

# **IU Kelley School of Business receives \$4.8 million gift to create global business institute: IU News Room: Indiana University**

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**Latin America to be a primary focus**

**FOR IMMEDIATE RELEASE**

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BLOOMINGTON, Ind. -- A new institute created through a \$4.8 million gift will greatly increase activities by Indiana University's Kelley School of Business within Latin America, while also energizing the school's overall diversity and globalization initiatives.

The Institute for Global Organizational Effectiveness is being established through a private gift coordinated by The GEO Global Foundation. It is the largest single gift to the school from someone who is not an IU alumnus. Ariel Aisiks, founder and chief executive officer of GEO Capital Holdings LLC, will chair the new institute's advisory board.

Herman Aguinis, Dean's Research Professor in Kelley's Department of Management and Entrepreneurship and a native of Argentina, will direct the new institute. He said it will merge the research, teaching and outreach functions in order to enhance the value of a Kelley education in Latin America, both for graduates and the companies that hire them after graduation.

"Much like in China, where there are millions and millions of people, quantity is not the same as quality, and for many organizations from Latin America to be able to hire an MBA trained at Kelley who is fully bilingual, fully bi-cultural is a gem," Aguinis said. "The vision is that Kelley will be the business research and education provider of choice for Latin America 10 to 15 years from now."

The potential for economic expansion in Latin America mirrors what is taking place in other emerging markets around the world. Today, Brazil is the largest economy in Latin America and the 10th-biggest in the world, and it is expected to break into the top five in a few decades. Several other nations -- particularly Peru, Chile and Mexico -- are seeing their economies picking up steam.

"At GEO Capital, we are actively involved in supporting human development through global programs focused on poverty alleviation, education and social entrepreneurship. This tremendous initiative embraces education as a core value of community welfare and human progress," Aisiks said. "Our team members will partner with established educational leaders in IU and the Kelley School to support emerging social entrepreneurs and projects that promote sustainable change that will improve conditions in local communities. The institute will be a means of building bridges between Latin America and other economies around the world."

"At Indiana University, we have invested heavily in strategic efforts to increase the global competencies of our students," added IU President Michael McRobbie. "Part of this effort includes developing programs that foster greater understanding among our students of critically important areas of the world. We are most grateful for this extremely generous gift, which will enable the Kelley School of Business to develop new educational and research opportunities for students seeking a greater cultural and economic understanding of Latin America which contains some of the

world's leading emerging economies."

"We are deeply grateful for this generous gift, which provides extraordinary support for globalization, one of five strategic initiatives for the campus," added Bloomington Provost and IU Executive Vice President Karen Hanson. "The future of higher education demands engagement and collaboration in efforts to foster innovation throughout the world. The Institute for Global Organizational Effectiveness will be at the forefront of such efforts."

Like its other recent ventures into India and Korea, the new institute eventually will help the Kelley School increase its footprint in Latin America, said Dan Smith, dean of the Kelley School.

"True globalization is now a reality and with it comes new demand for finding, developing and retaining top talent," Smith said. "Talent is now being sourced from a global marketplace and is the world's most sought-after commodity. 'Knowledge workers' in particular are critical to organizational and national competitiveness.

"In today's international marketplace, firms that excel will be those that are able to create and sustain productive collaboration among employees from different countries, cultures and backgrounds," Smith added. "Winners will be those firms who can actualize the performance potential that is embedded in a diverse workforce. The Institute for Global Organizational Effectiveness will in particular produce better awareness in an important region, Latin America. This is truly an incredible opportunity for the Kelley School and all of us are grateful for the leadership role Professor Aguinis has played in making it possible."

Activities of the new institute will include:

Global fellowships for up to eight new MBA students annually, who will receive a two-year \$25,000 annual stipend. They will be involved in research and consulting projects that not only will benefit partner Latin American companies, but also will support research by Kelley doctoral students. About 55 such fellowships will be awarded by 2019.

Similar global fellowships for Ph.D. students consisting of a \$25,000 annual stipend on top of their full tuition fee waiver during the five-year program. Eight such doctoral fellowships will be awarded by 2019. The institute will enable Kelley to match what is offered to qualified candidates at other top business doctoral programs, including Harvard and Stanford universities.

Research studies based in part on data provided by MBA consulting projects that will result in new "actionable knowledge" on Latin America that will be presented at major conferences and published. The companies also benefiting from the research will provide additional financial support and offer employment opportunities to MBAs.

Outreach that will lead to synergistic relationships with companies across Latin America, so they inform and support the institute's teaching and research efforts, while also gaining knowledge on how to best augment their own human capital.

The institute serving as a hub for a network for current and former Kelley MBAs throughout Latin America, as well as a conduit for firms that need professional development for employees offered through Kelley Direct, which offers degrees and customized programs online.

The MBA and Ph.D. fellowships are open to anyone with a specialization or interest in Latin America, including individuals who previously have worked for companies there. Ethnicity is not the only criterion, but special consideration will be given to students who are originally from Latin America or who have a direct connection there.

The institute is one of several strategic efforts to expand global education experiences at Kelley. The federally funded Center for International Business Education and Research is expanding its activities in Latin America. MBA students

involved with the school's Global Business and Social Enterprise (GLOBASE) initiative have worked with companies in Peru.

In addition to the gift, the IU Office of the Provost is providing \$10,000 annually for five years to support the launch of the institute.

"This is a dream for me to be able to give an opportunity to so many motivated and smart students, who would be denied that opportunity otherwise," Aguinis said. "It also is wonderful to improve the human capital of organizations throughout Latin America. Kelley is the right place to do that because of the caliber of the faculty, of the students and the infrastructure at IU."

More information about the Institute for Global Organizational Effectiveness is available online at <https://www.kelley.iu.edu/igoe>.

The gift will be counted as part of the Matching the Promise fundraising campaign for the IU Bloomington campus.