

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

Quinetta Roberson:

Welcome to Broad Matters.

Ken Szymusiak:

A podcast bringing you thought leadership, innovative perspectives, and real-world impact from Michigan State University's Eli Broad College of Business. I'm Ken Szymusiak, Managing Director for the Burgess Institute for Entrepreneurship and Innovation.

Quinetta Roberson:

And I'm Quinetta Roberson, the John A. Hannah Distinguished Professor of Management and Psychology. Today we are speaking with David Souder, the Eli and Edythe L. Broad Dean at the Eli Broad College of Business.

David Souder:

Broad matters because we have a great impact on so many students who go out as alumni and have a great impact on the economy of Michigan and beyond. Broad also matters because we have this incredible faculty and staff who not only serve those students, but also help us push the boundaries of what we know about how business works.

Quinetta Roberson:

David, welcome to the podcast.

David Souder:

Great to be here. Thanks for inviting me.

Ken Szymusiak:

David, you started as dean in July, and we've really enjoyed getting to know you over these past few months. For those who haven't had a chance to meet you yet, could you tell us a little bit more about yourself?

David Souder:

Yeah, it's been great to be here since July. I feel like I'm part of the community now. For the last 17 years I had worked at the University of Connecticut where I started as an assistant professor, then gone into administration for the last seven years. And I served in a variety of roles that have a lot of relevance to what I'm doing now, including I was the interim dean for a little over a year. I was also the interim campus dean for the UConn Stamford campus, so that has a broader, outside the business college perspective. And then I had served as a couple of different associate dean positions in the business school there as well. And so all of that was good preparation for this role.

I did my PhD before that. That was at the University of Minnesota. And before that I'd worked in strategy consulting in New York City and London for almost a decade.

Ken Szymusiak:

We'd love to start by getting a better understanding of what some of the key responsibilities of being dean at the Broad College looks like. Could you share a little bit about what your day-to-day role is like?

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

David Souder:

Yeah, I'll talk about it more week-to-week because in a given day, I can be focused on one of these things, but I think the big thing that is unique about the role of the dean is that you are pivoting all the time between different audiences and different interactions with members of our community. So sometimes you're with students, sometimes you're with faculty, sometimes you're with other university administrators, sometimes you're with alumni and donors. And you have days where you're focused on just one of those things, but there's other days where you go from meeting to call to activity to welcoming people and all of that.

The constant pivoting is a big part of the dean's life. I enjoy it. It's fast-paced and you have to be aware of everything that's going on and have a chance to interact with a lot of different people. I think it sounds daunting to a lot of other people who imagine their lives and what they would do. Sometimes you have evening activities, sometimes you're going to football games, we have graduation coming up. You want to be available as much of the time as you can.

They take me all over the place. We have a lot of alumni in New York. We've been there a few times. We met a bunch of alumni in Atlanta last month. We have been to Grand Rapids several times, Detroit several times, going to a whole bunch of other cities next year and countries and all of that. It's great to have these Spartans everywhere and interact with them, and they're so appreciative to connect with folks who are in East Lansing all the time, but the time you're away, that means you're not active in the things here. So the big downside of that is there's always more things you want to do. You have this excitement of pivoting between all these cool things, but you're also aware of all the things you have to say no to because you're doing something else.

Ken Szymusiak:

Have you found any techniques or practices that help you carve out time to do some of those deep thinking things or exercises yet, just out of curiosity?

David Souder:

Yeah, well, it's what I miss the most is I don't have as much chance for that. When I think back on what I enjoyed about being faculty that I don't get as much anymore, you'd have teaching days where you teach a bunch of classes in a row and interact with the students, and that would feel great. And then the next day might be a research day where you have that chance to think deeply about things for a couple hours, then maybe meet with some students or grade some papers, and then go have another couple hours to think deeply about a different project or interact with co-authors.

I don't have a lot of days where I can do those big blocks of time on one activity. I value those times, but I've come to accept that they are few and far between and to try and take advantage of the fact that I get to interact with all these audiences and make room for other people to have time to think deeply about that stuff.

Ken Szymusiak:

So you mentioned your private sector experience before you moved into academia. What overlaps do you see there or how those fields translate to one another? But I'd love to know what you've seen translate from your private sector work into your work in academia.

