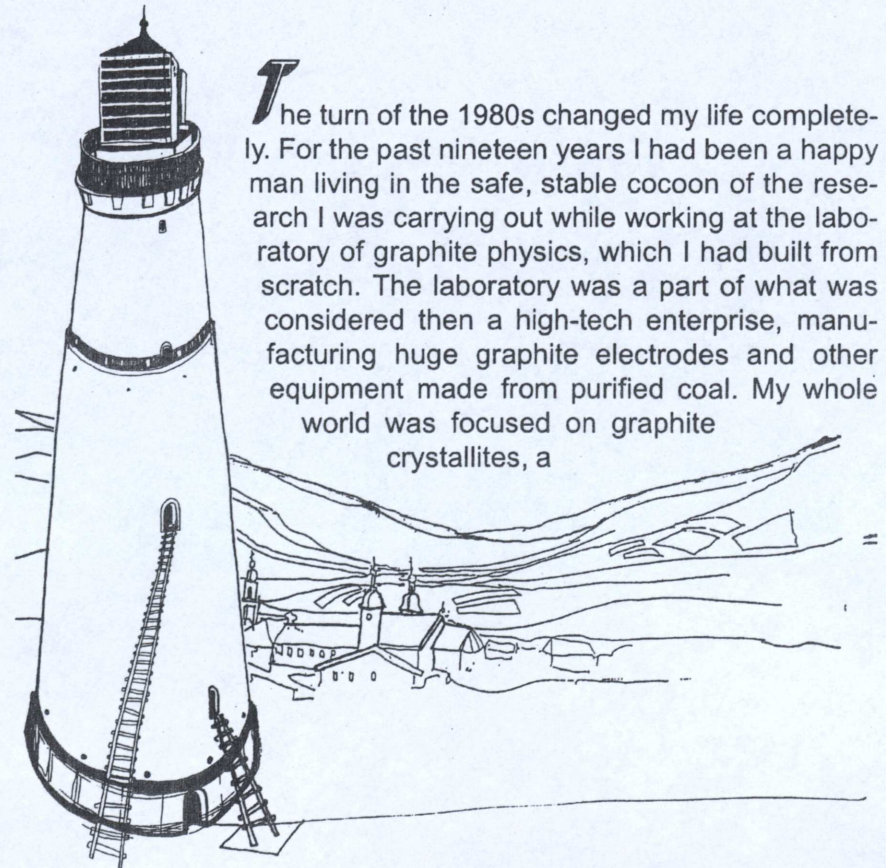


Krzysztof Pawłowski

NAVIGATING THROUGH THE MOUNTAINS

A Higher Call



The turn of the 1980s changed my life completely. For the past nineteen years I had been a happy man living in the safe, stable cocoon of the research I was carrying out while working at the laboratory of graphite physics, which I had built from scratch. The laboratory was a part of what was considered then a high-tech enterprise, manufacturing huge graphite electrodes and other equipment made from purified coal. My whole world was focused on graphite crystallites, a

thousandth part of a millimetre in size, and my only ambition was to succeed in my research. I had a good start; my Ph.D. thesis was probably the first one in Poland done by a physicist working directly at a manufacturing plant; I had at my disposal the best equipped laboratory in this part of the world, and I was finalising work on the technological process of manufacturing ultra modern material, the so called coal-coal composite which, I hoped, would bring me a substantial amount of money and better recognition. It was at that moment that I jumped into the black hole, as one could judge my decision to run for the Parliament, without realising that I would never be able to come back. From a man who was used to working with only a small group of few assistants and who cherished family life and his small circle of dedicated friends, in an instant I became surrounded by hundreds and started working with hundreds of other people. One thing that did not change was my penchant for creating new institutions and permanent structures. I treated politics as a duty (one needed to contribute to the fall of communism,) and as an intellectual challenge. The one thing that bothered me from the very start though, was the boring work of a Member of Parliament.

