Entrepreneur magazine recently named GSOM one of the country’s best schools for obtaining an education in “green business.”

To choose the best “green business” schools, Entrepreneur teamed up with The Princeton Review, which is well known for its school rankings. The Princeton Review chose 16 schools based on criteria in four areas:

- The amount of research the school conducts related to sustainability
- Availability of courses in sustainability
- The percent of faculty teaching such courses
- The school’s career services for students interested in green business and social responsibility employment

“GSOM has realized for many years that sustainability and the greening of corporations is not just a passing fad,” according to Interim Dean Joseph Sarkis. “We have been innovators, and offered topics on social and sustainability issues for over 15 years. This social awareness has always been part of Clark. We seek to integrate social awareness into a high-quality core business education.”

GSOM collaborates with the International Development, Community and Environment Department to offer two dual MBA/MA degrees, including one in environmental science and policy, which includes green business management, management of environmental pollutants and climate change, energy and development. The other dual-degree program, community development and planning, addresses the challenges of environmental sustainability, social justice and economic well-being.

In addition, Sarkis is a leading international scholar on green supply chain management, as well as sustainability and operations management.

To make its decision, The Princeton Review surveyed administrators and students at 325 graduate schools of business, asking questions about their schools’ academics, curricula, campus policies and student services related to sustainability, social responsibility and the environment. Students were also polled on how well they believed their MBA programs were educating them for careers in “green business” fields.

Process Improvements, Computers Can Yield Green Results

Businesses that want to save money on energy and protect the environment don’t need solar panels or hybrid cars. It’s more a matter of adopting efficient processes that reduce waste, according to experts from both the private and public sectors who spoke at a recent day-long workshop on “Materials and Energy Sustainability” at GSOM that was facilitated by Visiting Professor Anthony Sarkis.

“It’s remarkably easy to save 30% on your energy costs,” according to Peter Cooke, pollution prevention manager for Maine’s Department of Environmental Protection. Even without an in-depth understanding of an industry, an energy consultant can typically reduce the use of energy and other resources by reviewing individual processes, one step at a time, and helping the company manage them.

The company’s information technology may, in fact, be its most important environmental tool, according to Cameron Carey, president and CEO of Sustainable Energy Solutions, Inc. in Northboro, Mass.

Using sensors, meters and a computer database, Carey’s company tracks energy use and finds ways to either reuse or reduce wasted energy. By monitoring energy use regularly, companies can identify potential problems and address them, continuously operating more efficiently.

His firm compares energy usage among similar facilities to establish benchmarks, taking factors such as weather and production into account. It measures the effectiveness of energy efficiency efforts and uses historical comparison curves to profile day-to-day energy consumption. It also optimizes equipment run hours to avoid setting new demand peaks.

Using “co-generation,” channeling wasted energy for other uses, is another way his company saves money for clients.

Mark Myles, training program manager for the Toxics Use Reduction Institute, also advocates process efficiency and said that mapping processes can achieve unexpected results. He cautioned that business practices that logically would seem to help the environment often have the opposite impact. For example:

- Paper cups are more environmentally damaging that polystyrene cups, because most heat used in the production of paper cups is waste heat.
- Reused cloth diapers and disposable diapers have a similar impact, when the use of energy for reusable diapers is compared with the materials wasted by disposable diapers.
- In the early ‘80s, a company that introduced green, plant-based ingredients into a line of biodegradable products seemed to be helping the environment, but it turned out that the company was destroying rain forests to produce palm oil for its products.
Globalizing Business Education

To understand today's global economy, it helps to have a global business education.

One long-running example is GSOM’s “Global Business Seminar,” which began in 1996 when GSOM established a program that sent students to France each May for a week-long immersion in French business and culture.

France was chosen, according to former Dean Edward Ottensmeyer, who established the program, because it was the country where he had the best connections. Now, though, students visit a different country every year and have been to three different continents in as many years.

While Ottensmeyer initially taught the course that prepared students for the trip, Professor Mary-Ellen Boyle also became involved and the two shared teaching responsibilities. She took it over when Ottensmeyer became dean in 1999.

Over the past few years, Associate Professor Priscilla Elsas, and Professors Barbara Bigelow and Margarete Arndt have managed the program, bringing students to China, Germany and Argentina, the destination for this year's May trip.