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

David Souder:

When I left college, I never really expected to go back. Being a professor was not on my mind or if you had suggested it to me and said you'd be good at that, I would've said, "That's the last thing in the world I want to do. I want to get out of school and work and have an impact on industry."

And obviously that changed as I did some interesting things, but I also realized you're there to help one company get better. Usually that means they know they had a problem, they brought you in, you figure out how they can do it better. That doesn't really tell you whether it works in general. It tells you that they weren't doing it the best way and you could help them out. And at some point I realized that those were more interesting questions, does it work in general?

I have an uncle who's a physics professor, and I'm like, oh, that's an academic way of looking at it and transitioned and realized I liked that lifestyle. I wasn't sure how my wife would react, and I went back and asked her. She's like, "I think it's a great idea." In part because it would mean less travel, we were getting ready to raise a family, so there were professional reasons and lifestyle reasons why it all came together that I wanted to be a professor.

What I see in hindsight but didn't fully appreciate when I went into the academic administration was that was people seeing that these two worlds could come back together. And so someone pulled me aside and said, "I'd like you to be an associate dean," and I said, "I'm happy being a professor," and he said, "I think you'd be good at this kind of work, but treat it as an experiment. If you don't like it, in three years you'll be faculty and you'll be happy."

And it turned out he was right and I did like it. I believe I said, "How did you get into this," and he's like, "Same thing," and here I am. Part of what I realized was that he was going to be a good mentor and so if I was going to run the experiment, that was the time to do it. It turned out the experiment was I guess more successful than I expected and it became something I really enjoyed.

Ken Szymusiak:

That's cool. That's great.

Quinetta Roberson:

David, you have had a lot of experience leading people from all types of professional backgrounds. In your opinion, what does it take to inspire and lead others effectively?

David Souder:

So I'm going to talk about this in terms of how I do it because I think that's the spirit of the question.

Quinetta Roberson:

Yes.

David Souder:

I'm going to give the asterisk up front though, which is that I'm aware that there are other styles of leadership that people see as effective and things like that.

Quinetta Roberson:

Sure.

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

David Souder:

And what I'll talk about is how I do it and what I'd recommend to someone else. There are really two parts of it. The part that is more commonly talked about is the term we use most now is storytelling, but it's also essentially the vision. Can you express an idea to people on your team of here's where we can go, here's what we need to do and how we can get there and how you fit into that? I think that part's really important. It's hard to lead people into doing anything if they can't envision for themselves what that means, how it can be better and all of that. That's the part I think that everybody recognizes.

The piece that I have come to value, and I think it works and makes it more sustainable but is less visible to people, is this consistency that you give to people so that they know what to expect, that you're not moving all over the place. That doesn't mean you're never going to surprise people, but it means that they know you will listen. They know that if there's a decision being made, that there are reasons behind it, there's logic, there's evidence they can be expressed and explained. They know if they're bringing you an idea, you will listen to the idea, and even if you're not going to do it, you can explain why.

I've often found there's not as much saying no as I was led to believe. There's a lot of saying not yet. And in saying not yet, you can articulate the conditions under which you would say yes. We can't do that because we don't have the resources for it. If we work together to go out and find a donor who's willing to engage with us and fund that activity because they're really excited about it, then we can do it. Or that's a great idea, but we don't have all the people in place to make it a success, so we need to go out and find people or we need to fill in these gaps before we can go do it.

People don't usually come to the dean with poor ideas. They usually come with good ideas that aren't fully fleshed out or aren't totally realistic or lack an understanding of the bigger perspective. And what I found and what people have said back to me is that they appreciate not just getting a yes or no, but getting a conversation that says, "Okay, you've got an interesting idea. Here are the five things you didn't think about," or, "Here are the things that go on beyond it," or, "Here's the other perspective," or, "Here's the other people you need to go talk to. If you come back with these three people agreeing, then there's no problem. But right now I'm imagining that those three people don't agree and we have to do that." And so I think that ability to give people a sense that they're part of the decision-making process helps them bring their best self to work and be motivated and want to do what they can on behalf of the organization.

And then I think embedded in all this, but it's worth saying explicitly, is that I take a very institution-wide perspective. My opinion is not what's important. What I think we should be doing is what's best for Broad and what's best for MSU, right? When you ask me what I think, we're going to have the conversation about whether it's good for Broad, whether it's good for MSU. It's not going to be my opinion that matters.

