

MIND | WORK

LEADING SCHOLARSHIP FROM SANTA CLARA UNIVERSITY SCHOOL OF BUSINESS

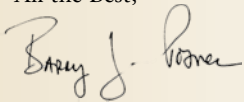
From the Dean

Our Management Department faculty are a remarkable set of scholars. As you would expect from a nationally ranked business school, their work contributes to our understanding of competitive advantage and sustained profitability, benefitting business practice today. And their scholarship suggests solutions that reach deeper than the bottom line.

Their research brings unique dimensions to business excellence—from assessing the dangers of taking technology for granted to the application of business principles to alleviate global poverty, from leading health care change to policy implications of nanotechnology development—their work addresses issues of meaning and not just money.

I am particularly proud when our faculty can offer new insights and broaden our perspectives on developing a more just, humane and sustainable world—and I hope you will share that pride as a member of the Leavey School of Business community.

All the Best,



Barry Z. Posner, PhD
Dean and Professor of Leadership

Table of Contents

Changing the Health-Care System	1
The Next Big Thing	2
Large Firm, Small Firm	4
The Inner Executive	5
The Ghost in the Machine	6
Business and Global Poverty	8
The Flow of Technology	9
Safer Water for Everyone	10
New Faculty	11
Posner Begins Int'l Leadership Project	12



THE CHALLENGE OF CHANGE: David Caldwell's research provides an inside look at how a large health-care organization brought about a strategic change in physician-patient relationships.

Changing the Health-Care System It Will Require a Culture Shift, Not Just Strategy

With health-care reform in the air, issues range from how it's paid for, to the use of new technologies, to how decisions about care are made. Whatever strategic choices are made, benefits will accrue only if new strategies are implemented successfully. Unfortunately, health care organizations do not have a terrific record of implementing changes.

David Caldwell, the Stephen and Patricia Schott Professor of Management at the Leavey School of Business, and his colleagues recently completed a study of strategic change in a large health-care organization that may shed a light on what it takes to implement reforms. ▶

changing the health-care system

“Our primary finding was that a willingness or readiness to change was a key factor,” he says, “and that, in turn, raised the question of the role of leadership.”

The non-profit organization that Caldwell and his colleagues studied administers nearly two dozen large medical centers employing more than 3,000 physicians. The organization had been successful for more than 40 years in

relations between physicians and patients. This meant fundamentally changing the culture of the organization. The executives, themselves physicians, knew that getting physicians to change the way they did their work would not be easy.

Caldwell was given considerable access throughout the organization to study the success of the change and why some groups

physicians for nearly a year to discuss the data demonstrating the necessity for change and the elements involved in the new strategy.

“Second, even if groups of physicians agreed with the new strategy, they were not likely to implement it unless the group had a culture that supported change. Physician groups that had norms that supported experimentation, viewed failures as learning opportunities, encouraged teamwork, and had a restlessness or sense of urgency, were the ones that could translate support for the strategy into successful action.

“Third, we found that implementation took place when the actions of leaders at different levels in the organization were aligned with one another. If team leaders or directors of medical centers sent different messages about what was important, real change was unlikely even if people agreed with the strategy.”

Caldwell and his colleagues surveyed physicians and monitored patient surveys over time and found that in those groups where these three characteristics were present, physicians changed in ways that increased patient satisfaction. “Overall,” he says, “implementing changes in health care systems won’t come about simply by announcing a new strategy and coming up with a different reward system; rather, it may require changing the culture of the organization. Our research demonstrates that doing this is hard, but that it can be done.” ▶

If leaders sent different messages about what was important, real change was unlikely.

providing a high quality of care for a relatively low price, albeit in a somewhat “bureaucratic” way.

During the past decade however, the competitive landscape changed. For-profit HMOs (Health Maintenance Organizations) and more restrictive insurance plans eroded the price advantage the organization had held. This put the organization at real risk of failure unless it could maintain its customer base.

