INTERVIEW
WITH
ALAN WHITE
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Sloan Oral History Series

A: Alan White
G: George Roth
B: Bob McKersie

G: Alan, we were just talking about the fact that you've seen all the deans. I think that's very significant in our series to find people who go back to close to the founding of the Sloan School, with the people who are here now.

A: Yes.

B: We'll come to that, but I think we should start with when Alan first thought about MIT, and came here as a Sloan Fellow, or maybe even before that. How you got here...

A: It took me a long time to accomplish my college degree. I graduated undergraduate 10 years after my high school class. When I got my degree, I was married, so Pat and I went off to the Peace Corps in the Philippines. After a year of the Peace Corps, they put me on staff, and we stayed another three years. The University of Hawaii then asked me to come and be the director of what at that time was the largest Peace Corps training center in the world. I found myself, at the age of 29, with a very large, complex operation, with training people in cross-cultural training to go out to Asia and the Pacific.

B: What year was that, roughly?

A: That was 1967. For example, on the staff I had three psychiatrists, I had something like 12+ psychologists. These people were primarily doing an assessment of people who were going to go overseas. Then all kinds of academics were providing various training, either anthropologists doing cross-cultural training...

B: [interrupts] this was right on the campus of University of Hawaii?

A: No. It was on the Big Island. It was part of the University of Hawaii, which had a contract with the government. The reason it was on the Big Island is because you had all these communities, and they represented different ethnic groups: a Philippine community, a Samoan community, whatever. They were perfect places for training.

G: And you are from Hawaii?

A: No, no, I'm from Indiana.

G: I know you went back to Hawaii. Was that when you first...

A: Yes, I kept going back to Hawaii, actually. But we were doing experience-based action learning, what we called experiential training. All interesting experiments in training, to try different ways to prepare people for overseas study.

I was doing this, and never had any management training, but I had a big management job. I went to a Peace Corps education conference to talk about training, and I met a fellow named Dave Kolb, who was a faculty member here at Sloan. He had written a book on experiential learning, he had a learning model, etc. You've probably seen it. We entertained him one night at our house, and he asked, "What are you doing with your career?"

I told him. I said, "I feel here I am, I've got these big responsibilities in management training," and he told me about the Sloan Fellows program. I said I would be surprised if I could go to a place like MIT because the last course I had in mathematics was a sophomore in high school and I got a D- in geometry because the teacher couldn't stand to have me there any longer!

He said, "Don't worry about it, you'll be fine."

We had two young kids, and we didn't have the money to do it. We took out a loan on a totally risky proposition, and came to MIT to the SF program.

Well! I found the SF program extremely difficult...

B: What year was that?

A: 1970. The University of Hawaii provided me with a sabbatical. I came to MIT and I can still remember the faculty. We had people like Paul McAvoy in Economics. I was hoping we would have Ed Schein. We had Mason Hair in organizational psychology. Ed Schein was on sabbatical. I knew of his work, of course, from the work we were doing in Hawaii. We had Tom Magnanti, Ed Roberts for system dynamics. Jay Forrester....

B: Did you have Charlie Meyers?

A: Yes. After lunch we had Charlie Meyers in industrial relations.

What we did, you might find interesting, we had carpools. Carpools were very strong in those days. Our carpool decided that we would like to get to know the faculty better. We did our own little program of inviting a faculty member to dinner so we could learn about their careers, and so we could learn about what was behind what they were doing. I remember one night we invited Ed Schein. It was very interesting because most people never talk to them about their careers and what was behind what they were doing. Ed told us his story about the work he'd done in Asia and with POWs. Quite interesting because, of course, it would bring all this material to life.

B: Were all of you living out in one of the suburbs with the carpools?

A: Lexington. Then I went back to University of Hawaii. The president there, named Harlan Cleveland, had been assistant secretary of state under Kennedy, and had been dean of the Maxwell School at Syracuse. He wrote a book in the late 1950s called *The Overseas American*. He had done a study on what Americans were doing to prepare themselves to go overseas, and what their experiences were like. This book actually had a big influence on the development of

the Peace Corps. He was, of course, quite close to the Kennedys. He made me his executive assistant in Honolulu, so this was a wonderful experience. I did that for two years.

He was going to be on a panel with Peter Gil. I was going back to Washington to visit the Peace Corps, and I thought, "Since I'm going back, I'll stop by and drop off a copy of Cleveland's book with Peter Gil." I had no idea that Peter would even be in town. It turned out he was there, and he said, "We have this opening here, and you'd be perfect for it." That was as director of the Senior Executive program and Associate Dean for Executive Education.

I said, "Let me go back to Hawaii and discuss it with Pat." I did, and then I talked with Harlan Cleveland. He said, "If you're going to be in educational administration and you have a choice between MIT and University of Hawaii, you have to go with MIT, because you're just going to learn that much more."

Then I got into negotiation with Abe Siegel, who was Associate Dean to Bill, and Bill Pounds hired me to come here. That's how I got here.

B: Were there others at that time in the SF program who were from the non-profit or education sector, like yourself?

A: There was one other person, Ronald O'Connor who founded Management Sciences for Health.

B: Who you have stayed in touch with...

