

# PhDs in Business

## Working at the Frontiers of New Knowledge

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### Considering a PhD in business?

As a Northwestern student, we understand that you have many opportunities to consider as you determine the path for your career. The Kellogg School of Management would like you to consider a PhD degree as one your options, which will set your course for an academic career as a research professor. The information below serves as a guide as you determine whether a PhD is for you.

### MBA vs. PhD – What is the difference?

This is a common question because many think the logical step is to earn an MBA and then go on to the PhD. Actually a master's degree is not required when applying for a PhD. Furthermore, the PhD degree is not a “super-charged” MBA, and it should not be viewed as the next step to upper-level management and consulting jobs after earning an MBA.

While both programs center on issues in business, the approach they take is very different. To determine which degree is for you, think about your end goal – where do you see yourself in your career?

#### MBA

The MBA (Master of Business Administration) is a general management degree that touches upon the various principles and disciplines found in business. This type of training does not allow MBA students to delve as deeply into the subject matter as they might wish; the training is not designed for pursuing foundational research. Many MBA programs require work experience, which will build upon the practical experience already earned, taking students to the next level of upper management positions.

#### PhD

The PhD is about being immersed in a particular discipline or combination of disciplines centering on how the world works. It is a focused examination and designed for those who are curious, who love to explore, and who are creative. If you are attracted to research and having the business world serve as your laboratory, solving the problems facing managers today, a PhD would be a great career choice – the end goal being a research professor.

### Why get a PhD in business?

A PhD is ideal for those who like to think outside of the box; who like to be challenged by new ideas, new experiences; and who like to challenge others. PhD students shift from being the *consumers of knowledge* (what they learned in class and through reading the academic literature) to being the *producers of new knowledge* (which is then disseminated through their teaching and published research) – you can change the way businesses work and how people think.

## **What are the benefits of a PhD?**

The fundamental goal of academic institutions is to train thought leaders who push the frontiers of knowledge and who will make contributions to business practice and social welfare. If that is appealing to you, then consider a PhD! The benefits are numerous:

- Research training from some of the best scholars in the world
- Financial support while you are in the PhD program
- Continual learning throughout your career
- Flexibility
- Personal satisfaction

## **Where do PhD graduates get jobs?**

It is a common practice that the university that trains you for your PhD degree is not the university that will hire you. The mission of doctoral programs is to provide students with the skill sets they need as researchers so they can contribute their hard work and intellectual capital to the school that hires them. Most doctoral students join colleges and universities as professors; however, a few enter government, the Federal Reserve Bank System, investment banking, industry, and consulting.

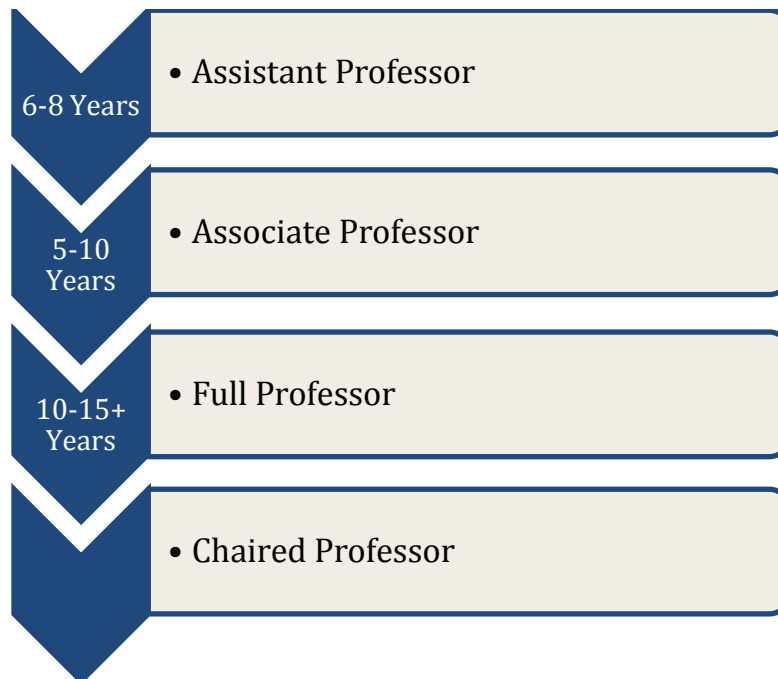
## **What can PhD graduates expect from an academic career?**

How many people actually say they love their job or I can't believe they pay me to do this? Well you will hear these statements in the hallways at colleges and universities. Why? Because in academia professors can actually choose what they want to work on – they create their own research agenda, study what they want to study. In a business, you are often assigned a particular project by your manager, and you do not have the freedom to explore the issues and questions important to you.