To counter this threat, executives believed their organization needed to change its strategy in order to dramatically improve patients’ experiences in dealing with staff. In particular, executives believed the key to the new strategy was improving the quality of the

of physicians were able to implement the new strategy more quickly than others. Caldwell drew three important conclusions from his research.

“First, physicians were unlikely to change what they did unless they believed the new strategy was in the best interest of the organization. While this is obvious, what was important to understand was the amount of effort that needed to go into discussing the nature of the problems facing the organization and the importance of the change.”

He went on to say that the CEO, himself a surgeon, said he didn’t believe people could embrace an idea until they had heard it 17 times. The CEO met extensively with

The Next Big Thing

Sharing Information Inside a Company Could Trigger It

Where will the next big invention come from? A recent research paper co-authored by a Leavey School of Business professor suggests there’s a fair chance it will be the result of people within a diversified company sharing knowledge across divisions.

“When people working on a product draw on distant knowledge outside their own area of expertise and combine this with their existing knowledge, they’re more likely to come up with a radical innovation,” says Michael Fern, assistant professor of strategy at Santa Clara’s

Business School. “Our research shows that in large, diversified firms that can occur within the organization.”

To determine whether there’s a trend of that sort of innovation occurring in business today, Fern and his co-authors looked at



MAKING THE CONNECTIONS: Michael Fern's research shows that large companies can achieve great innovations if they can share information across divisions.

211,636 patents granted to 1,644 companies in the years between 1985-96. They were particularly interested in comparing the knowledge used for both non-influential and influential patents (those cited frequently in subsequent patent applications).

Their findings were published in an *Academy of Management Journal* paper called "The Use of Knowledge for Technical Innovation Within Diversified Firms," written by Douglas J. Miller of the University of Illinois, Fern, and Laura B. Cardinal of Tulane University.

Patent applications require the submitting inventor or organization to cite prior work that substantively influenced the application, and that allowed Fern's research group to track both the source of ideas and the transformative impact of a patent, as measured by the frequency with which it was cited in later

patent applications. Only 270 patents cited work from other divisions within the applying company, but their influence, as measured by future citations, was disproportionate to their small number.

The paper cites a concrete example of how that can work, by quoting Steve Kerr, vice president of corporate leadership development for General Electric Corporation, who says:

"A breakthrough in GE's Medical Systems business, with relatively little modification, led to a method by which an aircraft engine can transmit continuous information about blade speed, engine heat and other relevant data about its in-flight performance well in advance of any possible safety situation. This innovation, in turn, catalyzed an important new development with respect to a self-monitoring system for use with heart pacemakers."

Why does the transfer of knowledge across company divisions work so well? Fern points out that when people work within their own group and domain of knowledge, their innovations are likely to be more incremental than transformative. In order to take a big leap forward, they generally need to go outside their own frame of reference and conduct a "distant search" for knowledge.

There are a number of ways of doing that, including hiring new employees, acquiring other companies, going to conferences, and conducting extensive web searches. But working with other divisions within the company can offer significant advantages.

"If you go to a conference, you can hear a good idea from someone and maybe talk to them for 45 minutes," Fern says. "If you're talking to other people within your own company, you can have a number of in-person meetings to ensure the knowledge is transferred and implemented appropriately."

Fern says the practical application of the paper is that any firm with multiple product lines or units can benefit from identifying opportunities for sharing knowledge between these divisions within the company.

The leap forward comes from going outside your frame of reference.

"In order to have an effective knowledge transfer system within the firm," he notes, "you need to have processes, a corporate culture that supports them, and incentives to make it happen. Sharing of knowledge across divisions can be very impactful, but it's not happening as often as it could." ▶

Large Firm, Small Firm

How Do Size and Experience Affect Innovation?



RELEVANT EXPERIENCE: Tammy L. Madsen's research looks at differences in the ways large and small companies use their experience (and that of their partners) to achieve innovation.