A: Right. We always felt like we were there like "plants" alongside others...

B: Kind of "showcase"?

A: No, not so much showcase, but you could have a little diversity in the class. Almost everyone else was from the private sector. They all talked about this being the greatest year of their life. SFs still talk that way. But it wasn't the greatest year of my life, either as an

experience or in developmental terms. The greatest experience of my life was in the Peace Corps.

G: Is it the contrast between working in a corporate environment, which is constraining, and coming here, to education, which is open. You came from an open environment....

A: Yes, that's a good point. Probably some of that. I found that, for me, education was so difficult because I hadn't had that kind of training. I was a liberal arts graduate. Courses like accounting, for example, and operations research, with my background.... I found it quite difficult.

The other thing was, I wasn't very happy with the School itself because I felt the School was backward when it came to international. Much of my experience had been international experience, and I thought this was really important. I can remember having discussions with my classmates who just didn't think it was important. There were only a couple international students in our class. Most of the class had never been out of the country, didn't have passports, and didn't think the rest of the world really meant anything. I can remember faculty saying, "You know, the American way of doing business is the way business will always be conducted." No concept of other cultures. I thought the School was really behind.

B: That was when? 1973? Was that when you arrived?

A: Yes, 1973.

B: Okay and you came to head up the SE program. Very few people talk about the SE program, so you ought to say a little bit about the program.

A: It was an outstanding program that was founded by Howard Johnson. He founded it when Endicott House was given to MIT. Originally, it had 30 participants. Later on, it was

expanded with the Brooks Center – that's when I met Dean Penn Brooks – so it could have 50 participants.

G: The Brooks Center –is that the building on the grounds of Endicott House?

A: Yes, the building next to the main Endicott House. That program went very well except that participation in that program shifted to companies that didn't want their people to go away for long periods of time. Also, companies wanted to have in-house training instead of sending their people externally. That was US companies. International companies, on the other hand, thought this was a wonderful program and they wanted to continue sending their people.

The School was concerned that it was too international, and had too many international participants. It was on that basis that that program was cancelled.

B: I remember there was one effort where the number of weeks was dropped, do you remember that?

A: Initially, it started out at 11, and when I came it was 9. Then it was cut ....

B: ...down to about 6, as I remember.

A: Yes, about 6, because they were trying to attract more US participants.

B: It was still going when I came in 1980, and it must have been going for another 10 years. I don't know what year we abandoned it, it must have been in the 1990s sometime.

A: The problem was that the faculty didn't like the idea of going out to Endicott House to teach. Some didn't mind it, but a number of them didn't like going out there. And there was no special compensation for teaching in that program. That's what changed at MIT, that has made a lot of this executive education work now, is the special compensation.

G: And it's here now too....

A: That's right, and a lot of it is here in the Executive Education Center.

B: OK, so you came. How long did you stay with the leadership before some new responsibility was....

A: Peter Gil was there. Peter left about 1980 to become the dean at Clark. When he left, they put me in Peter's job. Peter was associate dean and director of the SF program. When he left, they made me the director of the SF program, that was 1980. And then they made me associate dean. I was promoted into Peter's position when he went to Clark.

G: As dean?

A: Yes, as dean.

B: Dean of the business school, right.

A: So, in terms of deans – do you want to discuss that? I worked on a small board, Kenan Systems, with Howard Johnson and Jerry Weisner. I got to know Howard quite well.

B: Howard retired at that point, I guess?

A: No, he was still president. Then I was with Bill and all the subsequent deans, through to this day.

B: I think we want to say a little more about that because your responsibilities steadily increased. Say more about as you took over from Peter Gil, about the SF program, how people are recruited.... It's always been a kind of freestanding operation, it's not integrated with our regular recruitment operation. We haven't had anybody really talk about the SF program. It's

a very important historical part of the School, back to the 1930s, and what it takes to run that program.

A: It was the world's first executive education program. It pre-dates HBS by about 12 years, because HBS basically started executive education during WWII. There was a book written about the history of executive education by Ken Andrews. He states in there that the world's first executive education program was the SF program.

G: And it started in 1934?

A: 1931. If you look at distinguished graduates of this School, you will find many SF registered there. It really has been quite a remarkable program. It's changed dramatically because it was quite small. There were 46 in my class, and we kept it around 50 through the years, intentionally, because we wanted it to be select and we wanted it to be teachable in one group. We also had very close relationships, not just with the SFs, but with their partners as well. In the early days the application used to require the partner to write a statement as part of the application. Eli Shapiro, when he came along as faculty chair, said, "No more of that," and he cut that out. But it's a reflection of how close the whole relationship was, partners and SFs. Ed Schein used to run seminars for the partners. Pat, my wife, used to coordinate those seminars. We were involved as a family, really, not just with the partners but with their children. Everything was very, very close and personal and we really got to know everybody.

B: And a lot of events during the year, social events.

A: Oh yes! A tremendous amount of events during the year.

Today it has changed. The SF program is twice as big. They still have events, of course. But I don't think it's as personal. Like a lot of things in the School now, the School has grown dramatically, lots of programs. It's harder to be quite as personal as it was at one time.