While teaching comes with being a professor as well as administrative service, such as department chair, managing doctoral/faculty recruitment, managing department research seminars, etc., most of the time professors get to sit back and think critically and interact with their colleagues on research projects. Yes, they pay you for that!

## Advancement in academia – What is the process?

Similar to the corporate ladder, where your hard work and achievements are recognized through promotion, in academia professors are promoted due to the impact their research has made in the field through their publications in peer-reviewed journals. The illustration below provides a step-by-step timeframe of the typical track for advancement in academia:



## What is business research at a university?

Research at a business school is not limited to a balance sheet and profit margins. There is a vast array of research areas within business schools that range from quantitative research (mathematical models and theory) to behavioral research (studying the behaviors and actions of people in organizations, as consumers, and as financial decision makers).

PhD study is very interdisciplinary and appeals to students in non-traditional business degree programs. Doctoral students admitted to Kellogg have earned degrees in economics, engineering, the humanities, mathematics, the natural sciences, operations research, engineering, psychology and sociology.

Those students interested in behavioral research do not have to limit themselves to straight psychology or sociology PhD programs; they could consider a PhD in marketing and management and organizations. Those with strong math backgrounds do not have to limit their scope to math, economics, science, and engineering PhD programs; they could explore research within accounting, finance, managerial economics and strategy, quantitative marketing, and operations management.

# Areas of Study in Business Management

The list below covers many research areas in business, but is not all inclusive.

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## Economics and Finance

- Asset Pricing
  - Banking and Financial Institutions
  - Behavioral Economics
  - Contract Theory
  - Corporate Finance
  - Crisis Management
  - Derivative Securities and Markets
  - Econometrics
  - Economic Decision-Making
  - Economics of Strategy
  - Emerging Markets
  - Entrepreneurship and Innovation
  - Equity Markets (Stock Market)
  - Game Theory
  - Healthcare Management and Economics
  - Industrial Organization
  - Information Economics
  - International Economics/Finance
  - Law and Economics
  - Macro/Microeconomics
  - Monetary Policy
  - Political Economy
  - Social Choice Theory
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## Accounting

- Auditing and Control Systems
  - Financial Accounting and Analysis
  - Firms' Disclosure Policies and Practices
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## Management and Organizations

- Corporate Governance
  - Decision Making
  - Diversity
  - Ethics
  - Negotiations
  - Networks and Alliances
  - Strategic Adaption and Change
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## Marketing

- Analytical and Empirical Marketing Modeling
  - Brand Management
  - Consumer Behavior: Motivation and Emotion
  - Marketing Strategy and Policy
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## Operations Management

- Distribution and Supply Chain Management and Logistics
- Capacity and Production Planning
- Control of Processing Networks
- Contracting and Mechanism Design
- Revenue Management

## PhD study – What are the requirements?

Doctoral programs in business share common degree requirements. On average, Kellogg doctoral students complete the degree requirements in five years of full-time study. For the most part, coursework and statistical training account for the first two years, and the next three years are focused exclusively on research and professional development.

### Requirements and Timeline\*

#### Year 1

Coursework  
Qualifying (Field) Examination

#### Year 2

Coursework  
Initiating Research Projects  
Qualifying (Field) Examination  
Candidacy  
Teaching/Research Assistance  
Professional Development

#### Year 3

Continue Research  
Research Presentations (departmental and  
academic/industry conferences)  
Forming Dissertation Committee  
Dissertation Proposal  
Teaching/Research Assistance  
Professional Development

