

*A CIA officer-in-residence*

## **Taking Care of Business**

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During the 1992-93 academic year, I was an officer-in-residence for CIA at the Amos Tuck School of Business, an MBA-granting institution at Dartmouth College. In that time, I:

- Conducted my own course on the political economics of the transforming socialist economies.
- Cotaught courses on the international environment of business and Japanese business systems.
- Served on the steering group for a program in leadership development for undergraduates.
- Lectured to a course for Ph.D. candidates in engineering.
- Lectured on economic conditions in Eastern Europe to a student club composed mostly of East Europeans.
- Helped host a total of 10 Russian economists searching for the holy grail of capitalism.
- Teamed with a Russian graduate student to present a two-part program looking at the effectiveness of Boris Yeltsin as a national leader.
- Talked with and counseled seven residents of former Communist countries on learning and living in the United States.
- Helped design and present (with guest speakers) a three-session program on how the Agency looks at leadership challenges and effectiveness around the world.
- Authored a review article for a brand new publication, *Global Competitor*, that is a collaborative effort between Tuck School and the Fletcher School of Tufts University.

In the process, I learned a good deal about what some well-educated Americans and foreigners think about the Agency. I had the chance to observe some of the best of US higher education in action. I also had some time to think about how American businessmen view the changes taking place in the world today. And, on the lighter side, I found myself in a few situations that seemed decidedly out of the ordinary for an Agency employee.

It is worth keeping in mind that, unlike many officers-in-residence, my purpose at Tuck was not to teach a course on intelligence and its relation to policymaking. I was billed as an economist who could make useful comments on the international environment for business. Like all other officers-in-residence, I foreswore recruiting and intelligence gathering while I was in the program.

I should also underscore that I found the year in academe and—especially at Tuck—enormously rewarding. I had a good time, learned a lot, met many fine professionals in teaching, and was gratified by the general appreciation for candor and intellectual rigor I encountered among colleagues. I also came away with a deeper understanding of how US business is trying to adjust to a rapidly changing international environment, and, in that light, is willing to support and assist US business schools in many ways.

### **The School**

Dartmouth College, from which I graduated in 1961, is the ninth oldest college/university in the United States. The Tuck School is the oldest graduate school of business in the world, beating out Harvard's similar institution by eight years. Across the street from Tuck is the Thayer School, the oldest professional school of engineering in the United States.

In recent years, Dartmouth has been much in the news for political demonstrations on campus and for the high jinks that have surrounded what the press refers to as "the college newspaper," *The Dartmouth Review*. The distinguishing features of this newspaper are its hard rightwing editorial opinions and its generally confrontational tone. Once you get to Dartmouth, it does not take long to discover that there is a rich assortment of student activities, of which *The Dartmouth Review* is just one. In fact, most natives think of *The Dartmouth*, the much older newspaper, as the campus newspaper, even though it is, in any given year, likely to be only one of a half-dozen student newspapers.

Seen from the distance, Dartmouth, therefore, appears at once old and rowdy. If you were going there expecting the quintessential ivy-draped school with a rich assortment of strange characters, you would be disappointed. If you were operating on the reputation the school has in the Ivy League, you would probably expect to see drunken students littering the central green as you drove into town—and again would be sorely disappointed.

Because I knew much of what I was getting into, I did not harbor too many of the classic misimpressions. In fact, I enjoyed the concern some of my friends and colleagues at the Agency expressed for the danger I was putting myself in by entering a campus that was a free-fire zone between Fascists and Communists, between the Visigoths and the politically correct. I am sure their concerns would have disappeared quickly if they had heard Dean Ed Fox of Tuck welcome the incoming class of '94 with a speech that included a reference to the good fortune they had in having a visiting scholar from CIA for the year.

### The Student Body

This is not to say there was no potential for discord. In particular, at the outset I had no clear idea what foreign reactions to my presence might be. About 20 percent of the 350 students at Tuck School come from foreign countries, and there are substantial numbers of foreigners elsewhere on the Dartmouth campus. In fact, over half of the students in a graduate

engineering course to which I spoke twice were from foreign countries, including seven students from the former Soviet Union and one from China.