B: Did quite a few of the SFs end up here because the sponsoring companies did the pre-selection, versus what happens today where Steve has to go out and find fellows. Tell us a little more, because I thought that was a fascinating part of it, that companies were doing some of our admissions work. But that was right, because we wanted people who were on their way.

A: Boeing would select one person a year, out of all of Boeing. Once you had that person, you were pretty sure you had someone who was very high potential.

I can remember one night, talking with T Wilson, who used to be the CEO of Boeing, and at that time Phil Condit was a SF. He told me, "I plan to have Phil as CEO," and then Alan Mulally to follow. And then Alan came as a SF, and it was that way, that kind of planning, and that was true with a number of companies.

But the reason that changed, in part, was because careers changed so much. Companies became less concerned with keeping their people, or their people became less concerned with committing themselves to the company. Companies would sponsor someone to come here, and then they might lose them.

The other thing is that executive MBA programs started, and that made it possible for them to send people to those programs on a part-time basis instead of (as they would say) "losing" someone for a full year, who might come back differently. Ed Schein did some research back in the 1960s, he wrote a paper called "Attitude Change in Management Education Programs." Basically he did a study of SFs and their attitudes when they arrived and how they changed. It's an interesting piece of research.[1]

I'm not sure how modest I am with this statement, but I'm pretty sure that I coined the phrase "executive education." It was called "management development" before then. The reason I changed it was because of Ed's research, because it wasn't just management development or management training, it was education, and education changes people. That's why I changed the designation. I'm pretty sure I did that before anyone else did, but I can't be sure. I'd have to go back and look. Who knows where ideas develop anyway?

[1] Note from transcriptionist: Article mentioned: Ed Schein, "Attitude Change During Management Education:..." 9/65, MIT Working Paper #140-65.
See: http://dspace.mit.edu/bitstream/handle/1721.1/46877/attitudechangedu00sche.pdf?sequence=1
Accessed 7/4/15.

Anyway, that was the beauty of the SF program, it really was—and is—an educational experience.

G: You mentioned that it was the first executive education program. What would make the first the best? Why does first matter? My supposition is that Alfred P. Sloan really knew what was needed to be successful in business. But as you came to it, what characteristics....

A: Well, it was his idea, Alfred P. Sloan's idea. He came back here and it was a classic thing. He said, "I have this problem. My engineers are becoming managers. Management is another field and should be recognized as a different field, and they need training at that point. They may have had some training in economics or whatever beforehand, but they needed it at that point when they were changing, because that's when their attitudes are being formed about their new responsibilities. So that's why we should have an educational intervention at that point." That's the idea MIT picked up. Professor Erwin Schell developed the idea and the Sloan Fellows Program was founded.

Why it's important, in part is because I think it's a reflection of MIT. MIT is, of course, a place that invents things and that was a very important invention, it was a new thing, it didn't exist anywhere else.

G: In Sloan's history here?

A: Mr. Sloan was a graduate in 1896, in Engineering. He provided scholarships. What they did was very clever. They did a nationwide competition to select the first Sloan Fellows. They got a LOT of publicity. There was a picture on the cover the NY Times of the original SFs who had been chosen for these scholarships. So it was a matter of real distinction.

G: I was thinking that the effort he invested, knowing what was needed, having shaped a company as significant and as great as General Motors, was what MIT inherited with that effort.

A: That's right.

G: Was the SFs in Course 14 or 15?

A: I think when it began, there wasn't a Course 15. I don't think Course 15 came along until later.

G: 1914.

A: That's right, it came in 1914. No, there was a Course 15, of course. Yes, that's right. What I should have said was, there was no Sloan School until I think 1951.

G: Right.

A: Mr. Sloan came along with the idea that there should be a new approach to management education.

B: OK. Staying with your journey, at some point you picked up new responsibilities. At some point, you were in the Dean's Office and playing many roles. How did that unfold? Did you give up the Ex.Ed? Or did you hold that and add others? What's the evolution of your role here?

A: When I came here, the School was pretty small, just like a small company, we had a lot of responsibilities. I remember one day a student came in to see me and said, "I need some help finding a job."

I said, "OK. Any particular reason why you're asking me?"

He said, "I was told you were the director of placement."

I said, "Really? That's news to me."

He left, and I went down the hall and said, "Bill, there was this student ...."

Bill said, "Oh yeah, didn't anyone tell you that??" And that was something like six months after I'd arrived here. It was a reflection of how small the place was.

Anyway, one day I got a call from a Japanese company, and they said to me: "We had a visit from the president of MIT, and he asked us for a significant donation. We didn't respond, but we don't have any relationship with the president of MIT, but we have a relationship with you. If we're going to do anything, we want to do it with you." I went to Lester and told him that. He said, "Well, go for it!"

I said, "You know, Les, that we're not really involved in resource development here." There wasn't any resource development by the School. This is all tightly centralized at MIT level.

He said, "Yes, but you go ahead."

I said, "Well, I'm going to out on a limb."

He said, "Don't worry about it. I'll be under the limb."

I went to Japan and raised five chairs from those who were all sponsors of Sloan Fellows. Then Lester, of course, had the vision about Chinese-based relationship.