Conventional wisdom about the relationship between a company's size, age, and technological innovation has been, to say the least, confused. Academic research papers demonstrate that radical innovation has been brought about by both young, small firms and by large, more established companies.

"The existing research results are all over the map on this issue and make drawing definitive conclusions difficult," says Tammy L. Madsen, associate professor and chair of the Management Department at the Leavey School of Business. "The extant work leaves out some potentially important factors that influence innovation, especially the role of different forms of experience—such as that gained from co-development and sourcing partners."

In their paper published this year in the *Strategic Management Journal*, "Unbundling Competitive Heterogeneity: Incentive Structures and Capability Influences on Technological Innovation," Madsen and her co-author, Michael J. Leiblein of Ohio State University, propose explanations for the inconsistencies in prior work: that small and large firms differ in their abilities to translate their own experiences and the experiences held by their partners into innovation.

Their 10-year study of 463 semiconductor firms operating worldwide finds that the innovation benefits of experience developed within a firm and accessed through co-development partners decline as a firm grows large. In contrast, large firms benefit more from a sourcing partners' experience as

compared to small firms. The findings have important practical implications for small, resource-constrained firms that often need to outsource critical activities.

"As these firms grow," Madsen says, "they may benefit by developing skills in crafting partnership agreements, and in managing alliances; capabilities in these areas may enhance their abilities to continually learn from co-development partners."

The study emphasizes that large and small firms employ different employee selection, incentive, and monitoring systems that affect their abilities to translate different types of experience into meaningful innovation. Large and small companies benefit in different ways from these factors, and the ability to make the most of them can be critical for sustaining an innovation advantage.

For example, small firms are better able to lure top talent than large firms due to their comparative advantage in offering aggressive

Small firms generate unique insights but lack experience in managing external relationships.

incentive packages. Such packages tend to reward individual contributions and thus, are more attractive to innovators as compared to traditional, merit-based systems. Rewarding individual contributions is critical and small firms are often characterized as more effective in protecting an innovator's property rights.

Also, at small firms, senior managers are more likely to be involved in employee recruitment and are better able to judge the quality of job applicants. Additionally, small size helps these firms avoid information overload while sustaining cooperation. As a result, small firms are better able to generate unique insights from their own experience to support innovation as compared to large firms.

At the same time, small firms tend to lack experience in evaluating and managing the external relationships. As a consequence, Madsen and Leiblein predicted that small firms' innovation activities would benefit less from the experience of held by their co-development partners.

Instead, the results showed that large firm size, as compared to small firm size, reduces the benefits associated with the experience held by co-development partners. However, as firms grow large, their innovation activity benefits more from the experience of their outsourcing partners.

In their next project, Madsen and Leiblein, expand on this work by quantifying how a firm's patent stock and its different stocks of experience affect its ability to sustain a profit advantage.

In the end, both large and small firms are constrained in their innovative activity by the nature and variety of their experiences, incentives, and abilities.

"One takeaway is that different types of experiences have different effects on firms, depending on their size. Ignoring these differences can lead managers to make inaccurate choices when it comes to resource investments in support of innovation," Madsen says. ▶



DEEPER MEANING: André Delbecq's research looks into the study of spirituality in business and the hunger of executives to incorporate that in their work.

The Inner Executive

Study of Business Spirituality Gains Acceptance

Over the decades André Delbecq has been witness to major paradigm shifts in the teaching of business. Areas once deemed unsuitable for study at a business school—behavioral science and mathematical modeling in the 60s and 70s and corporate responsibility and ethics in the 80s and 90s—have become mainstream. Delbecq believes it is happening again with a new field of study: spirituality in business.

"This particular interest group has grown faster than most others," says Delbecq, the Thomas and Kathleen McCarthy Professor of Management at the Leavey School of Business. "What's interesting is that it has been a ground-up movement. Interest in workplace spirituality didn't begin in the churches or the academy; it grew as a societal movement. Incorporating the study of spirituality in business is still very young, but I feel this intellectual inquiry is no longer fragile."