If I'm expressing an opinion, I'll say that. My intuition is this is worth doing because of that, my intuition is if we try that we're going to run into these obstacles, but it's not really about what I like or don't like. It's about whether we can make the case that this is good for the organization. I think that works a lot better than saying, "I want to do this. Let's all get behind it." That's a version of storytelling, that's a version of vision, but it isn't one that brings everybody else into the idea that they're part of the team that's moving this forward.

Quinetta Roberson:

You also mentioned giving people a sense of participating in decision making. And I think there's one way of doing that via storytelling, which may not actually be involving people, but it sounds like what you're talking about is actually an experience of being part of it rather than just feeling a part of it.

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

David Souder:

Yeah, and I think it's interesting that you use the word feeling because I think sometimes you hear people focusing on what feels good instead of what we have logic and evidence to support. It's not about how we feel. It's whether we can make the case for it. You want the leader's storytelling to be at a big enough level that people see where they fit into that story.

If you want to get a donor engaged, they have to see how their engagement makes a difference. If you're just saying, "Hey, we're already doing something you care about," that isn't a reason for them to get involved. If we're saying, "We're doing something you like and we can do even more with your help," they see themselves in the story.

I think that's the same for faculty and staff and students. When they see where they're going, then they're bought-in and committed and want to do their best. If they don't, if they're just thinking it's just a job, it's just a transaction, I get my degree, that could have happened anywhere, that's a different type of thing and people aren't bought in.

Quinetta Roberson:

I feel like you're giving away trade secrets to others who aspire to be dean. They're going to be like try to take your competitive advantage.

David Souder:

I mean, that's the essence of education, right? Philosophically we're trying to share the information. I told this story earlier of how someone came to me and said, "You'd be a good associate dean. You should get into this," and I now see that I'm having that conversation with people at different universities. Sometimes they come to me. Sometimes they say, "I'm being asked to do this," and I'll say, "Here's what you'll like. Here's what you won't like. You have an opportunity to make a difference about the things you care about if you take this job and not that job. This is the part that you'll like."

And there have been other people who are unsure what the future holds in their career and you can say, "Look, yes, this can be part of your future if you want to do it. You have the personal characteristics and the institution-wide mentality to be good at it."

It's interesting that you say it because it's not an accident. I'm not giving away trade secrets. I'm advertising trade secrets.

Quinetta Roberson:

Okay. You also mentioned telling people about the not yet, what leadership approaches are sustainable, which to me in that I hear time. And your previous research has focused on corporate short-termism and long-term thinking. So it seems like you have that undercurrent in a number of different areas. Can you explain what those mean and how you became interested in that?

David Souder:

Time is the constant theme that runs through the way I think about the world. Everyone reacts to time in some way, but it is definitely a bigger undercurrent for me. And I see that more and more, and that's part of why it drew me in.

My consulting career started with a company that was called Strategic Compensation Associates. We got them to change it to the much more pronounceable, SCA Consulting later on, but what they did was they would align executive compensation packages with the company's strategy. And I was interested

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

from the strategy perspective in particular, but the big challenge that we were trying to help companies get through, and nobody had a good answer to, was how to balance between short-term performance results and what the managers knew was good for the business in the long run.

So the first five years of my consulting career were spent focused on that question. And so I engaged with it at a lot of levels and got interested in it. And the shortcut answer, which by the way I think it's got to be close to the number one example of academic research having an impact on practice, not necessarily the best impact that they had in mind, but was agency theory's idea that stock options were a way of not answering the question but giving the managers the right incentive to figure it out for themselves.

And so we were doing that and they were happy to take the money, but I also knew they were still struggling with it. It didn't matter how many options you gave them, they still were like, "Our quarterly earnings are going to go down if we do this and we get fired, punished, all these other things that would happen, so we can't really do that." So that tension I think does sit behind a lot of business decisions. And when you talk to executives, they'll very quickly say, "Oh yeah, we struggle with that all the time," or many different decisions that have other parameters come back to, "Are we going to do it now or later," and other things like that.