Prior to that, we had – Remember I said, when I was a SF, I was somewhat taken aback by the lack of an international orientation of the School. Then when I began working here, I found that the best orientation to international was through the SF Program and through their international field trips. These were mostly things that Peter Gil had done.

I was given the responsibility for the relationship with the Soviet Union. This was the only university that had a protocol agreement with the Soviet Union, with the State Committee for Science and Technology. Through that relationship, they would sponsor our SF trips to the Soviet Union, and they would send what were supposed to be students here to study. They always sent at least two – one who was a student, and the other one was a member of the KGB. I was responsible for that relationship, and I can remember many cold nights in Moscow, by myself...

G: This was when?

A: 1973. They wanted a formal protocol agreement. They drafted a formal protocol agreement, I brought it back, and Jerry Weisner signed it in behalf of MIT. We had some very interesting experiences during those days. They tried to recruit me one time to the KGB. I think my kids thought I was actually a spy of some kind, or some of my friends did.

B: They would have been happy to have you accept that role as a spy?

A: Yes. And then they used to come and work on my phones here at the School. The FBI was VERY concerned about this relationship, and they used to come and complain and say, "You guys are naïve letting these spies into this country..."

G: And on the floor of the building you had the other CIA-sponsored group....?

A: Oh, that was in political science. They were in the Security Study, which was in E53. All this stuff was going on. One time I went over to Moscow, went to the US Embassy, and went to talk to some head of Consular Affairs. I said, "You know, these things are happening with the FBI and the CIA. I'm interested in what you guys have to say about this."

And the guy said, "Come with me." So we went out into the courtyard, into the center. He said, "We can't talk about things like that in our offices. They are all bugged." He said, "We've talked about what MIT is doing because the fact of the matter is, you guys have access to people who wouldn't see us in 100 years, but you have that access. We think that is very important, that our country find ways to communicate and have access with these people. From our point of view, you are providing a very important service, and we say 'go for it!"

G: This was Department of State?

A: Yes. It was a good example of the way our government is divided. On the one hand, they would come and say, "Just to show you the information we have, we're going to describe a person who is going to apply from Russia to the SF program. We'll tell you all about

this person before this person gets here. That person is a KGB agent. He's a very good musician, he plays the clarinet, and his English is impeccable."

This guy came, he was exactly the way he described him. I asked him, "How in the world did your English become so good?" He said, "I spend a lot of time watching and listening to the Johnny Carson Show." [laughing]

B: That's a great story.

A: Another interesting, quick story.

G: Were both the students were in the SF program?

A: Oh, yes. They performed up to par. The KGB guys were VERY smart. And when I went to Moscow, they always assigned someone to me, to go around, and their English was always outstanding, except one time. I got this KGB agent, and I spent a whole weekend with this guy. He only had two idioms, and he used these two idioms throughout the weekend, for all situations. The first one was "Right you are!" And the second one was, "Take it easy!" [laughing] They worked pretty well...

B: That was sort of conversational English for Russians?

A: That's right.

B: You said something a minute ago that I hadn't really appreciated – how we did break through internationally. It sounds to me that in your early days, we had pretty much a domestic SF program. But Peter Gil had the idea that these domestically anchored SFs ought to learn something about the world, so we took these world trips. And the world trips always moved around. Sometimes you did Japan, sometimes to Europe or to Russia. Then, as part of that, because you wanted to visit companies. It sounds like that was a really interesting way in which we became international.

A: That's right. I think Peter Gil was the first person EVER to take students on an international field trip. I've never heard of any other school doing it before we did. The first one was to Ottawa! [laughs] And then he started the trips to Europe. Peter had a DBA from the University of Paris. He was a very international guy, and he really knew his way around. His orientation was the developing Common Market in Europe, and he felt it was important for students and the SFs to understand that. Later, of course, we expanded that to Asia, primarily and originally to Japan, and then when China opened, we were right there on the doorstep. These were all a part of expanding the international orientation of the School.

B: Do you remember the first year you went to China?

A: Well, the first delegation… China basically opened in 1978. I believe the first delegation was with Bill Pounds in 1979, and I think the first group of SFs was 1981. Right around that time....

B: And I remember Abe went several times.

A: Yes, I went with Abe. We had a great time. When we arrived in Shanghai, we flew into Shanghai, but Abe wouldn't let them take his luggage. [laughs] The Chinese were so excited. It was our first arrival, but Abe wanted to hold onto his luggage. It became quite an interesting situation. But we had a good time. Very interesting visits. We met with very senior people. Vice ministers, etc.

B: Anyway, you were saying, as you began to really have a portfolio for international activities, it went back to this visit of MIT to one of our Japanese friends. And Lester said, "Hey, Alan, you explore that, and then you developed a series of partnerships…

A: That's right. And then he expressed his vision of the important of a school understanding Chinese-based economies. Then the question was: OK, how are we going to do

that? That's when I went back to my Peace Corps roots because what I realized from being in the Peace Corps was that we thought we were going to go overseas and do all these great things. And of course, what we learned was, WE were the beneficiaries of the experience.