Delbecq has summarized his view of the growth of spirituality study in a paper, "Spirituality and Business: One Scholar's Perspective," published in the March

2009 issue of the *Journal of Management, Spirituality and Religion*. The paper draws substantially on his long experience in the academy and on his observations about the spiritual hunger expressed by many of the business executives he deals with.

Two themes have repeatedly emerged in those conversations, he says. The first is a sense that it's tough to be an effective business leader without a feeling that there's a deeper meaning to the work. A second, arising particularly in recent times, has been a reaction to the distortion of values as reflected in many business scandals.

"Hubris and greed are two major traps in senior business leadership," Delbecq says. "The answer to that is not just about ethics. Everybody knows what's ethical, but it's easy to be seduced by power and wealth. Unless you have a well-developed spiritual compass, power corrupts."

Associated with a Jesuit university, Delbecq found himself being asked about spirituality in the workplace more and more ▶

during the 1990s, and, in turn, wanted better answers himself. In 1999 he was scheduled to take a sabbatical to study business innovation in France; instead, he canceled that trip, enrolled in the Graduate Theological Union in Berkeley to study spirituality, and traveled extensively around the world to meet contemporary spiritual teachers.

In the year 2000, he began a seminar at Santa Clara University called “Spirituality of Organizational Leadership,” which over the years has been attended by more than 500 MBA students (who are also working professionals) and 300 senior business executives. He teaches the class in a way that shows how different religions approach the same issue.

For instance, on the question of giving back to society, Judaism teaches that it is a matter of justice; Christianity that it is a matter

of charity and perhaps more optional; while Hinduism takes the need to give back as such a given that it is hardly discussed.

“An interesting thing about this,” Delbecq says, “is that when we ask students to look at a question from a religious perspective,

Unless you have
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they often end up choosing to refract the question through the lens of a religion other than their own. In doing so, it deepens their understanding within their own tradition.” A feature about Delbecq and the MBA course recently ran in *The Chronicle of Higher*

Education, a weekly newspaper devoted to developments in universities and colleges around the world.

Between his seminar and an elective course in spirituality offered in the Business School, Delbecq has a vantage point on the broad interest in spirituality and its role in business among the people likely to be the most affected.

“The students who take the (elective) course often say it is one of their most important educational experiences within the School,” he says. “For these MBAs, it’s good to have one place in the curriculum dealing with the inner self.” And the response to the leadership seminar speaks for itself. “What could be a tougher market test case than Silicon Valley?” he asks. “The fact that so many busy executives and professional MBAs take time for the seminar shows the need and value of it.” ▶

The Ghost in the Machine

Uses and Limitations of Technology in Decision-Making

Have you heard the one about the consultant who showed up at a company to do a presentation on security only to have his laptop confiscated at the door—for security reasons?

That’s a real-world example illustrating a growing tendency in the computer age: People taking technology—usually computer technology—so much for granted that they don’t think through the ramifications of its use. Terri Griffith, professor of management, uses the story to make a point.

“The pervasiveness of technology and computers means we have to change our approach to decision-making,” she says. “We have to be more thoughtful and know what the checklist is; normal people, in a sense, have to be accidental systems designers.”

Griffith, Gregory B. Northcraft and Mark A. Fuller have written a chapter on technology issues for the recently published *Oxford Handbook of Organizational Decision Making*. The chapter is titled “Borgs in the Org? Organizational Decision Making and Technology.”

Not so long ago it was more difficult to take computers for granted. They were large and stationary, and executives often couldn’t access the technology themselves because they didn’t know how to type. Now that the technology is at everyone’s fingertips, a whole new set of issues has arisen, some of which Griffith and her colleagues discuss in the chapter.

