



**AACSB Accreditation Fifth-Year
Continuous Improvement Review
Report for 2020-21**

**Haas School of Business
University of California, Berkeley**

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Executive Summary

Key Developments and Major Accomplishments

Since its 2017 AACSB Accreditation, Berkeley Haas has achieved several key developments and major accomplishments:

- On January 1, 2019, Ann Harrison became the 15th dean of the Haas School of Business, succeeding Rich Lyons, who served as dean for more than ten years. Dean Harrison, a renowned economist, was announced as dean after a national search and came to Haas from Wharton.
- In 2017, Haas opened Chou Hall, a new, six-story state-of-the-art building dedicated to student learning and interaction. Financed entirely through private contributions, Chou Hall expanded the school's capacity by 80,000 square feet, significantly improving its classroom and event space. In 2018, Chou Hall became the greenest academic building in the country, earning triple recognition with LEED Platinum, TRUE Zero Waste, and WELL Certification.
- Haas expanded partnerships with the Berkeley campus through several new programs. In 2017-18, Haas enrolled the first class of Management, Entrepreneurship, and Technology (MET) students, which will receive both a BS in Engineering and a BS in Business. In 2019-20, Haas launched its undergraduate biology and business program, which allows undergraduates to earn a degree in molecular and cell biology and in business in 4 years. That same year, Haas also launched its MBA-MEng program, which allows students to earn an MS in Engineering and an MBA in two years. In collaboration with Berkeley Law, Haas has redesigned and relaunched its joint JD-MBA to attract more students. New programs are being developed with the #1 ranked College of Natural Resources, the School of Public Health (a joint part-time online degree to complement our successful MBA-MPH), and with the Goldman School of Public Policy.
- Since Dean Harrison arrived at Haas, she has launched two new successful programs for expanding, diversifying, and strengthening our applicant pool. The first program, Accelerated Access, allows students to apply to Haas in their senior year of college who wish to precommit to business school while acquiring important work experience for 3 to 5 years. This program allows Haas to compete for the very best talent that is being recruited by other top programs from the undergraduate population. Its second program, Cal Advantage, allows talented University of California undergraduates to apply to Haas through a special pathway that exempts them from the standardized testing requirement. This program has led to a significant pool of talented and diverse candidates from nontraditional fields applying to Haas.
- In 2019, Haas hired a chief diversity, equity, and inclusion (DEI) officer, who reports directly to the dean and is responsible for informing, assessing, and executing the school's DEI plan with the goal of achieving a more diverse, inclusive, and equitable Haas. Chief DEI Officer Élica Bautista has gathered input from the community to implement the DEI strategic plan and is publicly sharing updates on progress toward its deliverables, encouraging community involvement and accountability. Haas also diversified its advisory board and its senior leadership team by appointing women, international alumni, and under-represented minorities.
- In addition to hiring a new CDEIO, Haas expanded the admissions criteria for our flagship full-time MBA program and doubled scholarships for diversity candidates. Our FTMBA classes represent the most diverse group of MBA students in any top ten business school. In fall of 2021, Haas reported that 49 percent of its FTMBA incoming class are students of color and 23 percent of its domestic students are under-represented minorities.
- Haas created the role of an admissions diversity officer who oversees diversity admissions across all degree programs. To finance the increased cost of new staff roles and a doubling of scholarships, Haas obtained a positive vote from the Board of Regents to pass a five-year tuition increase. The tuition increase provides an additional 10 million dollars annually in revenue that are earmarked for diversity, equity, and inclusion.

- Dean Harrison has embarked on an aggressive hiring strategy to expand the number of ladder faculty. From a base of 75 faculty, Haas has recruited 19 new ladder faculty over the past two years. Dean Harrison hopes to reach her goal of increasing the number of ladder faculty by at least thirty percent by 2023. Ladder faculty are being recruited across all disciplines. Haas also created a new faculty group, Entrepreneurship and Innovation, building on the pre-existing Berkeley Haas strength and the Bay Area advantage in these areas.
- After a two-year review of the MBA curriculum, in spring 2020 Haas faculty unanimously voted on a curriculum refresh to ensure that the school is teaching students the skills they need to thrive in their careers. The new curriculum includes enhanced training in business communications and persuasion skills, doubles the coursework in statistics and data analytics, and provides a new required core course on leading diverse teams and accounting for unconscious bias—likely a first for any business school in the U.S.
- In the spring of 2020, when the pandemic hit the United States, Haas pivoted to virtual instruction within 48 hours. In fall of 2020, Berkeley Haas enrolled record large entering classes in all three MBA programs, leading to tuition revenue increases, which were used to compensate for the campus cost recovery tax and the dramatic fall in Berkeley Executive education (BEE) revenues. Through enormous efforts, Haas balanced the budget without use of reserves or needing to cut staff. In the spring 2021, Haas launched a pilot telehealth program expanding mental health services for students. Haas invested in transforming four classrooms into a virtual environment and was recognized by Poets and Quants as one of the 10 most innovative business schools of the year.
- In 2020-2021, Haas had the best fundraising year since 2015, with over 45 million raised in gifts and pledges. Haas shifted activities such as its MBA reunion weekend and Haas Board meeting to remote format with success. More than 500 alumni attended the virtual reunion, and Haas raised nearly as much philanthropic support as when reunion events were in person. Haas topped Berkeley's leaderboards for the Big Give and received more individual contributions than previously.
- Dean Harrison is working closely with the Rausser College of Natural Resources to launch a concurrent degree program in business and climate solutions. Haas is also working with CNR to create a summer certificate program in sustainable entrepreneurship for undergraduates that will launch in summer 2022. Its certificate program for sustainability has enrolled more than one hundred MBA students. Dean Harrison believes that business leaders must embrace and mainstream sustainability into all their operations, and Berkeley Haas is ideally suited for implementing this mission.
- Berkeley Haas has a new tagline, "The Heart of What's Next". The tagline reflects Dean Harrison's triple focus on innovation, inclusion, and sustainability. A Haas Hub is under construction beginning in early 2022 to serve as a central meeting place for business students and students across campus who are interested in entrepreneurship and launching their own startups.
- In August 2021, Haas announced its new Flex option, housed within the EWMBA program. The first 65 students will enroll in fall 2022, with plans to expand to two cohorts for fall 2024. Students in our Flex cohort will take the entire core curriculum online and then choose whether to take electives online or on campus. Haas is the highest-ranking business school to offer an MBA in such an innovative format, providing access to an outstanding education and a top-ranked MBA to those who are unable to travel to campus on a regular basis.

