PROJECT SUCCESS

KPMG Foundation’s esteemed PhD Project turns attention to B-school leadership.

Bernard J. Milano,
President of the PhD Project and the KPMG Foundation

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After making an indelible impact on business faculty ranks, The PhD Project sets its sights on diversity among business school deans.

BY LEKAN OGUNTOYINBO

As dean of the Whitman School of Business at Syracuse University, Dr. Melvin Stith does the same job as other top administrators. He recruits talented faculty and graduate students, mentors new professors, seeks partnerships with corporations and foundations, and strengthens relations with alumni. What makes Stith unusual is that he is African-American, a rare minority among administrators at the approximately 1,600 business schools in the U.S.

“We’ve just done an elaborate survey,” says KPMG Foundation President Bernie Milano. “We believe there are five African-American deans, nine Hispanic-American deans and we don’t know of any Native American deans.” Milano also directs The PhD Project, an organization devoted to boosting the number of Black, Hispanic and Native American business school professors. In the 16 years since The PhD Project launched, the number has risen from fewer than 300 out of 26,000 to more than 1,000 today.

But among the ranks of the administrators, progress has been particularly slow. According to Dr. Quiester Craig, dean of the College of Business at North Carolina A&T State University, the numbers are still not particularly impressive even at the approximately 85 or 90 historically Black colleges and universities with business programs. Craig has conducted his own informal survey and concludes that of those, “No more than 50 percent are headed by persons of color, and that might be a little generous.”

In recent years, several men and women of color have been appointed to high-profile leadership positions in business schools. These include Dr. Carolyn Callahan, director of the School of Accounting at the University of Memphis, and Dr. Peter Blair Henry, dean of the Stern School of Business at New York University. Notably, the Henry B. Tippie College of Business at the University of Iowa has both an African-American dean and assistant dean in charge of its school of management. The University of Georgia’s College of Business also has an African-American associate dean.

Dr. Jeffrey Robinson is an assistant professor of management and entrepreneurship at Rutgers University and a product of The PhD Project. He says top administrators can be critical agents for change. “As dean,” he says, “you are actually able to impact local areas as well as global areas. The dean sets the tone for who’s going to be hired as professors. The dean sets the theme for the school. At Rutgers, the dean was interested in entrepreneurship and thought about impacting the local community.”

Robinson says he recently saw another vivid example of a dean’s leadership driving the agenda. “I went to Syracuse for a conference on African entrepreneurship,” he says. “It may have been supported by the faculty but I know it was actively supported by (Stith). He came to speak to us and talked about the importance of African
businesses. They have a center for African business. I don’t think that it is a coincidence that the dean is African-American.”

Building on The PhD Project’s success, Milano and several business school administrators have developed the Achieving Higher Education Administrative Diversity (AHEAD) Project. Founded last summer, the AHEAD Project attracted 41 professors at its first interest meeting. Organizers are working with groups like the Association to Advance Collegiate Schools of Business, a Tampa, Fla.-based body that accredits business programs to create webinars.

They have enlisted the help of several business school administrators to serve as resources and mentors to junior faculty and are trying to interest doctoral students in positions in administration. They also plan to ensure that some of their seminars dovetail with the convention of the American Marketing Association, which typically attracts doctoral students and faculty.

“We see the impact that a minority professor has on a class,” says Milano. “As a dean, your impact is on all of the faculty in the department. The higher up you go … the greater the impact you can have.”

That assessment is shared by Dr. Randy Bradley, an assistant professor of information systems at the University of Tennessee. “I believe you can only do so much by being in front of the classroom,” says Bradley, who aspires to be a department head or a dean someday. “I believe your ability (to have an impact) as a professor is somewhat limited. I see the change coming by being in administration.”

“We certainly recognized the impact an African-American dean can have on a business school,” says Milano. “Fifteen years after we started (The PhD Project), it just seemed like the next thing we should do is to encourage (minority professors) to think about administration. Once you’re successful as a dean, the next step is provost. And for the next step, wouldn’t it be wonderful if they became president?”