For example, there’s the whole question of when decisions can effectively be technologically automated—say, having the computer track inventory and decide when to



SMART TECHNOLOGY: Terri Griffith, shown with the case of an original Macintosh, looks into how organizations need to be better “systems managers,” rather than taking technology for granted.

reorder. Setting up such a process requires a great deal of care and consideration in order to determine which decisions are routine and well structured (and can thus be easily automated) as opposed to those that have “quality dimensions” requiring human intervention and evaluation.

Another issue has to do with the sheer volume of information that can be called up immediately. “Thanks to technology,” Griffith and her colleagues write, “our ability to collect data far exceeds our ability to make sense of it.”

If someone is looking for the best price on golf clubs and types “golf clubs” into a search engine, the search could easily generate tens of millions of hits. That, in turn, requires the

searcher to design a system for sorting the information in a feasible manner. A perfect decision is impossible, and even a good one requires a thoughtful, systematic use of the technology.

Because of these invisible building blocks and structures inherent in technology, Griffith and her co-authors write, “There is always a ghost in the machine, and woe to the decision-maker who fails to bear that limitation in mind.”

The book is aimed more at an academic audience than at business managers, but Griffith hopes the material from her chapter and others will find its way into practical application. She says that addressing the

Now that technology is at everyone’s fingertips, our ability to collect data far exceeds our ability to make sense of it.

issues through the medium of a book chapter, as opposed to a formal research paper, provided an opportunity to reflect more deeply, play with ideas and suggest tools, tips and tricks for using technology wisely.

“If I had to cite one thing I’d hope people get from this chapter,” she says, “it would be: Stop. Look. Listen. Stop and assess the opportunities for technology use. Look carefully at the current scenario and what you need to do. And listen to the feedback you’re getting.”

Terri Griffith’s blog on technology and organizations can be read at www.TerriGriffith.com/blog. ▶



FLAWED ASSUMPTIONS: Dennis Moberg, holding a pillow crafted in El Salvador, writes about six misconceptions that prevent businesses from addressing world poverty.

Business and Global Poverty

How Misconceptions Can Be a Barrier to Effective Action

In the summer of 2006, Dennis Moberg went to El Salvador as part of a faculty immersion group that lived and worked with the mostly poor residents of the country. The experience left him with the feeling that much of the discussion about global poverty is “separate from the human experience on the ground” and wanting to do something about it.

Eventually he decided the best way to do that was to translate his experience for his scholarly colleagues in the business ethics community. Moberg, the Gerald and Bonita A. Wilkinson Professor of Management at the Leavey School of Business, had credibility in the field, having served two terms as president for the Society of Business Ethics. He is writing a book about it, and this August at the annual meeting for the Society of Business Ethics in Chicago, he will present a paper, “Mental Models that Impede Business’ Role in Global Poverty Alleviation,” written with Laura Hartman, Patricia Werhane, and Scott Kelley.

“The target audience for the paper and the book is business decision makers,” he

says, “and we want to encourage a deep dialogue rather than a superficial one on global poverty issues.”

Part of doing that is identifying and refuting common business misconceptions about poverty and what can be done about it. Moberg and his colleagues identify six such “mental models” in the paper:

- **That poverty is defined by an income of \$2 a day or less.** This can make it seem like a strict revenue issue and lead business people to miss other key factors, such as access to reliable banking services, that can greatly expand opportunity.
- **That global poverty is an unsolvable problem.** More likely, says Moberg, it is a “wicked problem” that is difficult to solve but that can be attacked in a variety of ways that involve multi-disciplinary analysis, stakeholder engagement, and small-scale experiments.