A clue to the likely behavior of most of the American business students was that, on average, they had been out in the working world, mostly in business, for five or six years before they enrolled at Tuck. As someone who had had a fair amount of interaction with US business through Agency programs, I was confident that we enjoyed a good reputation with this audience. And, if I had to hide in someone's hall locker, I had one colleague from the Directorate of Intelligence (DI) who was enrolled in the first year and another student whose aunt had been my supervisor at Headquarters.

### Mixed Reactions

During the year at Tuck, I learned that this brand of business student—and almost all other students I encountered at Dartmouth—will suspend disbelief long enough to listen to someone from the Agency discuss substance and thereby learn indirectly about us. The few uncomfortable moments I had on campus were almost entirely with faculty members, and those episodes did not amount to much. One Tuck faculty member, an Indian national, was disquieted by my presence, although he was never anything but courteous to me. I offered several times to help with the international aspects of what he was teaching, and I was routinely turned down. On the other hand, two US-naturalized Indians on the faculty were both friendly and eager to talk with me.

Some few of the undergraduate faculty with whom I came in contact expressed surprise and discomfort with my place of employment, but they were largely outnumbered by others who had no problem. One American economics professor with whom I had numerous pleasant exchanges went ballistic when I suggested I could help with her course, but an Englishman and two Israelis in that department were happy to interact with me professionally. An Hispanic in the economics department was the person who arranged for me to speak to the East Europeans about their economies.

One of the strangest experiences I had with faculty uncomfortable with my presence was an event that involved a visit by two Russian economists. The Russians were being hosted in their travels around the United States by a Dartmouth alumnus who was a former student of an economics professor I had known for about 20 years. The economics professor, a former Agency employee, invited me to participate in the Russians' visit, and I arranged for them to field questions from my students. I did not discover until the last moment that the event was being cosponsored by an organization whose leaders had already made it plain they did not like the idea of a CIA employee on campus. When I showed up at their luncheon, the first three people I met were students from former Communist countries to whom I had lectured in one context or another. The students, who were outgoingly friendly to me, did not know the leaders of the organization, so I ended up introducing them. In the circumstances, it would have been rude to ignore me, so the people who did not care for my presence were civil.

One program that looked like it had promise at the outset and then faded was a required course for Ph.D. candidates in engineering. The course was designed to encourage them to think about non-engineering subjects so as to avert the tunnel vision that often accompanies intense study in that general field. The associate dean of engineering who was teaching the course invited me to do a unit on key developments in the international economy and, satisfied that I could teach, was willing to have me coteach a unit on weapons proliferation with him. To get a feel for his course, I sat in on a few sessions.

At the end of the term, the dean called me to say that it would perhaps be wiser if I did not plan on participating in the follow-on course in the winter term. I said that was fine, but asked if there was any particular reason. Somewhat embarrassed, he mumbled that some of his students had objected to "being brainwashed by the CIA." I asked if the Russians had been the ones complaining. He replied, "Hell, no. They loved you. It was a couple of the Americans who are pretty naive. But I think they would make enough of a fuss that it would be counterproductive for you to come back." (The associate dean subsequently introduced me to the brightest of

his Russian students, who ended up helping me with a few presentations on Russia.)

Foreign students from non-Communist countries seemed comfortable with my presence. The Japanese, who are generally quite reticent in the US business school environment, did not seek me out, but they were forthcoming in group and one-on-one discussions. One of the first foreign students to make a point to drop by my office to talk with me was a Frenchman who went out of his way to say that he thought having someone from intelligence on a business campus was a real asset, a viewpoint that apparently was shared by his several countrymen in the program. In the three courses in which I participated regularly, I interacted with 23 foreigners out of a total of 78 students. This included several who were in more than one course. Because these were electives, they could have opted out if they were truly ill at ease with me.