When we went to China to see how we could do something about how we could express Lester's vision, I felt it was important that we lead with what was important to them, not what was important to us. We had to make it very clear that this was a purpose-based approach: our purpose was to learn. That sounds like a simple idea, but very few schools do that. Their idea is that they are going to go teach. They're going to show the rest of the world what they know. That was not our goal; our goal was to learn about them. What was the best way to learn? I felt the best way to learn was that we should do something that was important to them. We should contribute something so that we could engage their attention.

You know, we have systems of reciprocity in the West: I do something for you, you want to do something for me. But they are so – they are nothing in their development the way they are in Asia. And it basically comes from Chinese and Japanese cultures. It's a very carefully formulated system. The idea was that we would assist them, and what they wanted was to develop management education. It was very poorly developed when we arrived there. There were whole fields of study that weren't even there, e.g., marketing and areas of Western economics, things like that. What was the best way? The best way was for them to come here, not for us to go there; for their people to come here. That's when we developed the International Faculty Fellows Program. We developed that program not as a "teach the teachers" program or as a training program. We wanted them to come here as colleagues, and we wanted them to come here not to copy what we were doing, which is what they wanted to do, but to observe what we were doing and then take back to China what they could modify and use for themselves. That was the approach we used, which, as Lester said, "exceeded our expectations."

B: Would you say a little more about that? It was such an important period for the School, because there were a number of other options on the table, as I remember. There was possibly a going into India, so there was the question: "Do we go to India, or do we go to China?" There was Lenny Hausman and the development of a very different connection with EPIC Foundation in Taiwan. There were a number of things floating around.

A: Yes.

B: This model really became the mainstream for the School. Can you reflect on why we didn't go to India? Why did we go to China? Why did some of these other people, who were pushing other ideas, why didn't they carry the day?

A: Well, we tried other models. For example, the Indian Institute of Advanced Management in Calcutta, I think was a successful program. It was based heavily on MIT faculty going there and spending long periods of time. There was no way we could get faculty to do that in this day and age. But in that day, they were able to do that. That program was in the 1960s, sponsored by the Ford Foundation, heavily financed. You can talk to people like Michael Scott Morton who was in that program, and others who are no longer with us, were there.

One of the programs we learned the most from was Singapore, where we were asked to work with the Nanyang Technological University to develop their business school. We had a five-year contract to do that. They wanted our people to go there, and a number of faculty did go there. But the impact was not very great, and we couldn't get their people to come here because of this bonding problem in Singapore. You know, when they go out, they are really constrained in terms of their commitments, their obligations back in Singapore. It's like the system that our military has. They send people away for study, but then they are obligated for certain periods of time back in the military. We were with Singapore for five years, but we did NOT feel we had much of an impact in Singapore. We learned from that.

Taiwan was really a different model because it was based on working with those companies, and executive education wasn't really institution-building. The China programs were institution-building, they were really quite different.

It had a lot to do with our experience, Bob, what we learned.

G: When did we first have the Chinese international fellows here?

A: Well, now our 20th anniversary, this year, 2015, so I think that's 1993, is that right?

B: 1995, in that region.

A: That's when we started. And importantly, we started with the deans as well as faculty. We had their deans here. We had Zhao, Chun Jun and we had Lu Xiongwen who is now the dean at Fudan. Zhao Chun Jun was the original dean at Tsinghua. They came here and spent periods of time, so that was all a part of that whole project.

B: When did you give up your role with SFs and ExEd and pick up more School-wide responsibility?

A: Glen asked me to come to the Dean's Office. Or, Lester appointed me Senior Associate Dean, I can't remember. Glen asked me to come to the Dean's Office and in effect be the COO. I can remember John Van Maanen saying to me, "What do you mean, COO?? This School doesn't 'operate', it's not going to have any operating officer."

I said, "I feel the same way, John. I'll do some things, but I'm going to continue working on international as well." And Glen was really supportive of the development of international activities. We went forward from there. The place was quite a lot smaller than it is now.

B: But in terms of deans and international, Abe Siegel was interested to go on these trips, but I don't think he set in motion what Lester set in motion. Lester was the one who really – in fact, I remember when he came to be dean, he put that out as part of his plan....

A: He really put the School on the map internationally, Lester did.

B: And then Glen, who followed, was expanding what had already been going on....

A: Yes. The thing about Sloan is that it has been very fortunate with its deans. I don't think they follow any pattern in terms of what they did for the School. I think they all contributed in different ways to the School.

Penn Brooks was the original dean, and he was a businessman, so he brought that kind of credibility to the School at a time when you had Eli Shapiro and others working a new approach to education. If you think back to that, if they had had a more academic person at that point, it may have been too single-minded, almost, in its orientation. Penn Brooks brought balance to that.

Then Howard Johnson continued that tradition. Howard, as a person, is one who is open to so many different points of view, and such a good person to bring people together from different points of view.

G: When you say "Howard continued that tradition...."??

A: Penn Brook's tradition, because Howard wasn't an academic.

B: Howard ran, it wasn't called Executive Development but he ran something like that at the University of Chicago Business School, before he came here. He was in education of some sort, continuing education.

A: And then he became Director of the SF Program here.

B: Yes, and you said he started the Senior Executives program. That was a concept that he had in the back of his mind when he came here.