- **That it is a human-rights problem,** which tends to put the focus on fulfilling a need, rather than on developing responses from non-governmental players and encouraging private economic activity.
- **That the global poor are incapable.** Not so, says Moberg, citing as just one example a night shelter for street children in Delhi, India, that offers the children a bank run by teenagers, who are demonstrating considerable business acumen.
- **That making money from the poor is unseemly.** In fact, says Moberg, it can be a basis for providing economic opportunity. For instance the S.E. Johnson Company set up poor people in Africa to run cleaning businesses. The cleaners use Johnson’s products in their work, which profits the company, but their new business enables them to make a better living.
- **That cooperation is unlikely between multinational enterprises and non-governmental (NGO) public organizations.** It’s true, he says, that the public sector tends to be suspicious of business, while large companies tend to regard the NGOs as part of the regulatory environment. But there are success stories, such as Barclay’s Bank working with an informal group of Nigerian moneylenders to offer an expanded set of financial products for people living at the base of the economic pyramid.

Businesses can do much more to relieve global poverty through their own work, Moberg says, if they can but develop the “moral imagination” to evaluate opportunities outside their set mental models, as in some of the examples above.

“One thing that keeps me going is how inspirational these stories are and how much impact they have on peoples’ lives,” Moberg says. “There’s a lot of economic activity among the poor; whatever multinational businesses can do to give them a step up is important and we ought to be doing it. It’s not about charity, it’s about economic activity that will be sustainable through tough times.” ▶

The Flow of Technology

What Business and Government Can Learn from One Case

It has been used to build stronger, lighter golf clubs; to develop safer surgical instruments; and to create scratch-resistant and self-cleaning automobile paints and corrosion-resistant sealants.

It is nanotechnology, the research and development of materials and products that have a size of between 1 and 100 nanometers. A nanometer is a millionth of a millimeter, or roughly the width of a human hair that has been divided 100,000 times.

The growth and development of a technology with such a broad range of applications in many different industries is a long and complex story. Understanding that story better could help entrepreneurs make smarter business decisions and aid policy makers in creating a climate that would spur the growth of the technology. Jennifer Woolley, assistant professor of management at the Leavey School of Business, has taken a comprehensive look at the development of nanotechnology and reached some conclusions.

“A few researchers have looked at the development of industries in this way,” she says, “but there hasn’t been much research that looks at the emergence of a technology across multiple industries. I’m really trying to peel away the layers.”

Five years ago, Woolley began collecting data for a working paper currently titled “Technology Emergence Through Entrepreneurship Across Multiple Industries.” Going back to the first stirrings of nanotechnology in 1959, she compiled a master list of firms founded to commercialize it.

This enabled her to trace patterns of entrepreneurial activity and determine some of the factors involved in founding a new nanotechnology business. A key conclusion is that the progress of technology development is something like a river, and there needs to be a critical flow of development upstream before

the technology can move downstream in an ever-widening channel.

“Emerging technology needs a certain degree of infrastructure in place,” she says. “It needs core industries to support entrepreneurial activity or there won’t be downstream commercial applications.”

In a different context, the computer chip industry would be an example of a core, upstream industry that makes possible such downstream applications as cell phones, computers, automobiles and video games.

Woolley finds that as a nascent technology emerges, entrepreneurship based on it will occur in upstream industries first,

has developed, good public policy would be to focus on getting the infrastructure in place, and to encourage both academic and commercial research to accomplish that.

Another point that Woolley makes is that nanotechnology has evolved in different ways in different countries—Japan, the United States, and the United Kingdom have all taken varied approaches—and there will likely be differences in the ways future new technologies develop in other locations. As an example of cultural differences, she compares two nanotechnology conferences she attended in the U.S. and Japan. In the U.S., the conference had a strong American



SPREAD OF TECHNOLOGY: Jennifer Woolley, with a model of a Carbon-60 molecule found in many nano products, has studied the application of nanotechnology across a wide range of businesses.

and that the more such upstream ventures there are, the more downstream industries will follow. In essence, the founding of new companies in upstream industries acts as a preliminary signal to entrepreneurs considering downstream applications.