### Reasons for Receptivity

I believe there are several reasons why some students found it easy to accept me:

- I knew how to teach and knew my material.
- I memorized the names of any students with whom I was ever in contact and addressed them by name when I saw them in the halls.
- An invitation to do one unit of a required first-year course got me broad exposure to about 150 students, who apparently liked the unit.
- The students were eager to listen to people who had had practical experience, as compared with some faculty members who had come directly from graduate school.
- Superb unclassified Agency publications that I used as course material made a favorable impression on the students, as did guest speakers from Headquarters.

The last two points deserve expansion.

*Practical Experience.* Much of what is taught in business schools is taught by the case method, which provides a large group of people with a common data base around which to reason. The main drawback of the case method, in my estimation, is that it discourages the student from reaching out for other data. And, from the faculty's point of view, once you have absorbed and presented the cases a time or two, you have little incentive to look for new material. This can create an atmosphere in which the range of experiences and examples on which you draw is fairly narrow.

Because the professor with whom I cotaught in two courses had been an academic, a business consultant, and a senior US Government official for 10 years, we had ample opportunity to consider whether the academic or the practical backgrounds seemed to play best to teaching business students. In the two courses for which he was the listed instructor and the one for which I was, we concluded that being able to provide concrete examples of teaching points, knowing where to go to get data, and being able to absorb large amounts of information quickly were assets that depended on practical experience. The students' evaluations of our courses emphasized that these were the characteristics they appreciated most.

*Agency Publications and Speakers.* The Agency's publications and guest speakers merit additional comment because of the positive impact they had on the faculty and students. My students in the course dealing with transforming socialist economies were taken with the currency and incisiveness of the annual unclassified versions of the presentations to the Joint Economic Committee on the former Communist countries. One Ukrainian learned that I had an unclassified monograph on Ukraine, asked to borrow it long enough to read, and brought it back saying it was an excellent piece of work. To thank a Muscovite who helped me with several presentations at various points in the year, I gave him a copy of the unclassified version of *The World Factbook*. The next day I had a letter in electronic mail from him that said he was in bad shape from so little sleep because he had sat up most of the night flipping through it. One of my students, a native of Harlem and an honors graduate in electrical engineering from

Princeton, did some of the background work for his term paper in the *Energy Atlas of the USSR* and returned it to me with a note that said it was a terrific source. (He will be working for a US company helping to develop Russian oilfields.)

I invited several speakers from the Agency, and the response to them was outstandingly positive. Students sought me out to say how much they enjoyed the sessions. I based two of eight final exam questions from which the students had to choose on the presentations of two of the speakers. More students chose to write on these topics than any others. One speaker did a two-hour presentation to a group that included some rather critical observers from a steering group for a leadership course, and the most jaundiced member of the steering group later told me that the presentation was "dynamite."

### Strange Happenings

Inevitably, the frequent interaction between faculty and students on which Dartmouth prides itself was bound to yield a few strange occurrences for an Agency employee. Moreover, they took virtually no time at all to materialize.

The first strange event started off simply enough. Tuck School typically gets its faculty and their spouses pointed in the right direction for the new academic year with a first-class reception in the stately Hanover Inn. The food and drink are super, the school picks up the tab, and the attire is business suit or dress. My wife and I had no more than entered the lounge where the reception was being held than a waiter approached us with hors d'oeuvres. A rather outgoing Russian who was obviously working to help cover college costs, he asked me what "Visiting Scholar" on my name tag meant. I told him, neglecting to identify my employer. That was his next question, which I dutifully answered. Emboldened by the experience of meeting his first CIA person, the waiter launched into an energetic pitch for me to buy some astronomical quantity of diesel oil that his relatives were trying to sell. "The oil is definitely there in tanks. The trick is just getting it out of Russia, and I am sure CIA could figure

it out.” I had yet to talk to any of the faculty, but I was convinced that those in hearing distance of the waiter were going to be hard to persuade that I was any kind of scholar.

Another fascinating turn was with a Bulgarian who presided over a student activity called “European Entente,” the largely East European group to which I had spoken on its economies. After the session, he asked, rather confidentially, if he could come by my office sometime. Reminding myself that, if he asked to sell state secrets, my charter required me to turn him away, I told him he could.