A: Bill Pounds' orientation, he was the first PhD to head the Sloan School, was very much oriented to building the faculty. That was Bill's big thing. Building research capabilities. Like Howard, he was very open to other kinds of programs, and really to some international orientation which really wasn't here.

B: The India program probably happened on his watch. Or even before that?

A: It was a combination of Howard and Bill. But it didn't have any real impact on the School. It had some, obviously, on the faculty who went over there, but there really wasn't that much going on here at the School. I think Abe's big contribution was to building the community.

B: And departmentalizing?

A: Yes, departmentalizing it, but not over-departmentalizing it. He did groups instead of rigid departments.

B: He got us into E51. He found the funds to create that classroom wing for the School.

A: You mean the Tang Center?

B: Yes.

A: That was really more Lester. I raised some of those funds with Lester. I remember that very well.

B: You don't think Abe got involved in fundraising for that?

A: No, Abe was not a fundraiser. It was Lester and Glen Urban. The only funds that Abe brought in, and he didn't so much bring these in, was this Billard money came through. But I think Billard passed away and left that in his will. I'm not sure Abe knew Billard.

It wasn't something deans were supposed to do. It was supposed to be done at the center , until Lester came along. Lester, of course, did put this School on the map, and the international orientation.

Glen developed entrepreneurship. Glen raised those funds for entrepreneurship. There were times when other people suggested they raised them, but I remember it was Glen. He's the one who really raised the funds for entrepreneurship and developed that center. I think that was one of his major contributions. And then, Dick Schmalensee made the giant leap for the School in raising the primary gift for the new Sloan building from Bill Porter.

B: And a whole cluster of centers: the Financial Center, ICRMOT, that was Management of Technology; same with Innovation. There were 3 or 4 of these centers related to corporate support.... which Glen fostered, right?

A: Yes.

B: Staying with your journey – I don't know if this was part of operations – you got involved in budgets and personnel. Did that come with Schmalensee? You and Donna were kind of a team.

A: Yes. It started with Glen when he had me come up to the Dean's Office. The fact of the matter is that there weren't really budgets in the School. There was "a" budget that was run out of the Dean's Office. There was not much of a budget process. The person who should be credited with developing that was Donna Behmer, along with the deputy deans. You were part of that, Bob.

B: Yes.

A: I do not feel like I was the one, I worked with Donna on that, but I didn't develop it. It was more Donna. Then the School has just continued to develop with more complexity as it has grown in size, and all these programs.

Along comes Dave [Schmittlein]. Dave's major contribution has been in his approach to strategy. He turned what was perceived to be a weakness into a strength. For as long as I can remember, I can hear faculty complain about too many programs in this School. Dave

turned that on its head. He said, "A strength that we have as a School is that we meet people at different points in their careers. We provide those opportunities at different points. We will not grow the MBA program beyond where it is. We will grow other programs as a part of filling in these career tracks."

The other thing he did was work on compensation. He worked out sensible models of compensation so he could attract the faculty to do their regular work plus do the other programs, things like Executive Education, that need to be done.

But the financial model of this School, more than anything else – it would be an interesting study, actually, to look at all business schools and look at the different financial models – are very different. This School's financial model rests a little bit on the endowment. The size of the endowment is probably, my guess, getting close to a billion dollars, which is larger than a lot of universities. This School still is not that big compared with a lot of universities. The income on that endowment is important to supporting the overall budget. The primary budget rests on income from programs, tuition, and income from Executive Education. And the School, as a business model, is on a sound footing.

The interesting thing for me, in watching this School and how it's developed is that it always has been and still is to this day somewhat under-appreciated by MIT. It's still the tail on the elephant. Obviously, the orientation of MIT as an institute of science, technology, and engineering, and they are so BIG compared to this School. I think the School is about 15% of MIT. Those other units are so big. Still, I think, having been here and seen the potential of this School, I think MIT could gain a lot more by showing a stronger orientation to this place than it does. Support, to some extent, and recognition. If you listen to the presidents of this place, they almost never use the word "management." I can remember deans saying to presidents, "Could you please just mention management once in a while??" And once or twice I heard Chuck Vest say "management" almost like it was a sour pickle or something. But he managed to say it. [laughs] There are missed opportunities there.

B: And that's despite the fact that over time there are so many – and George knows about these because he's worked on Sloan management, ESD and other projects on the other end of campus. There are so many things that have been developed over the years that connect

people of Sloan to the rest of MIT. Yet it hasn't quite changed the way MIT wants to describe itself.

A: No. Even if people like Howard Johnson become president, chairman; or John Reed, our graduate, who became chairman.

G: You went from Glen to Dave, and didn't really talk about Dick [Schmalensee]...

A: Oh, yes! I should have mentioned Dick.

G: …and his role with the financial model of Sloan with MIT. That seemed to be really important....

A: When he became dean, Donna and I sat down with him and suggested that he go to the Provost and make that argument, that instead of having budgeting direct from the Provost's Office, which is basically the way it was and why there were no budgets in the School, that the income come to the School, the School take care of its obligations, and then contribute back. Dick said he would do that. He would add that if this School was going to be competitive with other schools like Harvard it needed to have that flexibility.