Her study of how nanotechnology has developed could be applied to other technological efforts, such as stem cell research or efforts to develop “green” energy technology. Based on how nanotechnology

representation and was also heavily populated by people and exhibitors from around the world. In Japan, the United States was hardly a factor.

“There were 50,000 people at the conference and a thousand exhibitors, but only three or four U.S. companies were represented,” she says. “In smaller countries, people in the technology business want to work with other countries. In the U.S., they try to stay within the U.S.” ▶

Safe Water for Everyone

Business Model Innovation Can Make It Happen



THE ESSENCE OF LIFE: Jim Koch's research shows how a variety of entrepreneurial approaches could bring about the reality of safe water for everyone.

More than a billion of the world's people, usually living outside urban areas, have no access to safe water. The human costs are staggering: In India alone there are five million deaths a year from untreated diarrhea, \$800 million in needless medical expenses, and a hundred million work days lost by people who can ill afford to miss even one.

Yet the lack of safe water is a problem that can be solved, and a team of researchers connected with Santa Clara University's Global Social Benefit Incubator (GSBI) has been looking at some of the approaches taken by social entrepreneurs in the hope of setting forth a performance roadmap that others can follow.

"We chose water as a sector to study because it's a huge issue," says Jim Koch, William and Janice Terry Professor of Management at the Leavey School of Business.

"There are lots of potential technology solutions, but many are not deployable, and little information exists on highly scalable solutions."

The research findings are outlined in a working paper, "Safe Drinking Water for All: A Sector Review of the Opportunity for Community-Scale Social Enterprises," which Koch co-authored with SCU law professor Al Hammond and Francisco Noguera.

Four critical issues underlie the safe water landscape: The nature of the water contamination challenges; technology solution options; business model alternatives—or effective strategies for organizational self-sufficiency and scaling growth; and the boundary conditions posed by public policy in regard to a resource that is the source of all life.

In the paper, Koch and his co-authors look at three projects in India and one in Malawi in southern Africa. India is a particularly fertile field for study of safe-water issues because an estimated 400 million people are affected, and most of them live in villages of a few thousand—a large enough population to support an economically sustainable, small-scale water purification system.

A village could be served by a range of systems, ranging from the elephant pump (a 2,000-year-old design with a pour spout that resembles an elephant's trunk) to natural geological riverbank filtration systems, and the most modern and robust reverse osmosis systems, which purify water from any source through fine membranes to filter out contaminants.

All these systems require capital to build and a sustainable operating basis, but the investment is reasonable. Koch says a

The lack of safe water is a problem that can be solved.

reverse osmosis water system for a typical size village of 3,500 people can be constructed for as little as \$7,000, or about \$2 per person. With membrane patents expiring and scaled implementation, costs could be even lower.

Koch says that a variety of business models are available to provide safe water supplies, ranging from micro-financed rope pumps to co-op systems with community

New Faculty in the Management Department

Two New Faculty Members Will Join the Management Department this Coming Fall

ownership; from hybrid models that combine grants with fee-based operations, to pure for-profit operations or nonprofit models that rely on continued grant funding. The problem with grant-based solutions has been maintenance, so there is a growing moral and ethical consensus that charging for purification, storage and transport to ensure reliable access to safe water is a fair area for business activity.

"Water is seen as sacred, the source of all life, and as a public good that belongs to everyone," he says. "But the treatment, storage and distribution of it are seen as services for which charging money is acceptable to achieve an economic solution to this growing problem."

An example is the Naandi Foundation in India, which operates on a sustainable-fee basis, though its growth is funded as part of its not-for-profit mission. Already it is providing water to 1.5 million people in India at an average cost of a penny per person per day, or \$18 a year for a family of five. It projects that within a few years it can grow from its current 300 systems to 4,300 systems serving 15 million people.