Oleg showed up several days later, knocked on my door, and asked, in a whisper, if he could come in. I said yes again, braced to throw him out as soon as he launched into the state secrets thing. It turned out that his family had access to good wood for construction, and they had asked him to find suitable milling and other equipment to make precut houses. Could I help him hook up with some people to advise him on what US machinery in this line was good? (I subsequently did.) The whisper? He had had a sore throat.

### **What I Learned About Business Schools**

I deserve to be both brief and humble about this aspect of my experience because I was only exposed to parts of the two-year program, and most of what I saw had to do with economics, international business, and communications. I cannot, in good conscience, claim that I know much about marketing, finance, accounting, and a whole range of other business subjects. Nonetheless, I did have several broad impressions of the nature of business education at Tuck School:

*Collegiality.* The small size of the faculty and the easy access students have to it contribute to a fair atmosphere of collegiality at Tuck. At any point in the year I was there, the faculty consisted of 35 to 40 teachers of various stripe. Most were available most days of the week for students to arrange appointments or drop in.

The interaction between faculty members was a different story. Some worked closely with colleagues with whom they were either coteaching or developing some joint paper or project. Others reflected the introverted behavior that makes for good analysts. Perhaps the most interesting test of their ability to cooperate was faculty meetings, which, in my perception, were consistently too long because some of the participants were either trying to demonstrate their analytical ability or to stake out territory on some issue with which they were associated.

And yet, in fairness, I was impressed with a Tuck practice of sharing around all of the syllabuses for each term so that we could keep abreast of what others were doing and volunteer to help if we saw an area in which we could contribute.

I took advantage of this opening by offering my services to talk about performance evaluation and training in large establishments in a course on human resource development. Conversely, because I had seen a case study done by one of my colleagues on a machine tool plant in Guangzhou, I was able to use it in my spring course.

*Economic Literacy.* Economic literacy in the US population at large is nothing to brag about. Still, I saw students who had majored in economics as undergraduates, taken solid—required—courses in microeconomics and macroeconomics at Tuck, and still had a hard time understanding the content of a balance-of-payments statement.

The issue here was not the students’ native intelligence or willingness to work. By and large, they were generally smart and quick studies. The problem was partly the relevance of economics education in the United States and partly the fact that some economic concepts are best absorbed on the job practicing economics. Five or so years selling computer software systems, working for a brokerage house, or managing a manufacturing process for a US corporation is not necessarily good preparation for economic analysis.

*Globalization.* The top business schools are very competitive in seeking the best candidates. Tuck routinely ranks in the top six US graduate business schools overall and number one in the satisfaction of its graduates that they got their money's worth.

No US business school that wanted to be remotely competitive would say anything but that it was "globalizing" its curriculum to ensure that US businessmen would be effective in dealing in the rapidly growing American export sectors.

There are two basic ways to score in the globalization game. One is to increase the international cases and examples that are used across the board in the curriculum, and the other is to add more international courses to the offerings. The first is the less costly approach; it is also the less reliable because course adjustments are made during a term to deal with a variety of unforeseen events, and a teacher who is not comfortable teaching international issues will be likely to drop that material first.

The second approach poses some interesting challenges. Do you organize the courses around distinctive features of doing business in particular parts of the world, such as Japan or the transforming socialist economies? Or do you try to teach on topics that have some degree of universality, such as the evolution of international financial institutions or the ways in which you enlist your own government in the process of helping your foreign sales or acquisitions?

The common approach so far has been to try a little bit of everything. The difficulty with this, from the perspective of someone who has spent 30 years analyzing international economic events, is that the sum of the parts does not constitute a whole that is particularly illuminating to the students. Thus, my course on transforming socialist economies was, in my opinion, useful to help people understand what the governments in question were trying to do in the way of economic reform and how it might affect US or other Western businesses. But it did not provide the practical basis for setting up a joint venture in Prague. Moreover, little else in the curriculum would have helped in that regard.