So anyway, when I was applying to be a PhD student, I basically wrote that up as, hey, this is what I'm interested in. And as it became a PhD student, I discovered that there was a lot of qualitative anecdotal talking about this topic. There was not a lot of empirical research. I set off to do some of that, and I got some really good advice. I guess it's not really advice because they were telling me not to do it, but my advisors said, "That's a really interesting idea. Think about why nobody's been able to publish empirical research on the topic," which is the polite way of saying, "Go get another topic." And I kept coming back with, "What if I do this?" And eventually they're like, "Oh, well that would be really good."

I studied long-term investment in that, but options are a piece of it, and what we found is that stock options have the long-term effect that everyone's imagining as long as they're not exercisable, but that period of time is one to four years. It's not the full 10 years that you can hold the options. It's the first one to four years. After that, and I'd seen CEOs do this firsthand, you can cash that money in today, at least in theory. You start getting loss aversion, right? Now you're managing the stock price the same way as a short-term thing.

And it turns out you have to look really carefully, but you can see that in the data. I found it first in a really controlled single-industry study. That was my dissertation. Then we did it again in a much more general thing, totally different method, devised a way out of accounting statements to get a metric that would capture this notion of long-term investment somewhat generally for manufacturing firms. It's not just my colleagues that have come up with this. We've seen people doing completely different work that have come up with the same conclusion and it makes sense, right? It wasn't that agency theory was wrong. It's that the story was more complicated than the piece that had been figured out to that point.

And so we did all that, and that series of papers is the cornerstone of my research career, but there's a real balance in it. So after you do all that, you get known as the long-term guy, but I'm actually not saying always think long-term. I'm saying you need a balance. The notion of economic short-termism is not that you always want to do the long-term thing. It's that we're censoring out a lot of the good long-term options because we're so focused on the short-term. So it's about getting back in balance.

And one way to think about that is if you bought a more expensive computer because you thought it was going to last 20 years instead of one that'll die in three years, that's probably not a great decision. The features that you want in a computer are probably going to change over that timeframe. So it's

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

more about getting the timing right than it is about being more long-term oriented inherently. It's just that mistake people normally make is being too short-term oriented, not too long-term oriented.

I think I probably always talked about time. It's wired into me really deeply, but I'm more aware of it now and what you said at the beginning is absolutely true. I mean, one of the biggest insults I can give to something is “that's a waste of time”. And it sounds more polite than some of the other things you can say, but that's really what I mean is that's a complete waste of time. We shouldn't be doing it. It's the way you talk. And yes, I talk about sustainability. I talk about not yet as being the version of no. And yes, there's a lot of other complicated things behind it, but it's also like we're on this journey together. Let's manage it that way and let's think about where we're going over a period of time and not just the decision we have to make right now.

Quinetta Roberson:

I love that we brought up research and he went deep. He nerded out and just went there.

Ken Szymusiak:

A guide to your management style, which is cool.

David Souder:

I mean, it was how I taught also. So I taught a lot of fun classes, but the one I taught the most was the strategic management class to MBAs and college seniors. The assignment I settled on was a one-page memo to CEOs. You'd read a case, and I wanted them to write one-page memos. And they would write a number of them over the course of the semester and they would do terrible at the beginning, and I would give them low grades, and they were not used to that. And I would say, "Stick with me. I'm going to give you a ton of feedback. You will look back at the end of the semester and see the improvement and be happy about it. I know you're all mad at me now, but that's okay. You're going to look back and appreciate it."

It started as a two-page assignment because when I first taught the course as a PhD student, it was a writing course and I had to have a lot of writing. And I realized two pages was too long. I was lucky if they had one good paragraph. And they would say, "I need more time to make my case," and I said, "No, you can make it in a page, and that's all you're going to have with a CEO." And it was all about the logic and evidence. Can you build the case? Sometimes you have data, sometimes you don't. When you don't have enough data but you still see a story you can tell, build it out with logic.

Ken Szymusiak:

That's really cool. So you've been at MSU now for six months. What surprised you most about coming to Michigan State?

David Souder:

I do get asked this question a lot. It might be the number one question I'm asked.

Ken Szymusiak:

It's the number one question.

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

David Souder:

Which is good because I ask it too. Sometimes that's how I start a doctoral seminar. Not just what did you read, but what surprised you about reading these things? There's one big positive surprise, which is that the level of school spirit pride, even identity that people have in this place, not just the alums, also the faculty and staff and students that are here now. Every college has some of that. It really is at a higher level here. There's a real pride in the institution. That's been a really positive surprise.

