer institutions, as well as such measures as “meaningful participation in service and leadership, and, occasionally, formal retention offers and concessions.”

It is not clear how much in the way of new resources are required to address existing and anticipated salary compression and inversion issues across the school. Addressing these issues in the near-term would doubtless come at the expense of dedicating resources to new TTT faculty lines. To the extent that compression and inversion continue, there are likely to be justifiable salary grievances arising with some regularity. The documents included in the self-study indicate that the Leeds School follows campus policy on annual merit increases and on salary grievance processes.

Space Needs

Leeds appears to be doing a commendable job of trying to maximize the utility of its current space for offices, classrooms, and other purposes. The current space, however, is limited. The need for additional space is reported throughout the self-study and is endorsed by the ERC. To the extent that Leeds expands in response to planned campus growth and its own entrepreneurial efforts to provide additional programs of study, the need for space is likely to grow more severe. These needs may include additional faculty offices, additional offices for staff hired to provide support for the college and for student services, and new and different types of classroom and out-of-class learning spaces. The proposal for a new building that would add about 75% to the school’s current physical plant is a result of these considerations. To finance this expansion, the school is proposing to generate new revenues through expanded programs and additional fundraising.

Staffing

The ERC observes that staffing at Leeds is very lean and surmises that this situation is due to a combination of constrained resources and the prioritization of expanding

faculty positions. It also notes that faculty members are burdened with tasks better accomplished by staff, such as clerical work, scheduling meetings, event planning, and marketing activities. The staffing situation is especially critical for faculty holding administrative positions, such as directors of divisions, centers, and programs.

The ERC raises the question of whether there are tasks that could be handled by shared staff members, seeing clerical and routine administrative work as an inefficient use of faculty whose salaries are higher than those of staff and who should be freed up to take on higher-level duties. The ERC suggests that Leeds conduct an analysis of tasks performed across divisions and centers to identify those that are common across units and, where possible, to centralize support services to improve efficiency and effectiveness.

Undergraduate Education

Leeds has over 3000 undergraduate majors and is offering a new minor that is growing unexpectedly fast. It has committed itself to an ambitious new way of working with public university students, which it is calling the “Whole Student Experience.” This new approach is guiding resource investments in new staffing and programming. There may be opportunities to build some of the co-curricular activities envisioned by this approach into the for-credit curriculum of the undergraduate program. Internships, for example, are generally for-credit options in undergraduate majors in other schools and colleges at CU Boulder. Likewise, the ERC identifies communication and professional skills as topics that might be incorporated into the core curriculum. At the moment, many of the opportunities for developing these skills lie in the co-curricular side of the “Whole Student Experience” project. The ERC suggests that Leeds consider introducing a professional skills course or more explicitly integrating written and oral skills into courses in the existing curriculum.

The newly inaugurated Leeds Scholars Program, which is targeted to a small number of exceptional students (currently 35), was identified by the ERC as already being successful. The ERC writes that the Leeds Scholars they met “are bright, articulate, mature, and they are broad thinkers. They are passionate about their education and they highly value the Leeds School and the University of Colorado. They have many ideas and lots of energy that they are willing to direct toward enhancing the reputation of their school and university.” The ERC recommends that a student advisory board be formed, if one does not already exist, from within this group to tap into their enthusiasm to “set in motion an ‘army’ that can offer and react to ideas from the perspective of the students and also carry out initiatives for the school.”

ARPAC notes that teaching at the undergraduate level is provided primarily by faculty in the instructor ranks and by honorarium lecturers. Instructors provide 56% of the undergraduate student credit hours. Honorarium lecturers provide 21% of the UG student credit hours. Leeds tenure-stream faculty teach only 20% of undergraduate student hours produced within the school. This figure places TTT production of

undergraduate student credit hours 46th of 51 units on the Boulder campus. Such a low contribution by TTT faculty to undergraduate teaching always raises concerns by ARPAC, generally with a recommendation that future hiring be made contingent on substantial redeployments of TTT teaching efforts.

Graduate education and support

The structural changes in the supply of institutions offering MBAs and in the demand of students for the degree pose significant challenges for Leeds. These were of special concern to the ERC. The largest section of the ERC report was devoted to diagnosing the generic challenges facing all MBA programs and the specific challenges facing the Leeds MBA program and to laying out recommendations that might help Leeds reposition its MBA, given these challenges. The ERC writes, "Searching for additional student pipelines, schools have examined the need for masters programs other than the MBA and have developed new masters programs that usually are shorter in length than the traditional MBA. Many have already gone to a smaller FTMBA [full-time MBA program] class size to retain quality; some have focused on niches within the MBA to build a core following in an area where the school or community presents a specific comparative advantage."

Leeds has already begun addressing these challenges, in particular by adding new MS degrees, reconfiguring the curriculum of the full-time MBA, and shortening the number of months required to earn an evening MBA. Further utilization of specialized MS degrees to tap growing demand (including incorporating some existing MBA courses into these MS degree programs) should, according to the ERC, be a key strategy for Leeds, especially in light of its recommendation for a non-trivial downsizing of the traditional full-time MBA program. The ERC makes several additional suggestions designed to help Leeds downsize the full-time MBA program in ways that will make it stronger over the longer term.