As early as October 1989, at the very onset of my „*new life*”, something happened which turned my life completely up-side down. During a study trip to Germany for the first time in my life I visited a business college. The experience was amazing: I had never worked at any university, nor had I ever been interested in teaching. However, after the first hour of my visit to WHU in Valendar, a small private and exclusive business college, and a short discussion with its students, I realised that my life's goal was to establish such a college in Nowy Sącz. I know that now my words sound incredible and might be interpreted by some people as an attempt at building a myth of my inspiration. Nevertheless, it really happened; The only thing I remembered after a ten-day long, very intensive trip during which I must have had several dozen visits and meetings, was this one visit and conversation with the Head of that business college and several cheerful and „cool” students and my resolution to create such a college. From today's perspective and the knowledge, sometimes painful, which I have gained in the process, I can judge that decision as completely irresponsible and silly. From a rational point of view such a venture could not have worked in Nowy Sącz.

Nowy Sącz during 1980s

By the end of the 1980s, Nowy Sącz was a small capital of voivodship (population 70,000) and a town whose residents could be divided into two groups of more or less equal size. The first was comprised of the Nowy Sącz people whose families had lived there for generations and who were very proud of the town, but not very clear about what constituted the basis of their pride. The second group consisted of migrant farm workers, technicians and civil servants from neighbouring villages, who moved to the town because of their jobs. Nowy Sącz has always been renowned for its magnificent location in the valley, at the fork of three rivers surrounded by the mountains. Local inhabitants, called the highlanders, have always been independent and valued honour and freedom above everything. The anticommunist resistance in the Warsaw style never existed there; instead it was organised around several small informal groups, very often bound by friendship and created after August of 1980. Nowy Sącz has been a town typical of the Małopolska region, or rather for Galicja: very conservative, cherishing tradition, rejecting new trends, and the Catholic church and its clergy in a dominant position. This conservative approach was also demonstrated in the rejection of socialism and the unwillingness of locals to pursue political careers in the Communist party (a membership in the PZPR—United Party of Polish Workers—was treated as calamity.) Life in the town moved with a sleepy pace, a small group of local artists lived in its tight circle, educational opportunities were very limited and consisted of a network of secondary schools and one institution of higher education, namely a teacher training college. Two secondary comprehensive schools, a few technical colleges and a handful vocational schools were all the town had to offer. Those who were ambitious, or had ambitious parents, left Nowy Sącz to study, mostly in Cracow, and hardly ever came back.

Having received my degree in physics at Jagiellonian University in Cracow, I returned to Nowy Sącz for two reasons: I had a family and did not fancy moving in and out of faculty dormitories or rented rooms and I learnt that the graphite plant in Nowy Sącz was establishing its own research laboratory which gave me an opportunity to do something useful (I am not a theoretical type, my specialisation was the physics of the solid body). Many of my university friends

could not understand why I decided to move back to the little provincial town and „waste” my life in a small laboratory, but I never had any doubts about my decision, and in 1969, I started working in Nowy Sącz. There I met two people with huge imagination: One was the managing director, in his late thirties, and a slightly older lady who was the head of the laboratory. They were a very unusual pair co-operating very closely: He—a successful man who had worked his way up the career ladder starting as a manual worker and studying on weekends, very talented, career-oriented, strongly involved in local politics; and she—not a party member, devout Catholic, intellectual, fluent in two foreign languages, strict but excellent at managing a group of university graduates. They both played an important role in my life. He took the risk and bought very expensive research equipment and employed me, a man who did not contribute directly to the production process, and protected me during martial law. She set standards I wanted to comply with and enabled me to meet world’s leading researchers.

By the end of the 1980s I regained my vitality, after the martial law period and serious illness, and was thinking of finalising some important matters, namely I wanted to develop my academic career and improve my material status by setting up a private enterprise to produce the coal composite mentioned earlier. It was then that Poland regained its freedom and there came new times I had not even envisioned of in my wildest dreams.