Milano and his collaborators say several factors account for the dearth of underrepresented minorities holding positions as deans or department heads.

“Many of the faculty never really considered it or thought about it because, in their experience, whether as students or faculty members, they saw very few administrators of color,” says Milano. “The other thing I’ve seen is that invariably search committees are always trying to find someone who’s already a dean. Just like presidential searches for universities. They’re always trying to find someone who’s already a president.”

Adds Stith: “We always tell students about going to school and rising through the corporate ranks. We never talk to them about the academy itself being a viable career path. We never say to students, ‘You’ll be a great university professor.’ Business school salaries are pretty good. But it’s not just about the finances. It’s about the quality of life and how you want to spend your time.”

Milano says many of the minorities who are entering academia bring a set of experiences that make them ideally suited to be college administrators. “We are attracting minorities principally out of other careers, mostly corporate careers,” he says. “They have a set of credentials that make them uniquely qualified to be an administrator.”

Callahan had been a successful professor for about 15 years before she considered going into administration. She had been tenured at two highly respected universities, including Notre Dame.

“It became obvious to me that the way to effect change in programs was to be an administrator,” says Callahan, one of the original faculty members of The PhD Project. “They are role models for our minority students and they enrich everyone’s experience. It’s accepting the fact that we live in a global world and that we need to raise our tolerance level.”

Serving as an administrator, she says, could help set the tone in deciding who gets hired to teach. “Business schools are just now incorporating minority candidates,” she says. “We still have a long way to go.”

When Callahan first came on board at the University of Memphis nearly two years ago, she was the only woman in the department. She says she just hired two female faculty who will start this fall. She is also having discussions with a minority assistant professor, who she’s certain will be tenured next year, about becoming director of graduate studies. “I’ve started to groom him so he can have the experience he needs,” she says.

Callahan’s zeal for bringing more minorities into the administrative fold is almost evangelical. “I will go anywhere to speak to minority groups,” she says. “I speak every year at the Leadership and Mentoring Institute in July to encourage other minorities to pursue administrative paths. I speak at three or four women’s conferences each and every year. I think I have chaired the (thesis) committees of more women and minorities than anyone else. I try to actively encourage the brightest master’s students. I tell them, ‘You could do my job.’ I believe minorities bring with them a sense of strength. They have overcome challenges. They have lived in two worlds. I think it adds value to the whole university.”

Robinson is bullish about the future. He says the increase in minority business school professors is fueling a growing pool of administrative candidates that will make change inevitable. “I do think we’re at the point now where there are professors who have been in the field long enough to get promoted,” says Robinson. “I really expect to see, especially among the top 50 programs, a good number of deans and associate deans who are African-American, Hispanic and Native American. It’s going to happen. You can’t stop the wave.”

Dr. Melvin Stith, dean of the Whitman School of Business at Syracuse University, says faculty fail to present teaching in the academy as a viable career path for business school students.
Mention Bernie Milano to anyone concerned about the dearth of minorities holding terminal degrees in business and related fields and the response is universal. If it were not for him, things would be much worse. As the founding president and driving force behind a 16-year effort to bolster diversity among teachers in the nation’s colleges and schools of business administration, Milano has done things that few thought were possible. While many organizations have started ambitious programs to address diversity, few have stayed the course over the long run. Not so with the KPMG Foundation’s PhD Project. Today, there are 1,043 business professors from underrepresented groups, up from fewer than 300 when the project began. Diverse spoke with Milano recently about the project’s past, present and future.

Diverse: What has been the most satisfying aspect of your involvement with The PhD Project?
Milano: There have been many satisfying experiences, but I would have to say the overwhelming support of the academic community. When we started back in 1994 there was a widely held belief that the academy would not support such a program. Today, we have over 230 schools involved as well as great corporate support.

Diverse: Why did KPMG get involved in the first place?
Milano: The Supreme Court has recognized that diversity is essential for the health and well-being of America. Back then, the few number of minority Ph.D.s was a cause of great concern. Claude Steele has shown that there is a direct relationship between the success of minority students and their exposure to people who look like them. By addressing the faculty shortage head on, the benefits flow right on down through the pipeline.