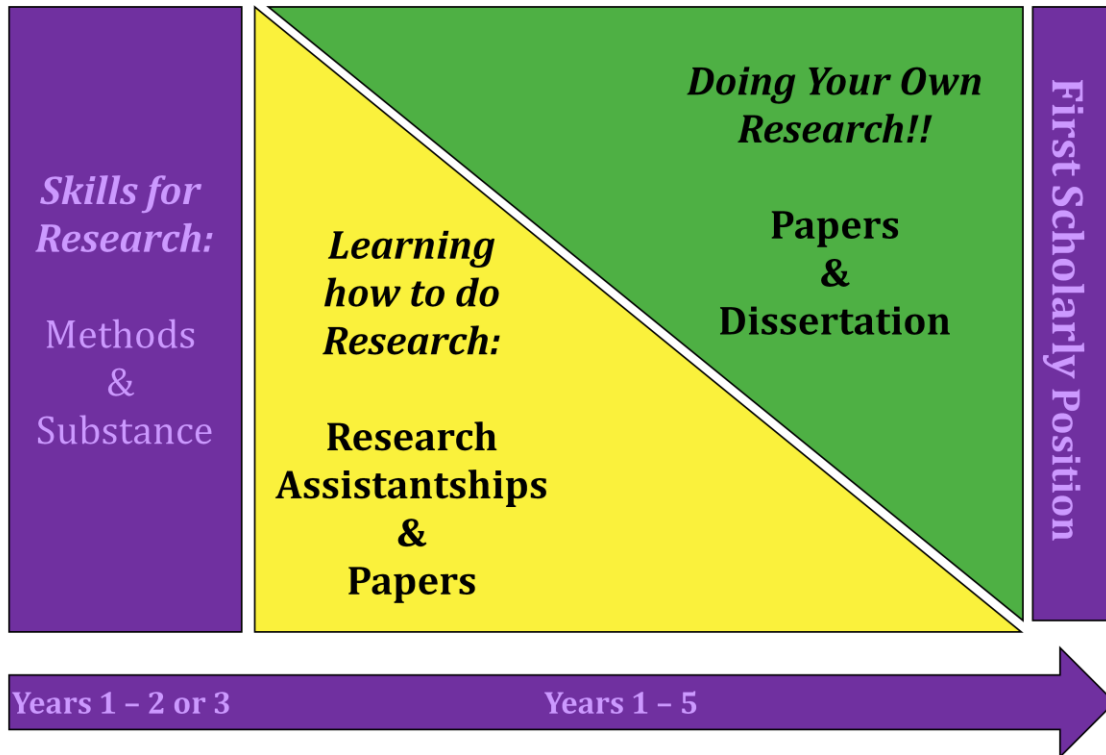
#### Years 4 and 5

Dissertation Proposal  
Continue Research  
Research Presentations (departmental and  
academic/industry conferences)  
Teaching/Research Assistance  
Professional Development  
Possible Teaching Appointment  
Dissertation and Final Examination  
Academic Job Placement

\*While there may be slight differences when fulfilling degree requirements across programs, this template is pretty standard.

## The PhD experience – What is it like?

On average, students complete the PhD program in five years. During that time, students are working closely with faculty through their coursework and research collaborations. They are acquiring the toolkit needed for research, such as training in statistics and research methodologies and a foundation in the academic literature of the field, culminating with the dissertation. The graph below illustrates this experience during the years in the program.



As a student progresses through the doctoral program, he or she can ask the question: "How can I make the most of my PhD training?"

### Coursework Assignments

- How can these methods help me advance my research interests?
- How does this theory illuminate my research interests?
- Where does my research make a contribution?
- What other departments offer seminars that will help me develop my research toolkit?

### Research Assistantships

- How can I add value to this faculty member's research project?
- What can I learn?
- Is there an opportunity for me to earn the right to be a junior author on this project?

## How do I pay for a PhD?

The PhD program is an integral part of the research mission of the university, and funding is allocated to support doctoral students. Also, because the time devoted to PhD study is essentially like a full-time job, students are not able to hold a job while attending school. Therefore, a generous financial aid package is provided to students.

The Kellogg School of Management provides the following package covering 5 years:

- Tuition scholarship
- Stipend/fellowship (a monthly check that is managed by the student to help offset living expenses while going to school)
- Health insurance coverage in the Northwestern student plan
- Laptop computer

This funding is not treated as a loan; it is not paid back to Kellogg. This financial aid is provided to students while they are enrolled in the program, in good academic standing, and actively engaged in the research activities of the school.