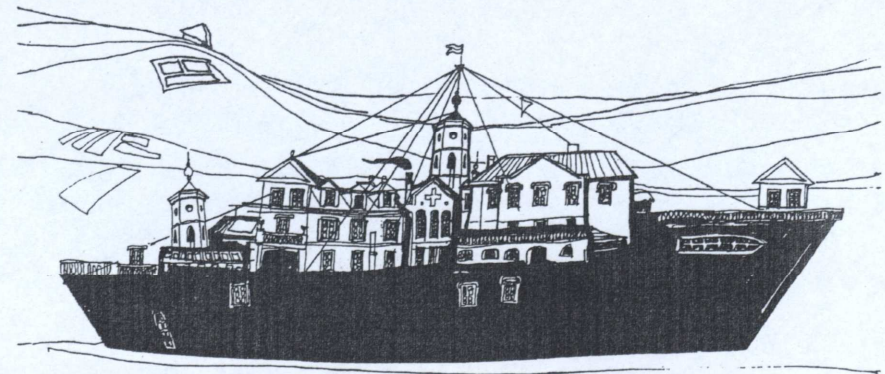
The Nawojowa Palace

As Poland herself, the Palace in Nawojowa has a strange and complex history. It used to be the seat of one branch of the Stadnicki family who used to be rich land owners and the place where in the 1980s (starting with martial law) special anti-riot militia troops were stationed. It has also housed a special institution: an agricultural consulting centre, which was sponsored by the state. I can not understand why the consulting centre was located in Nawojowa, which is not easily accessible to poor farmers, and the only reason which comes to my mind is that it was one of those stupid decisions made by the communist authorities. The militia troops, acting out of boredom as well as out of stupidity and arrogance, devastated the

residential part of the palace and in the late 1980s, the agricultural consulting centre received a substantial amount of money to renovate and redecorate it, possibly with the purpose of organising residential training courses. In 1991, thanks to wise people who supported my vision, we ended up in the Nawojowa Palace. At that time „we” comprised the Nowy Sącz-Podhale.

Educational Foundation, established by me at the beginning of 1991 and consisting of two dozen people, all my acquaintances, mostly from Nowy Sącz, as well as Sweden and Warsaw. I did not want to be the sole owner of the emerging business college. In 1991, the school was a two-year, non-degree college. We started from scratch: Our foundation’s start-up capital was \$2,000, we had an idea and one part-time employee. But I had something special: the obsession to create an elite business college and the invaluable support of two people—the first business magnate of Nowy Sącz, „the king of poultry”, Kazimierz Pazgan, who shared my obsession, and my wife, who was the head of the local chamber of commerce.

It was difficult to adapt the palace in Nawojowa to its new function of a seat of learning. In its first operating year, the school had 64 students—a group small enough for one small lecture hall and four classrooms. The college administration occupied only three rooms.



Looking back at those times now, in 1998, I can only admit how irresponsible I was to have started the whole venture. In the small group of people who started creating the college with me there was not a single person with experience in academic administration, the programme

which we had purchased from the Ministry of Education was completely useless, a representative of foreign aid institutions who arrived here to act as the Director of Studies (top professional, judging by her references) turned out to be mentally unstable, my great advisor from Sweden lacked some organisational skills, foreign volunteers teaching English were full of enthusiasm but each used different methods and taught different things—a total madhouse. The only stable elements were the office of the Chamber of Commerce and a small governmental subsidy which allowed us to purchase tables, chairs, our first computer lab and a language lab I was very proud of, but which turned out to be a complete flop. Everything was done at the very last moment not because we were a useless and incompetent group, but because we had to accomplish in six months a task, which under normal circumstances, takes two to three years. From that time I vividly remember three occasions. The first one was a very emotional discussion among the organisers in August 1991, during which our Director recommended postponing the opening of the college by one year. Finally, we moved the opening date back by one month, and I believe that if I had listened to her advice, the college would have never been created. The second occasion was the official opening ceremony attended by the group of sixty-four would-be students and their parents, during which came the clear and almost painful realisation that I was personally responsible for this group of youths who believed in my promise and the resolution that I would never disappoint them. The third occasion was a business lunch in Washington, DC, with the director of one of the American foreign aid institutions, who, having listened to my story of organising the college, warned me that my venture would not succeed and that it took two years of preparation and thirty professionals working with the support of the state authorities to establish a similar college (he used the name) and admit students.