Challenges and Opportunities

During these last several years, top business schools have seen applications surge and starting salaries skyrocket for their graduates. They have also weathered many crises: the Black Lives Matter movement, political tensions associated with transfer of power for the US presidency, extreme climate events including several years of devastating forest fires, and a crippling pandemic that at the time of this writing is claiming thousands of lives daily in the United States and the rest of the world. Against this backdrop, business schools and business leaders are being asked to take on a greater societal role in addressing issues such as inequality, inclusion, climate change, and the consequences of technological change and globalization. Focusing solely on shareholder value, particularly in the context of UC Berkeley's historic emphasis on the environment, social justice and opportunity, appears to be on the wane.

Berkeley Haas deeply appreciates the efforts of the AACSB Accreditation Review committee and welcomes this opportunity to receive feedback from such a distinguished group of academic leaders. As business schools move from short-run adjustments to remote learning back to longer-term strategic goals, the opportunity exists to re-evaluate strategy and priorities. We would be particularly grateful if the Review Committee could provide guidance on the following five questions:

1. New formats for business degree programs: enormous opportunity or risk of cannibalization? At the time of this writing, Haas is the only top 10 school planning to offer an MBA that could be entirely completed virtually. This new Flex cohort within the Evening and Weekend MBA program may be a game changer by eliminating physical building constraints and expanding our market to include the whole world. It could also become a reputational risk as well as undermine the enormous success of the ongoing program for working professionals. How do we ensure that this new innovation will be a success?
2. Growing social impact and new demands on business leaders. Dean Harrison and Berkeley Haas believe that business education must devote more resources to innovation, inclusion, and sustainability. Innovation and entrepreneurship are key ingredients in the emergence of the most successful companies in the United States. Increasingly, however, there is societal pressure for the enormous wealth created by innovation to be more broadly shared with employees, customers, and communities. In addition, the ravages of climate change suggest that focusing on sustainable business is a moral and strategic imperative. Are these the right areas to emphasize if Haas wishes to be the heart of what's next? How can we ensure that different perspectives are articulated and respected in the classroom, within an increasingly polarized nation?
3. Addressing special objectives and constraints associated with public universities in the context of optimizing the student experience. Public universities typically face a number of special challenges, including declining state contributions, expectations of greater scholarship support and other aid to enhance opportunity, a greater emphasis on promoting social mobility, and less freedom in setting tuition and compensation than private sector peers. At the same time, business school students across both public and private institutions increasingly expect a highly customized and bespoke experience in admissions, classes, co-curricular activities, clubs, and career advising. Berkeley Haas has responded to these challenges by increasing philanthropy and expanding revenue generating programs. Is this the right solution, or does more programming lead to spreading ourselves too thin?
4. Opportunities and challenges for enhanced reputational growth. Berkeley Haas is top ranked across a number of degree programs: the undergraduate business degree is ranked third (US News), the evening and weekend program is ranked second (US News), and our master's in financial engineering is always among the top five schools. However, the full-time program has been ranked six or seven over the last 10 years. How can Haas strengthen the reputation of its full-time MBA program? What aspects of the full-time MBA program are most in need of change?
5. Strategies for faculty growth and staffing of MBA courses. Haas has historically searched for the very best scholars, regardless of field of specialization. This is the so-called "best athlete" model. However, in light of shifting needs in the classroom (for example, students are clamoring for more courses on ESG, leading diverse teams, and sustainability) as well as our new focus on entrepreneurship and sustainability, the school may need to be more strategic in directing faculty growth. How can we reconcile these two approaches to faculty hiring? In addition, what is the best way to benefit in the classroom from the strengths of our ladder (research) faculty and professional faculty? Would a model that pairs the two types of faculty within the same class—the Stanford GSB approach—be effective?