As I recall, it was Bob Brown that he went to. Bob Brown was a very strong supporter of Sloan. We have had other provosts who simply either didn't have much regard for Sloan, or they were so distracted by the other things they had to do that they just didn't pay much attention to Sloan. Brown was different. In fact, it was his idea to develop the minor, and he got John Reed to finance that minor. I sat in on a meeting with Glen and Bob Brown, and I'm pretty sure it was Bob who came up with that idea. He really felt management was very important and something the students should have the opportunity to study. As I recall, he was the first provost to show that level of appreciation for the School.

Some of it was the orientation to science and technology, but some of it was this feeling. I can remember those statements: "What do you guys do? You're playing around down there. You're talking about organizational behavior, what do you mean? We need to understand

the brain and how it functions. You guys are doing a bunch of speculative nonsense down there. You have no idea.... and you're calling it research." I remember those comments over the years. That lies in part behind some of this thinking.

B: And Schmalensee raised the money for the building we sit in.

A: Schmalensee was a whiz-bang! He cultivated Bill Porter, and Bill asked him to serve on the board of E-Trade. It would be wonderful if you could interview Bill Porter. Go to Kauai and interview Bill Porter, because he told me, "I'm never leaving this island again." Bill was a SF who came from RCA, but he told the faculty, "I want to be an entrepreneur." And the faculty here told him "Bill, look, you have a great career at RCA. Just go back there and be happy. You are NOT an entrepreneur, you're a general manager."

And he said, "I'm going to be an entrepreneur." They really just discouraged him. He told me the story. I think he founded 8 or 9 companies, all of which failed, before he founded E-Trade.

Anyway, Dick was very close to Bill and Joan Porter, and that led to the $25 million grant. Without that grant, there wouldn't be this building we're sitting in right now. The Institute wasn't going to pay for it. That's really what made it possible. And the other fundraising went on from there. Dick was quite a dean, and very effective in the School reaching out to other parts of the Institute.

The thing is, while we've had some of these joint programs—and innovation and entrepreneurship is important because it's reaching across the Institute—we really need more because MIT is going to establish innovation centers. This is a real opening, an opportunity for the School to be closer to MIT.

B: Yes. And we have Fiona Murray....

A: Yes, we have Fiona doing these things.

G: And this issue of *Spectrum*, on innovation? It was originally the Bank of Boston study about the economic impact of MIT graduates....

A: That's right. That's Ed Roberts work, he did that research. He, by the way, is doing a comparable study – I haven't seen it published yet – on graduates of Tsinghua and their impact in China. Because, of course, Tsinghua considers itself the "MIT of China."

B: Before we wrap up, we should have you talk about these projects like the 100th anniversary, and then that you're doing a book on China. You are heavily involved....

A: Yes, Cathy Canney and I have been the co-publishers. We did the 100th anniversary of management education at MIT, from 1914-2014. Now we're doing a book on Sloan's experience in China, which goes back to the 1970s and a doctoral student by the name of Joe Battat, who was Lebanese. He had a passport into China before China opened up. Dick Robinson was the head of International Business here, and Joe Battat was his student. Dick Robinson basically represented international on the faculty and was kind of seen as "Well, there's International, with Dick Robinson."

Then there used to be the discussion about whether there should be a separate international group, or whether it should be in all groups. The same kind of thing – you hear some of that today about other areas of study. We're going back and retracing that history of Sloan's activity in China and going through the various initiatives. Because we worked a long time – from 1979 until 1993 – to develop this current set of initiatives that we have with China. We tried many different approaches to Lester's call that we find ways to understand China-based economies. We almost signed an agreement with the government of China, with the Ministry of Machinery & Electronics. We came very close to that.

We had a visit from a woman named Shirley Young, who was developing GM in China. She was the VP of GM. Glen Urban and I had a meeting with her, and we were talking about this, how the government was about to give us this grant. She said, "My advice is don't take any money from China. You're going to get yourself tied up in strings like you wouldn't believe. We took her advice, and that's when we went outside China and raised all the resources.

First time I went to Hong Kong, I met Martin Tang. Martin said, "Well, I guess you're another person from MIT here looking for a handout."

I said, "No, I'm not. We're here to try to find out what China needs, and what is important to alumni and potential sponsors, in that order. But first of all, we need to know what this program would look like, and whether it makes sense, etc. etc."

He said, "That's the first time I've ever heard that!" That's what we did. We went out and developed the program first. Simple ideas, but people often don't follow that. They go out with tin cups instead of going out with ideas, imagination, etc. We learned a few things along the way.

B: That's incredible. An incredible accomplishment. We always like to ask – we know that compared to the Sloan Fellows, the Peace Corps experience was better. You said that.

A: It was a better learning experience. It was.

B: But I guess the question is, during your time here at Sloan – it goes back to 1970 – quite a few years. What are you most proud of?

A: Well, I believe that I've had impact on making the School more international in its orientation, and that's what I'm proud of. In recognition of my work in international programs I was fortunate to receive MIT's highest award, the Gordon Y Billard Award, which was presented to me by President Susan Hockfield, in a ceremony in 2005. I also felt that we put a lot of orientation on culture and people communications in our administration. I think that was important to a lot of people. Those are it.

B: Do you want to say a little more about that second one?