Diverse: What threats does the Project face?
Milano: Of course, there is the constant need to raise money. On the legal front, there are no threats. People need to understand that there is no affirmative action involvement with what we do. Faculty members invite qualified applicants to enroll. No one is admitted to these programs other than for their credentials.

Diverse: How has the economy affected The PhD Project?
Milano: Universities have, as you know, been cutting back. Deans have economic realities they have to contend with. In terms of generating revenue, undergraduate enrollments generate a lot more income. Doctoral students don’t pay fees. Also it takes a lot more time and funds to support these students. We’re therefore cutting against the economic grain, which is one of the reasons that the overall numbers continue to decline.

Diverse: When you consider the opportunity costs and tenure struggles that lay ahead, why would anyone want to get a Ph.D.?
Milano: There are two main reasons. First, these people want to make a difference in the lives of the people they will teach. The second is that they discover the academy is a wonderful place to work. With the uncertainty of the corporate sector, as well as the toll taken on one’s family, an academic career offers a chance for a much more balanced lifestyle. Students are usually quite surprised to see just how well business school teachers are paid.

Diverse: Is this reflected in the applicant flow for the program?
Milano: Yes it is. We get 800 to 1,000 prospective graduate students to our conference. Around 400 are accepted to the annual conference and around 50 actually enroll in a doctoral program. Only about 10 percent come directly out of undergraduate school, but we prefer that they have been out of school for at least eight to 10 years.

Diverse: How much does it matter that one attend a ranked school?
Milano: It depends on what you want to do. Take a look at the credentials of the faculty. That will tell you a lot about the people you’ll be interacting with and also about the type of school you’ll be teaching in. Schools only invite those that they think can be successful and competitive. Your personal and professional goals become your driver. Students in our program are all over the place in terms of where they come from and where they teach.

Diverse: Why did KPMG take on The PhD Project?
Milano: We knew that it was a high-risk venture and a long-term investment. One member warned me not to make this a Roman candle project, meaning a lot of light and sound for a very short period of time. But we didn’t want to sit around and do nothing as if to suggest that this was not important enough to take action. We had to kill three business research programs to fund it. But it was well worth the effort.

The PhD Project Facts
Year established: 1994
Total annual budget: $2.4 million
Founding organization: KPMG Foundation
Generation Next

An acute shortage of accounting faculty prompts launch of Accounting Doctoral Scholars Program aimed at helping seasoned tax and audit professionals earn Ph.D.s.

BY B. DENISE HAWKINS

I

f anyone can sell the lucrative but often misunderstood and seemingly unglamorous accounting specialties of tax and audit, it is executive recruiter Anthony Santiago.

The "tax profession is not what people expect. It’s very interesting and essential to a company’s profitability,” says Santiago, who founded TaxSearch Inc., a 30-year-old firm focused on recruiting tax professionals.

Despite an ailing national economy and high rates of unemployment, it is tough to fill vacancies in tax departments. Companies are searching for creative candidates who understand business, are comfortable with technology, can master constantly changing tax codes and are willing to travel the globe. Santiago has accounting jobs waiting for qualified people who can earn as much as six figures early in their careers.

The problem is that the profession is overwhelmingly White and approaching retirement age. And, there is a shortage of accounting professors with Ph.D.s who can prepare the next generation. Now, says Santiago, “We have a knowledge drain going out the door, which is a big problem, and we’ve got to supplement it.”

To help reverse the faculty deficit, the American Institute of Certified Public Accountants (CPAs) has created the new Accounting Doctoral Scholars program by pooling more than $17 million and soliciting commitments from more than 70 of the nation’s largest accounting firms and several state CPA societies. Tax and audit are “the areas of greatest shortage,” said Dr. Doyle Z. Williams, the program’s executive director.

Williams, like many others in the profession, says a “significant decline” in the number of accounting doctorates has loomed for the last decade and is now acute. He points to aging faculty as a major factor.