Throughout the semester, participating students meet every two weeks to study the country they plan to visit, including learning about its culture, history and politics, as well as its business climate. Each student chooses a topic to focus on; for example, this year one student is studying the wine industry in Argentina.

“The purpose of the program is to give students an international experience they would not otherwise have,” according to Elsas. “Before we leave, we look at everything from the economy to the country’s literature and film.”

One reason for choosing Argentina this year is to expose students to an economy that is undergoing difficulties.

“The economy has been in and out of crisis a couple of times in the past decade,” Elsas said. “The impact on the country as a whole has been difficult and inflation is skyrocketing. It’s also an attractive destination and was reasonably inexpensive” although inflation is having an impact.

Having students from other countries participate enriches the experience for everyone, according to Elsas, since they compare the country they’re studying with their home country “in ways that don’t always come out in their classroom experiences. Sometimes they have insights that add greatly to the trip.”

The 1996 course, for example, attracted 21 students from many different countries, including Italy, Sri Lanka, Sweden and other countries.

“This course provides an extraordinary benefit to students,” according to Ottensmeyer. “They get to focus for a semester on a country other than their own, and then experience in a safe, secure way what business is like in that place."

For example, students often think France offers nothing but frequent strikes, long vacations and excessive social benefits. Yet productivity per hour worked is higher in France than in the U.S. “When you show up and all the signs on the street are in a different language,” he said, “you’re bringing students out of their comfort zone, and putting them in a different culture, where the food, business practices and customs are different. As a result, they learn to better understand the realities of global business.”

Students visit companies native to the country they’re visiting, such as Moët & Chandon, as well as American companies with foreign operations, such as L.L. Bean in China.

An Alumna’s Perspective

Participating in the first “Global Business Seminar” in 1996 “deepened my understanding of international business issues and also the interrelationships of business and culture when interacting globally,” according to Michele Gatto MBA ’97 and a member of the GSOM Advisory Board.

“It ignited a passion in me for studying and understanding other cultures,” she said, “and helped me develop a keen interest in multiculturalism, which I was able to promote in the workplace.”

Her passion for learning about other cultures has resulted in travel to South America, Scandinavia and other parts of Europe, and China, where she participated on a world affairs council for a board she serves on.

Although she already had her MBA, she attended the 2001 “Global Business Seminar” with her husband, Gary Gatto MBA ’01, who was then a GSOM student.

“Much of what I learned in the seminar remains with me today!” she said. ■
The Global Campus

You could say that GSOM students are going places. In addition to the “Global Business Seminar” (see related article), GSOM offers several other opportunities for students to study abroad, as well as for foreign students to study at GSOM.

The “Doing Business in Northern Europe” program, for example, is an accelerated four-week course at the School of Management and Economics at Linnaeus University, a major university in Växjö, Sweden. In addition, second-year MBA students can enroll in exchange programs with Panthéon Sorbonne, Université de Paris I, Paris, France, or with Linnaeus University.

While GSOM students both universities, their students also come to GSOM to study.

Visiting Scholars

Given its international reputation, GSOM is attracting not only international students, but international scholars. Karen Spens, a professor at the Hanken School of Economics in Finland, was attending a conference in Las Vegas and thinking it was a waste of time, because only a small number of people attended.

“But when the questioning after the presentation started, there was this very eager guy who asked a lot of difficult questions,” she recalled. “In the end he came up to us and told us he would actually be interested in publishing the paper we wrote, and so the paper ended up in the journal Management Research Review and the eager guy was Joe Sarkis, the editor of the journal and a professor at Clark.”

That started a relationship in which they cooperated in research projects and she helped edit special issues for Management Research Review. Given their relationship, when she received funding for a research leave, it was an easy decision for her to come to GSOM.

“I have been working the last six years with humanitarian logistics, which is a new field within logistics,” she said. “Our research with Joe has been on “Greening the Relief Supply Chain,” which combines our two areas of expertise – mine in humanitarian logistics and Joe’s in environmental expertise.”

Some of the other international scholars recently researching at GSOM include:

Vijie Dou, a doctoral student at the Dalian University of Technology in China, collaborated with Sarkis on developing and applying models on power structures and outsourcing based on environmental supplier issues.

Kannan Govindan, an associate professor at the University of Southern Denmark, collaborated with Sarkis on, “Eco-Efficiency-Based Green Supply Chain Management – A Step Toward Climate Change and the Environment.” In addition to developing working papers on modeling topics, they are planning a workshop in Denmark.