A: To me it's a simple idea, which is that you want people to feel good about their work. I don't need to tell you guys this – if people feel good about their work and people are respected for what they do, then they do better work, they feel better about their work, they're

more productive. Unfortunately, I think size impacts that. If you're in a small place, it's hard not to be that way. But I think with the growth of the School, I think that's had some impact on that. It's harder today to have those kind of relationships. You just have to work harder at it, that's all. But it needs to happen.

G: You remind me – you're speaking as a true Theory Y....

A: I know. When I saw Theory X and Theory Y when I was a SF, and that was presented, I thought Theory X doesn't mean anything. Of course, it has its applications too.

G: I'll share with you something that astounded me. I remember, many years ago, Arnoldo Hax said that he's looked at Theory X and Theory Y and he's never met a senior manager that isn't Theory X. We could probably unwrap that, but you see some of the tension in the business environment.

A: Yes you do. I've seen some, there are lots of mixtures....

B: How about Harlan Cleveland?

A: Harlan Cleveland was a very special person, but he came across as a Theory X, but he wasn't. He didn't have the capacity to express the Y aspects of his approach. You really had to work hard to get to them, he frightened a lot of the people in Hawaii, which is somewhere between here and Asia.

G: Look at somebody like Jay Forrester. Would you say he's Theory X or Theory Y? He presents as Theory X....

A: He's Theory Y. He's a deep-hearted, sensitive person. He comes off as Theory X.

G: But I think that's a misunderstanding because it's really about assumptions about human behavior, that was always McGregor's key thing that underlies. It's not how we behave, but how we think about others. That may be harder to discern from our behavior.

A: One of the most outstanding things about this School is the respect that exists between people. That respect is somewhat placed in classes. There is a faculty respect; the faculty are very good about respecting one another and their ideas. If some faculty member wants to do something here, the tendency is to say "Go and do it." They don't necessarily show that same respect for other people. A lot of faculty do, but a lot of faculty don't. The respect doesn't always cross boundaries.

B: That may be harder as we get bigger. We get more corporate.

A: Exactly. It's harder and you really have to work against it.

G: Is there anybody who pays attention to that? At having to work hard at not losing what we've just been talking about?

A: I've seen people in the faculty who do. And I'm hopeful that that's the way our new, incoming deputy dean will be, if he doesn't get swallowed up in all the work. I think he's expressed that. I hope he doesn't get so swallowed up.

I think SP is very much a person, but I think SP's gotten swallowed up by the job. It's very easy to get swallowed up by the jobs in the Dean's Office.

G: A couple things. Your teaching??

A: I used to do the seminars in management. The thing that I really enjoyed doing is a seminar in management for the undergraduates. That was a great experience because I found a number of executives who really wanted to come and talk to undergraduates. For one reason or another, they thought MBAs were high-falutin' characters and that the undergraduates were

really smart. They wanted to understand them better. The undergraduates were fascinating. Smartest kids you could ever run into. It was really fun to work with them. That was one of my most enjoyable experiences.

I did the seminar in management for SFs for years. There were incredible experiences from being with executives, most of whom, late at night, would tell you, "You know, I love to do this because you people treat me like a person. The people where I work, don't. They treat me as a figure. I am the CEO, I am not a human being." That was always an enjoyable experience. It's a little bit like Theory X and Theory Y, you don't get to know people very well unless you work at it.

G: I wanted to be sure we had your teaching on record.

The last item is a philosophical question. We started by talking about you coining "executive education" as a term. I just wonder if the future of management education really is executive education, that model, versus the one that we have had. I see that partly by revenue and contributions and connections. Do you have thoughts about that?

A: I think there is a lot of power to come through online education, and not necessarily the way it's being done right now, which is more or less a physical process. Some of the things that are coming are going to make it possible for education to occur for executives in ways that we currently don't see. I heard Eric Grimson talking about the founder of i-Robot, who is an MIT guy. They have a robot now that is like a person. This robot is very human-like and even attends meetings. People start treating this robot like it's just another member of the meeting....Eric talks about these robots being in different places and communicating back and forth. I can see how these things are going to become more common. There might be ways to extend learning in ways that keep it as education, that we don't know about.

B: Are there things you might have anticipated that we would cover, that we haven't covered today?

A: No, I've done so many things around this place, I can't imagine.

B: I think the record should also show – and this goes to your point about the divisions between faculty and staff – that you had faculty status.

A: Yes, I was an *ex officio* member of the MIT faculty. That's why I'm in this building now. I'm actually retired as Emeritus.

B: And you retired in 2013??

A: August 2013. Now I'm 25% time back again.

B: And that's because of International?

A: I'm working with the people External Relations, developing their people for resource development. They have a bunch of young people there. I'm working on that. And I'm working on this China book. I'm still meeting with students, particularly the Asian Business Club. I'm meeting with them today.

G: It's great that MIT has these ways to keep you involved because you obviously have a wealth of knowledge to offer that is still very current and needed.

A: Thank you. It IS great. There are a lot of places where you retire and you turn in your badge and your computer and out you go.

B: This is a wonderful occasion, to map out the important role you've played for several decades here.

A: Thank you!

END OF INTERVIEW