Additionally, there are other opportunities for funding to support research, such as travel grants to present papers and attend conferences, data and software for research, subject fees for behavioral experiments, and more. Students are paid as teaching and research assistants for the purpose of professional development (mentoring/training by faculty) and financial support (to earn extra money).

## What qualities are PhD programs looking for?

PhD study is competitive and often there are more qualified candidates than slots available. What qualities can set you apart from the average applicant? Business doctoral programs are looking for those who:

- Are intellectually curious
- Are interested in academic research
- Have research experience (ideal but not necessary)
- Have backgrounds in social science or math-related disciplines (ideal but not necessary)
- Have strong letters of recommendation – preferably from professors familiar with the applicant's academic background and potential for research
- Have a strong academic background
- Are a good fit with the research interests of the faculty
- Understand what a PhD program is and is not (as outlined in the past few pages)

## What is the process to apply?

You have decided to apply, but now what? You should consider schools that would be a good research fit for you; specifically, there should be a core group of professors at the school who have the research expertise to support you in your own research endeavors. Most schools have online resources to help you search and identify research faculty by area.

Once you have narrowed down the schools, you will prepare an application:

- Application form
- Statement of purpose – outlining the your research interests and reasons for seeking a PhD
- Résumé
- Transcripts
- Test scores – GRE or GMAT
- Recommendation letters
- Research paper – not required but can make a difference in the admission decision
- Interview – many schools (Kellogg included) interview applicants who are strongly being considered for admission.

## How can I make my PhD application stronger?

One of the most important assets you have as a current Northwestern student is the support network of professors. You are strongly encouraged to contact faculty in the field you are interested in. They can provide invaluable information to you (they were in your situation at one time!) and also help you navigate the PhD application process.

It is also recommended that you get engaged on a research project with a professor. You will receive invaluable experience, and you will have a story to tell within your statement of purpose about the project you worked on, the research methods used, and the results/conclusions. From that research project, you will have a professor who will write a strong and informative recommendation letter for you. Letters from professors are preferred when applying for a PhD. Because it is a small community of scholars, the professors know each other within the field. A letter from a professor will carry a lot of weight with an application.

Another option through the Kellogg School of Management is the **Undergraduate Certificate Program**, which provides coursework augmenting the student's undergraduate major. There are two programs currently available:

- Financial Economics
- Managerial Analytics

These certificate programs provide students with the tools necessary to apply and interpret financial, analytical and strategic models when making business decisions. The skills developed are extremely relevant to PhD study, and this training would set you apart from other applicants.



## Final Thoughts

The Kellogg School of Management, its staff and faculty, is a resource for you as you determine if a PhD degree and academic career in business are for you. Feel free to contact the Office of Doctoral Studies for more information and guidance on the process and career opportunities. We hope you will consider Kellogg for your PhD studies!

## Web Resources @ Kellogg

For more information on Kellogg's doctoral programs, please refer to the resources below:

### ➤ **Doctoral Programs**

[www.kellogg.northwestern.edu/Programs/DoctoralProgram/Programs](http://www.kellogg.northwestern.edu/Programs/DoctoralProgram/Programs)

The Kellogg School of Management offers seven programs of study at the PhD level:

- Accounting Information and Management
- Finance
- Management and Organizations
- Management and Organizations and Sociology (joint program with the Weinberg College of Arts and Sciences)
- Managerial Economics and Strategy
- Marketing
- Operations Management

### ➤ **Research Resources**

[www.kellogg.northwestern.edu/Programs/DoctoralProgram/Research](http://www.kellogg.northwestern.edu/Programs/DoctoralProgram/Research)

Find Kellogg's research faculty and the research resources available to doctoral students.

### ➤ **Admission Requirements and Process**

[www.kellogg.northwestern.edu/Programs/DoctoralProgram/Admissions](http://www.kellogg.northwestern.edu/Programs/DoctoralProgram/Admissions)

The Kellogg School of Management accepts applications to its doctoral programs each fall. The next available entry is fall 2012. The online application will open in September 2011 and the application deadline is December 31, 2011.

## **Contact**

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