Guo Wei, associate professor at the School of Management at Yangtze University in China, collaborated with Associate Professor Priscilla Elsass and other faculty to research human resources strategy and organizational behavior, especially focusing on governance issues facing organizations in the U.S., and a comparison of best practices in the U.S. and China.

Assistant Professor Jing Zhang was invited to spend three months of her current sabbatical at the School of Software Engineering and School of Computer Science at Beijing Jiaotong University in China. During her stay, she has been leading seminars on business system analysis for graduate students. She also collaborated on research with faculty at Fudan University in Shanghai and directed doctoral student research on the role of social media in government policy making. She spoke on energy sustainability and information sharing to the faculty at North China Electricity University and is serving on the organizing committee of, “The Second International Conference on Complexity Science Management & Intelligent Information Systems,” scheduled for Oct. 14, 2011 in Beijing.

Chung Sik Yoo, professor in the Department of Economics at Yonsei University, collaborated with Associate Professor Inshik Seol and other GSOM and economics faculty on economic development and environmental issues. He also focused on modeling of competitive concerns related to international location and quality management. Papers were developed on greening of transportation fleets and quality issues relating to outsourcing.

Jing You, associate professor at the Chongqing University of Science and Technology in China, collaborated with Professor Jing Zhang to research psychological behavior and its influence on technology and knowledge innovation. One of his projects focused on motivation for adopting technology and acquiring knowledge.

Hanmin Zhu, associate professor at the School of Economics at Wuhan University of Technology in China, who focused on environmental issues. His research included a comparative analysis of regulatory policy in the U.S. and China and its influence on business. An expert on China’s “circular economy,” he completed a paper on information technology and the circular economy.
The success of any company depends on choosing the right people for its workforce. Yet what makes a person right for a particular job? GSOM’s Associate Professor Inshik Seol, working with Interim Dean Joseph Sarkis and Professor Frank Lefley of Royal Holloway, University of London, found that personality traits may be even more important than technical competency – even when hiring internal auditors.

While their research focused on internal auditors, Seol believes it can be applied to other positions and that it can also have an impact on how students prepare for careers in auditing.

Simplifying Standards

Their research simplifies the Competency Framework for Internal Auditing (CFIA) created by the Institute of Internal Auditors (IIA). It is based on surveys of auditing professionals in a dozen countries, which were carried out with assistance from both IIA-UK and the Association of International Accountants (AIA).

The CFIA was based on the IIA’s “Common Body of Knowledge,” which included 334 competencies in 20 different discipline areas. While the CFIA cited 56 skills considered important for internal auditors just starting their careers, research by Seol and Sarkis reduced the list to 11 essential skills. More advanced professionals require additional skills.

The new model, like the CFIA model, allows users to weigh certain factors above others. In addition, both models are compensatory; a job candidate or candidate for promotion can make up in one area for what may be lacking in another area.

“Instead of this complex model, we made it simpler,” Seol said. “Not all factors are equal. Someone using our model can change the weighing however they want.”

In an article they wrote about their research, they concluded that their findings can:

- Be used to reformulate internal auditor selection models and apply more empirical research to them.
- Provide scale measurements for future research relating internal auditor characteristics to a wide variety of organizational issues that go beyond financial and operational performance, such as ethics, liability, quality, risk and service.
- Help practitioners focus on further developing skills their peers see as relevant to help improve appropriate decision-making abilities.

Their next steps will be to apply and validate their new model, which will help them achieve their goal of linking performance with selection metrics, and to investigate cultural impacts. To research cultural impacts, Seol collected data from Korean internal auditors while he was a Fulbright Scholar at Sogang University in Korea.

Process Improvements continued

The idea of Design for Environment (DFE) – producing products specifically to minimize environmental harm – is a good one, but only if the design is looked at holistically.

“It’s more than design,” according to Myles. “It’s logistics, marketing and many other things. It amounts to how you draw the boundary around the problem.”

Globalizing Business Education continued

Alumnae have sometimes helped — Thomas Scharfenberger MBA ’88 welcomed students to Lufthansa in Germany, while Paul Guertin MBA ’04, a foreign service officer in China, met with students and explained the Chinese visa process and intellectual property laws.

The course helps shape a more refined understanding of the world and opens people’s minds, Ottensmeyer said, adding that "the experience can be life changing."