Ken Szymusiak:

And you're joining at a time with a lot of other deans and new administrators as well. How's that been?

David Souder:

We have dean school, and so there's like 10 of us, a cohort of 10 new deans this year. Some are interim, some are permanent, some are internal, a few of us came from the outside. There's a collaborative culture amongst the deans here already, but having us come in as a cohort and then do this dean school together as a majority of the deans adds to that collegiality and collaboration.

There is a lot of openness and willingness amongst the other colleges to cooperate with each other, and especially with Broad, and people have ideas about it, and we have great conversations as deans. And the next frontier is how that gets translated out to people doing actual things that matter on a day-to-day basis. We have to move the conversation to that level now of not just deans are willing to support it, but here are the specific people in the different colleges who are willing to come together and do something that I think in a lot of cases can extend the range of experiences that our students have, extend the range of the impact we have on Michigan State and the state of Michigan as a whole. It is a good environment for that right now.

Quinetta Roberson:

Thank you for sharing that. One could say those were very dean-like answers. I want to explore you outside of the office and ask how do you spend your free time. Any favorite hobbies?

David Souder:

I mean, my favorite hobbies for most of my life are ones I can't do anymore, which is play basketball and volleyball. So you can probably tell from that I'm a pretty competitive person. I'm in a family of people who like musicals. I really like plays. So I had friends when I lived in New York who were involved in the small theater community, so 99 seats and under. The actors don't get paid anything, but they get health insurance by being part of this. And the 99 seat theater, you're close enough and you can just see the energy and passion that they're putting into the craft.

I can't play basketball anymore, but I'm still a huge basketball fan and sports fan in general, and it's the same thing. Seeing people put all this effort into getting better and better and better at something and try and compete at higher and higher levels and it's their passion, I think that all resonates with me. And we're trying to get a lot of that same drive and ambition in our business students so it crosses over.

I do probably seven or eight word and number puzzles every day, challenging myself to keep getting faster at The New York Times crossword.

Quinetta Roberson:

Do you see any parallels between your hobbies and your research interests?

Broad Matters Season 8 Episode 2

“A Conversation With Dean David Souder” with David Souder

David Souder:

I think you see a parallel there.

Quinetta Roberson:

Time?

David Souder:

I do think the purest form of competition is not the fixed sum of how do you beat somebody else, but how do you get better and better and better. I think that's what Adam Smith was writing about. I think that's the notion of it, that it is socially good, not just individually good, but you have to think of a pie-expanding world to think of it that way. And when you think of the pie expanding, it's both in size, but that is implicitly a “over time”, we're going to make this better over time.

I think of education as the ultimate long-term investment. And not just for the families who put the money in to go to college, but also the public investment in K-12 schools, in public universities like this. This is what you do to develop a community of people who are creative, innovative. They know what's already out there and their chance to do something beyond that is to create new things. As long as you go into something that you are interested and passionate about and feel like you can make a contribution to the world, I think we're doing something that is good, is expanding the pie over time, making the world a better place.

Ken Szymusiak:

Thanks again for joining us today, David. It has been great having you on the podcast. As we close out, is there anything you're particularly excited about for the future, whether personally or for Broad or for MSU as a whole?

David Souder:

I think that we're on a great trajectory at Michigan State. The world is coming to appreciate, more than it has in the past, the value of public research institutions and the students who come through here. And I think there's this increasing recognition that being part of the public system is actually going to be a benefit for being successful in the workforce going forward. So I think there's a great opportunity to keep building on the tradition that's here but achieve even better outcomes in the future.

Quinetta Roberson:

Thank you so much for being here today, David.

David Souder:

My pleasure. Thanks for having me.

Ken Szymusiak:

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Broad Matters Season 8 Episode 2
“A Conversation With Dean David Souder” with David Souder

Quinetta Roberson:

And remember, like, rate and subscribe to Broad Matters on Apple Podcasts and Spotify. That does it for this episode. I'm Quinetta Roberson.

Ken Szymusiak:

And I'm Ken Szymusiak. Join us next time to hear faculty and staff weighing in on relevant issues and discussing how their work makes an impact illuminating how and why Broad matters.