The ERC recommends that Leeds identify the companies that most frequently recruit at the school and the positions that are most frequently recruited. Working back from these companies and positions, it recommends that Leeds determine what types of skills and characteristics it should be helping students develop. This process of evaluation would then feed into additional modification of the MBA curriculum, as well as in alterations in the application process to bring in students most likely to succeed in the development of the skills and characteristics sought by the businesses that recruit Leeds students. This evaluation process would, therefore, guide how Leeds downsizes its traditional MBA program in a way that makes best use of resources within the program.

One of the concerns raised by the ERC in its discussions about the downsizing of the full-time MBA program is that the target size of class must be at least at the breakeven point; otherwise the school must find ways to replace lost revenue with other innovations. The break-even point was an arbitrary number set apparently not by Leeds

but at the campus level, below which all tuition from MBA students was completely absorbed by the campus. Only with enrollment above the break-even point would Leeds begin to receive a portion of the additional tuition revenues. Upon investigation, ARPAC determined that the MOU spelling out this revenue sharing arrangement expired in 2011. Leeds has been free since then to enter into a new, more rational, revenue sharing arrangement with the provost. Depending on the details of a new MOU, Leeds should be able to downsize its full-time MBA to the number recommended by the ERC, which was 50 students, or to the size that it now sees as optimal.

Turning to the doctoral program, the ERC echoed its larger point that the strengths of some of the divisions within Leeds could be better utilized. In particular, it recommends that “divisions with high quality placements share their best practices with other divisions so that the quality of placements can be high across units. It may be, for example, that the more successful divisions have programs that better prepare students for the job market/interviews or programs that ensure adequate paper submissions prior to doctoral students entering the job market.” The ERC also raised questions about attrition of students in the first two years of the PhD program. Exploring the reasons for the drop off and altering admissions offers were recommended by the ERC as means for addressing this issue.

Diversity

The level of diversity in the unit has increased since the last review cycle. Nevertheless, female and minority faculty members continue to comprise a relatively small percentage of the faculty. Among the TTT faculty, the unit includes one African American, three Latino/Hispanic, eleven Asian, and two international colleagues, with the remaining 39 white. Among the TTT faculty, there are eight women, comprising 14% of the tenure stream faculty. Likewise, women are underrepresented in the undergraduate and MBA programs, although roughly half of the students in the Ph.D. program are female. At every level, the percentage of minority students has increased. In almost every instance, however, this increase is from extremely low levels to levels that are still low, just not quite as low as before. The increase in numbers of international students is a sign of additional diversity. The addition of substantial numbers of international students may place demands on student services, requiring further investments to provide necessary support for these students.

A notable effort to increase diversity involves a program designed to attract first-generation and underrepresented students from the Denver metropolitan area. For the past 12 years, the Office of Diversity Affairs (ODA) in the Leeds School has sponsored the Business Leadership Program (BLP) for rising high school juniors and seniors and the BLP, Jr. for seventh- and eighth-grade students. These programs serve about 75 students per year. BLP students who matriculate at Leeds participate in a retention program for undergraduate students, the Diverse Scholars Program (DSP).

The self-study reports that the ODA is seeking opportunities to engage diversity in the curriculum, co-curriculum, and organizational communities. The ODA is reported to be working with the Faculty Diversity Committee to create more opportunities for the faculty to engage with diverse students in formal, as well as informal settings. One effort is to improve student academic performance by increasing the number of underrepresented students of color participating in funded research opportunities.

Faculty Mentoring and Retention

In a unit with substantial faculty hiring and turnover, the expectations for reappointment, tenure, and promotion can be less than clear to junior faculty. The ERC indicated that some faculty members with whom it met expressed confusion as to how “excellence” or “meritorious” in research, teaching and service are operationalized in practice. This confusion apparently was exacerbated by some recent denials of tenure and what were perceived to be the result of differences in how these terms were applied across divisions.

The ERC noted with approval the regular research workshops, including in the summer. The ERC saw these workshops as being potentially useful in the development of junior faculty. It also recommended that these research workshops be extended across divisions to promote more cross-disciplinary collaboration. It also urged that untenured faculty members be strongly encouraged (though not required) to present at least one research idea/paper per year to the group. This approach would be a useful way to ensure progress toward tenure and offer a basis for individualized mentoring.

Mentoring and career development also apply to the instructor ranks. The ERC recommended that instructors be systematically and consistently informed about contract renewal and promotion procedures (e.g., What are the benefits of promotion to senior instructor? How do I move through the promotion process? When is promotion recommended?).

The ERC commended the idea offered by instructors for regularly scheduled teaching workshops. These workshops might be similar to research seminars for TTT faculty but focused primarily on best practices in pedagogy. These workshops would be similar to the research seminars/workshop for tenure-track faculty. The ERC felt that, because these workshops would focus on teaching business courses, tenure-track faculty might want to participate in them as well.