Section 1. Overview

A. Situational Analysis

Background and Environment

Berkeley Haas is globally known for its exceptional faculty, staff, students, and alumni who are driven to create a positive impact through their work. The school's broader leadership promise is rooted in its distinctive culture and a commitment to values-driven leadership. The school's distinctive culture is codified through four Defining Leadership Principles: "Question the Status Quo," "Confidence Without Attitude," "Students Always," and "Beyond Yourself." These leadership principles, now an intrinsic part of our school's character, reflect the school's commitment to educate future leaders who tackle the world's biggest challenges. The school's distinctive culture serves as a competitive advantage and is frequently cited by students as a major reason for why they choose Haas. The focus on values at Berkeley Haas has never been more auspicious.

As an academic business school, Berkeley Haas' main concerns have always been discipline-based education, first-rate scholarship, and a curriculum reflective of both. As the second oldest business school in the United States, Berkeley Haas educates 2,200 students each year in six degree-granting programs, with hundreds more through executive education programs, and has over 41,000 alumni in more than 80 countries. In 2020, all of Haas' degree programs were ranked among the top 10 in all major rankings outlets, including being the only public institution among the top seven business schools.

Structure of Berkeley Haas

Decisions about strategic priorities, resource allocation, and financial management of the school are carefully vetted by the senior administrative team. The senior administrative team, called the Management Team, is made up of the dean and her direct reports, as well as our two associate deans of academic affairs. Included on the Management Team is our senior assistant dean of instruction, senior assistant dean and chief strategy & operating officer, chief financial officer, assistant dean of development and alumni relations, chief diversity and inclusion officer and the chief executive officer of Berkeley Executive Education.

Our organizational structure has remained relatively flat, with few levels spanning from dean to individual contributors. At Haas, we have 338 staff, of whom 267 are career (39 of whom are part-time), 34 contract (10 of whom are part-time), and 37 limited-term employees (35 of whom are part-time). Our staff is organized across 28 units or departments: degree program and student services teams, development and alumni relations, MBA career management, and operational support teams, such as human resources, academic personnel, marketing and communications, facilities, event management, and information technology. In addition, we have 40 staff who support our 14 centers and institutes.

The school maintains current bylaws, approved by our senate faculty, covering policies related to: 1. Faculty recruitment and appointments; 2. Academic subject groups; 3. Instruction and instructional points (IPs); 4. Leaves and sabbaticals; 5. Endowed chairs; 6. Faculty compensation; and, 7. Various administrative policies (faculty committees, allocation of faculty offices, research productivity, junior faculty mentoring, voting, and so on).

Financial Strengths and Opportunities

Similar to other prestigious state public schools (e.g., Michigan, Virginia, Wisconsin), the University of California has weathered a prolonged period of disinvestment by its state government. At the UC Berkeley campus level, the state of California now covers about 12 percent of UCB's operating budget, down from roughly 60 percent in 1970. Remarkably, UCB has been able to increase total revenues in nine out of the last ten years, despite state cutbacks, largely due to increased student fee revenue, increased philanthropy, and increased federal research funding.

At Berkeley Haas, we have three main sources of income: student tuition, accounting for about 50 percent of the school's total revenue; Berkeley Executive Education, which transferred \$8 million to Haas in FY 2019-

20 and is on track for recovery from the financial impact of the pandemic; and philanthropy, accounting for 15 percent, including gifts and endowment payout.

Our annual planning and budget process intentionally and methodically reviews requests for new investments and opportunities to develop operational efficiency to reduce costs and reallocate resources. In three major areas we are re-allocating resources to meet organizational goals: increasing the number of research faculty (both for new and existing faculty), increasing scholarships across all degree programs, and investment in capital projects, including a new Entrepreneurship Hub, MBA Student Lounge, and Corporate Hub and Faculty Research space (in a portion of our existing library).

B. Update on Concerns From Previous Review

In the previous AACSB visit, we reported “Scholarly Academic” (SA) faculty teaching 25 percent of our undergraduate classes, and this was identified as an issue to work on. We have increased SA teaching to 28 percent. While the target of 40 percent has not been reached, we are striving to balance growing our number of student contact hours (SCH) along with increased SA teaching. Overall, we have increased total SCHs in the program, and all of the new teaching hours are encompassed within our ladder faculty increase. Furthermore, our focus in this area has been primarily increasing our SA teaching in the core, required undergrad classes. We increased core ladder teaching by 30 percent since our last review and ladder faculty now teach 45 percent of our overall core SCH for students admitted to the UGBA program.

Additionally, Dean Ann Harrison has received campus support in pursuing a major ladder (SA) faculty recruitment strategy at Haas to grow our ladder faculty and address the constraints of both teaching and research. To quantify the efforts of this strategy: In a previous five-year timeline we recruited nine faculty members. During our past two cycles we have recruited 19 new faculty members, with 11 searches currently in progress. We are making significant headway in this area and are confident that, with the university’s continued support, we will continue trending significantly upward in this area.