Dr. Jerry E. Trapnell is executive vice president and chief accreditation officer at the Association to Advance Collegiate Schools of Business (AACSB). When he surveyed the landscape at this year’s gathering of accounting academics in San Francisco, he saw “a very gray-haired place.”

The average age of accounting professors is about 55. “This indicates that a real crisis is coming in the next decade,” Williams says. “By contrast, the demand for professionals with undergraduate and master’s accounting degrees is at an all-time high.”

Trapnell also attributes the Ph.D. shortage to the fact that few accountants want to pursue long and costly graduate study when it is not required to become a CPA or have a successful career. It is also difficult to conduct doctoral research because much of the data is confidential.

“Much of the valuable information needed to support dissertations in tax and audit is privileged by virtue of being tax returns or financial information on clients collected by firms and individuals who conduct audits,” Trapnell says.

The Accounting Doctoral Scholars Program is turning to seasoned tax and audit professionals to boost the supply of faculty Ph.D.s. Filling the faculty gap isn’t just about the numbers or age, Williams points out. Organizers of the new Scholars program are looking for newcomers to the classroom who have real-world experience in audit and tax.

On the front end, firms sponsoring the Scholars program assist in identifying candidates and encourage them to become accounting professors in the audit and tax disciplines. Once selected, Scholars must be accepted and enroll in one of the program’s 40 participating universities offering programs in tax and audit. Its first class began in 2009 and its second gets underway this fall.

“These are candidates who are highly motivated and who believe that they can make a difference by teaching the next generation and through their research,” says Williams. The program will provide funding for up to 30 new candidates each year for four years for a total of 120 newly trained Ph.D.s in audit and tax.

Looking within the profession to bolster graduate accounting faculty in tax and audit isn’t a new concept, Trapnell says. The AACSB and other professional organizations have launched a variety of short and long-term training, academic and orientation programs to prepare accounting practitioners and business professionals for work in academia. “We are deeply concerned about the future and stemming the faculty shortage,” Trapnell says. “Part of it is understanding doctoral education and being an advocate for innovation in doctoral education,” efforts he says can also help increase the number of minority candidates and stimulate the overall faculty pipeline.

Williams says there are quite a few faculty positions available for graduates of his program. He hopes The PhD Project, created by the KPMG Foundation, will address the diversity issue to increase the number of African Americans, Latinos, and Native Americans teaching in business schools.

This year, Santiago released a new study titled “Minorities in Tax 2010.” The report examines the number of African-Americans within the tax profession and those employed by public accounting firms, the government and corporate in-house tax departments. Santiago found that African-Americans represented only 4 percent of the employees in public accounting firms. Whites represented 71 percent, Asians 18 percent and Hispanics 5 percent.

“Without increasing diversity in the profession,” Santiago says, “we can’t expect to address the supply side of accounting.”

PHOTO COURTESY OF THE ASSOCIATION TO ADVANCE COLLEGiate SCHOOLS OF BUSINESS

BY B. DENISE HAWKINS

Developing the next generation of leaders is one of the most significant investments your university can make.

The PhD Project is an alliance of foundations, corporations, universities, and professional and academic organizations. We are dedicated to increasing diversity in the business world by creating opportunities for minority professors in front of the classroom to serve as role models for the next generation of minority business leaders.

There are thousands of stories like Dr. Jorge Pérez. Successful business professors who are making a difference for their communities. Educating and inspiring the next generation of business professionals and, ultimately, changing the face of Corporate America.

Become a part of this highly successful diversity initiative. The advantages of university participation include:

- Exposure to and unlimited postings of academically qualified positions to our database of over 1,400 minority faculty and doctoral student members
- Unlimited postings of adjunct, lecturer and professionally qualified faculty positions to our database of over 5,500 minority professionals
- Recognition in materials at six annual PhD Project Annual conferences held each year
- Link to your university site from The PhD Project web site
- Doctoral Granting Institutions also receive exhibit space and registration of 4 university reps at The PhD Project Annual Conference

Contact Bernard J. Milano at 201-307-7662, or email bmilano@kpmg.com to find out more.

To learn how our achievements have transformed lives and the business world, visit www.PhDProject.org/celebrate

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