The plain truth is that the "globalization" of US business schools has a long way to go. The good news is that we are not behind the rest of the world.\*

*Current Intelligence.* No surprises here. Still, we need to be reminded from time to time that the Agency and its better customers set a high standard for understanding what is happening around them in the world.

The contrast in criteria for sources between the academic world and the intelligence world is quite striking if you have just come from the latter to the former. The professor with whom I was associated in the fall and winter terms, who had regularly received morning briefings from DI liaison while he was in Washington, was going through withdrawal pains in not having the same sort of information access he had once had. We both marveled at the comparative willingness among both faculty and students (more so the latter, of course) to accept the data or viewpoints of one or another newspaper or journal without digging in to find out how accurate they were on the particular point.

In the student realm, this jibed with a comment made to me by a Dartmouth classmate of mine who had taught at Tuck in the international arena just before I got there. He noted that, had he to do it over, he would organize "prayer breakfasts" in which everyone would come for free croissants and coffee, in exchange for which they would have to agree to read one of the leading business or financial newspapers and be prepared to discuss the key issues with others present so that all would be exposed to more than one source.

### Management Training Gap

Having been the Deputy Director for Curriculum at Office of Training and Education for two years, I had a sense of some of the practical courses that

\* Editor's Note: Since this article was written, Tuck opened a Center for the Study of Intelligence Business in March 1994.

Agency employees value in the management realm. I cannot generalize for all business schools simply from one, but my best intelligence tells me you should not be surprised if the curriculum at any given business school has little or nothing to say about conducting meetings, dealing with problem employees, or figuring out what kinds of training will be most beneficial to your work force.

Overall, it is my sense that business schools are still struggling with many issues of human resource management and development and how to include them in curriculums. If that is too broad a generalization, it is certainly fair to say Tuck School is still struggling with these issues.

### **A US Business Perspective**

My year in academe provided frequent contact with US business people and required that I do more than usual to stay up with the business press. Because the Agency is still shaping its approach to economic intelligence in relation to US business abroad, what can be deduced from these sources is worth a few words.

There has been a good deal of attention over the last 15 to 20 years directed at business practices of foreign competitors that US citizens believe are questionable from the standpoint of our sense of what is right. This discussion often ends with pleas for clearer "rules of the road" or calls for "a level playing field" among competitors. And, when neither of these outcomes occurs, the arguments shift to retaliation against foreign firms or mimicry of them.

A little time working in the environment of international business quickly leads one to the recognition that there are several different kinds of capitalism, and no one of them has a lock on how the world's economic systems will ultimately be shaped. As someone worrying about how to present ways to understand what was happening in the transforming socialist economies, I soon realized that—despite

press and academic assertions that the new capitalist economies would gravitate toward models common in their regions—the jury was still undecided on specific outcomes. We do know, for example, that the Germans have invested a lot of time in developing trade and business ties with Russia, but the Russian central bank is patterned on that of the United States and US investors led the field in new investment commitments in that country in 1992.

The past few years have been an important watershed for the directions in which the international commercial and financial systems are evolving. After extended periods of strong growth, our two major economic competitors, Japan and Germany, have stumbled both economically and politically, leaving businessmen everywhere to ask whether the attention others were paying to these two models was well placed. Meanwhile, the United States is seeing a renewed emphasis on the importance of Latin American markets to our economy, even as we try to sort out the pluses and minuses of a North American Free Trade Agreement.

In the background, important changes continue to be made to the ways in which international financial transactions are conducted, and both markets and instruments for equities in East Asia, the Third World, and the former Communist countries have proliferated.

All of this is putting a premium on US businesses being better informed and smarter about what is happening abroad that may affect them. Unfortunately, business school curriculums are not changing apace, and, on balance, the numbers of people in the US business world dedicated to analyzing foreign events is probably a good deal smaller today than 10 years ago. The good news in this, it seems to me, is that the market for US Government analyses of international business and economics to support our industry is growing and will continue to grow for the foreseeable future.