The ERC indicated that some instructors felt ill-informed about a number of practices and policies. These included service expectations, mechanisms for securing teaching assistants, equipment provisions, and financial support for instructional training (e.g., support to attend the Association to Advance Collegiate Schools of Business (AACSB) Bridge Program). The ERC recommended more thorough orientations (on-boarding

procedures) for new instructors. There was a sense that the quality of orientation efforts varied considerably across divisions.

One issue not addressed was whether instructors are invited to and expected to attend regular faculty meetings. Such inclusion would allow a broader sharing of the mission of the School, as well as an opportunity to answer policy questions. Moreover, recently adopted campus-level policies are intended to incorporate instructors more fully in the governance processes within units, including voting rights on issues other than those involving TTT faculty. It is unclear to what extent the policies and practices of the Leeds School are in conformity with the campus on these matters.

VII. RECOMMENDATIONS

ARPAC applauds the many efforts that the Leeds School of Business is undertaking to improve the quality of its educational offerings at the undergraduate, masters, and doctoral levels. The recommendations of the committee are intended to contribute to these efforts. It is the committee's hope that the steps that Leeds makes over the next few years, both as a result of these recommendations and as a result of other strategic initiatives, will enable the Leeds School to move substantially higher in national and international rankings.

To the unit:

1. Continue refocusing the mission of Leeds in light of the structural changes impacting business schools across North America.
 - a. Continue building an internal culture of collaboration around measures that increase the standing and visibility of the Leeds School nationally and internationally.
 - b. As part of this refocusing, provide a clear rationale for the centers and their relationship to the subfield divisions within Leeds.
2. Discontinue summer income stipends that reward past scholarship and instead move toward a set of incentives that reward new scholarship. Where feasible, these incentives should reward new scholarship that is funded with external grants and/or contracts that provide financial benefits to graduate students and the school.
3. Increase the size of the TTT faculty as resources become available. In doing so, focus such growth in particular on those divisions and areas where Leeds has determined that it can make a mark in terms of research productivity, quality, and reputation. Justifications for adding new TTT faculty should be viewed as contingent also on establishing a record of substantially higher production of undergraduate student-credit hours by TTT faculty.
4. Consider offering elements of the co-curricular components of the "Whole Student Experience", such as internships, as for-credit options, both to enhance

the seriousness of those components and to recognize the learning that occurs through these opportunities.

5. Leverage curricular resources toward new specialized MS programs that address emergent needs.
6. Undertake an analysis of the skills and characteristics associated with the positions that companies recruiting at Leeds seek to fill, to guide the process by which Leeds redefines its full-time MBA program to make best use of resources within the program.
7. Work with the central campus to bring revenue sharing arrangements for the full-time MBA program and other masters-level programs into line with current campus policies to allow the size of all these programs to be based on strengths of the Leeds faculty and external market forces.
8. Encourage divisions with high quality Ph.D. placements to share their best practices with other divisions so that the quality of placements can be high across units.
9. Explore reasons for the attrition in the first two years of the Ph.D. program with the goal of altering admissions processes or aspects of the Ph.D. program itself to ensure that as many students as possible successfully complete the degree.
10. Increase participation in campus affairs of TTT faculty members and rostered instructors.
11. Improve forums or processes for regularly communicating expectations for reappointment, tenure, and promotion to all promotable TTT faculty.
12. Institute forums or processes for regularly communicating to all instructors the school's expectations for contract renewal and promotion.
13. Encourage untenured faculty members to present on a regular basis in research workshops and create mechanisms for providing individualized feedback to them.
14. Ensure that policies and practices with respect to instructors are in conformity with campus rules.
15. Identify and implement steps that make more efficient and effective use of staff support, for example by centralizing some aspects of staffing across centers and/or divisions.
16. Continue efforts to increase the diversity of both the faculty and the student population, in consultation with ODECE.

To the provost:

17. Work with Leeds on revenue sharing arrangements for its masters-level programs, including its MBA offerings, to bring those arrangements into line with current campus policies.
18. Consider moving to an incentive-compatible revenue distribution model for Leeds.
19. Consider prioritizing a new building for Leeds in recognition of its expected growth, contingent on the findings of the space utilization study that is assessing

- space needs across the campus. In so doing, consider funding mechanisms that include gift funds, as well as loans against future revenue streams generated through expected growth.
20. Consider prioritizing new TTT faculty lines for Leeds in anticipation of its future growth, contingent on increased efforts by the current TTT faculty in the production of student credit hours and on improved scholarly productivity.
 21. Review the individual divisions within Leeds, as well as the school as a whole, during upcoming program review cycles.

To the chancellor:

22. Work with the CU System Office to phase out the existing Executive MBA program, as well as the constraint on the three campuses, in order to allow them in cooperation or on their own to develop Executive MBA programs in Denver.

The dean of the Leeds School of Business shall report annually on the first of April for a period of three years following the year of the receipt of this report (i.e., April 1st of 2016, 2017, and 2018) to the provost on the implementation of these recommendations. The provost, as part of the review reforms, has agreed to respond annually to all outstanding matters under her/his purview arising from this review year. All official responses will be posted online.