"If you have a proven business model, you could catalyze work in a sector like safe water by demonstrating a path to sustainability at scale that can serve as a benchmark for other technology options and potential service providers," Koch says. "Social entrepreneurs are pathfinders. What's needed next is to build on their efforts so that access to safe water can be provided in our lifetime." ▶



Nydia MacGregor

Nydia MacGregor joins the department as an assistant professor of management after graduating with a Ph.D. from the Haas School of Business at University of California, Berkeley in May 2009.

Dr. MacGregor's research examines how the structure of organizational populations and the character of available resources influence the founding and survival of organizations. For example, one portion of her dissertation evaluates various local attributes that differentially influence the performance and life cycle of chain and independent establishments. She studies these issues in several industries, including retailing, bookstores, and U.S. banking.

Dr. MacGregor has received several awards and fellowships in support of her research. Among these are the Institute of Management, Innovation and Organization Doctoral Fellowship; the Center for Responsible Business Ph.D. Fellowship; and the Crawford Doctoral Scholars Award. She is a member of the American Sociological Association and the Academy of Management, where she has presented her work.

Dr. MacGregor also holds a MBA in General Management from UC Davis and a BA in European History from UC Santa Cruz. Prior to her doctoral studies, she held strategic management positions at Jamba Juice Company and Noah's NY Bagels.

In addition, as a consultant and facilitator for the Institute for Business Innovation at UC Berkeley, she led student teams to develop and implement strategic innovation solutions for firms such as Clorox, Panasonic, LAM Research, and Visa.



Niki A. den Nieuwenboer

Niki A. den Nieuwenboer joins the department from the doctoral program at RSM Erasmus University in the Netherlands. Her research interests lie in the area of behavioral business ethics, looking at the causes and processes that underlie good and bad behavior in firms, as well as at how perceptions of morally acceptable and unacceptable behavior are shaped by their social environment. Dr. den Nieuwenboer's research is based on literature from social psychology, criminology, and sociology.

Her current work explores how managers coerce employees to fake sales results, the role that social status drives have in the propensity to engage in deviance, and how institutional forces within organizations, and people's incapacity to uphold norms and rules in a consistent manner, drive bad behavior in professional service firms. Future work will also include the role of the bureaucratic environment and IT systems in the coming into being of deviant subcultures.

Dr. den Nieuwenboer has published in the *Journal of Business Ethics* and was the runner-up in the 2007 Annual Duke University, Fuqua School of Business, Center of Leadership and Ethics (COLE) Dissertation Proposal Competition.

She holds a Masters of Arts in Social and Organizational Psychology (Leiden University, the Netherlands) and a Master in Applied Ethics (Catholic University Leuven, Belgium). She started her professional career as an internal organizational consultant. She later joined KPMG Forensic in Belgium where she advised companies on Business Ethics. She earned her Ph.D. at RSM Erasmus University, where she also taught business ethics and leadership courses.

Barry Z. Posner Begins International Leadership Project

Back in the Classroom in Fall 2010



It's been more than 4,300 days, 21 new faculty hires, three all-time highs for national rankings for the graduate and undergraduate business programs, and one broken leg since

Barry Z. Posner became dean of the Leavey School of Business. Now after 12 years, he'll complete a (literally) round-the-world examination of leadership during this coming academic year before returning to the Management Department.

Posner will be teaching in Hong Kong, China, New Zealand, Australia, South Africa, Turkey, and Italy, as well as researching how context (e.g., culture) impacts leadership and what goes into developing leaders with global competence. Many of the interviews and case studies he conducts during the next year will be highlighted in the 5th edition of his best-selling book (co-authored with Jim

Kouzes) *The Leadership Challenge*, to be published in late 2011.

Kouzes and Posner recently received the Distinguished Contribution to Workplace Learning and Performance Award by the American Society for Training and Development (ASTD), an international organization for training efforts in the workplace.

Posner, who continued to teach during his tenure as Dean, will return to the campus Fall 2010 and teach leadership courses in both the undergraduate and graduate business programs. ▶