Down to basics

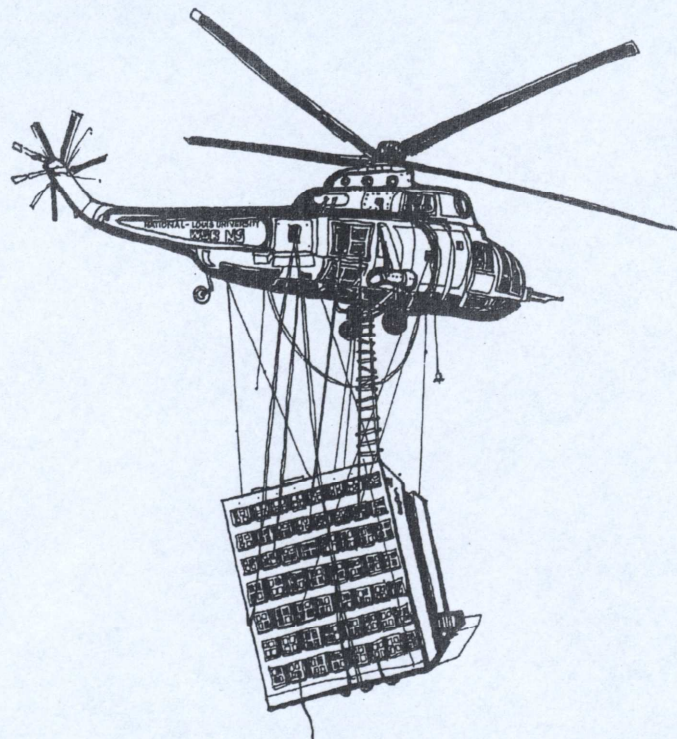
The first time I became familiar with the break even point principle (i.e. the moment when an academic institution can cover all its costs from the tuition fees set at a certain level) was in November 1991, when we realised that apart from our enthusiasm, we would need professional curriculum (not the goodwill of voluntary teachers) and that we would need a lot of money to cover the costs of running the

business college. The real problem we faced was how to get the money we needed to buy coal to keep an old and inefficient boiler at the palace running. It was then that I embarked on a four-year campaign, acting as the leading beggar of the Third Republic of Poland, a process which is euphemistically called „fund-raising” in a better organised world. I attempted to find supporters for my vision of the future’s best business college in Poland among my friends from the higher echelons of Polish business circles befriended through the Business Centre Club which I helped to organise, and through the network of local chambers of commerce. Very rarely were my efforts successful. In total, I managed to raise less than one million dollars. I vividly remember the first bigger donation we received \$ 10,000 – a huge sum for us at that time. During the forum/seminar „Poland-East”, one of the magnates of the Polish private business enterprise simply took the money out of his wallet and handed it to me without any receipt. I also remember how, at the time of the first successes of WSB-NLU, the president of one of the biggest banks told me very sincerely: „Krzysiek, we donated this money to you then (it saved us from bankructy) because I like you and we could see your pain, but honestly then I never really believed that you’d make it work.”

I have very bad memories from the long period of the school’s financial instability, many a time I was humiliated by „the mighty”, although I was never motivated by private gain and never asked for financial support to benefit from it (I received my first salary from WSB-NLU in 1993.) However, the effectiveness of the fund-raising effort was sufficient to enable the school survive and start investing in infrastructure, which allowed us to increase the enrolment and this , in turn, raised the school’s capital and lowered fixed costs per person. Therefore, today, trying to avoid „begging”, I protect the budget balance with all my might. I fight for the budget balance as if I were fighting for independence.

Navigare necesse est

Sometimes when I analyse what we have accomplished in Nowy Sącz, I wonder why those first students who could see chaos, financial difficulties and organisational weaknesses, did not resign from the school after a month or two. I am sure many advised them



to do so. I think that one thing was decisive namely I personally could give them their dreams about their own future careers. Many of those who graduated in the first two years are developing impressive business careers, they are climbing the career ladder very rapidly. They simply believed in their potential, the rest was additional. Another factor which made them stay at school was a very intensive

English programme. Countless times I was a laughing stock of the luminaries of the Polish academic world who criticised me for making foreign language learning the school's main focus and its competitive advantage. However, it has always been the strength of our institution. Finally, we gave our students the „myth” of the Polish-American business college. One cannot overlook the mentality of the people from Podhale and the region around Nowy Sącz (originally the majority of students came from these areas) who hold USA and Chicago, in particular, in high esteem. In this region people still uphold „the golden dream of Chicago”, which is seen as a place associated with wealth, success and the drive forward. Very soon after the two-year college admitted its first students, terrified and overwhelmed by my complex task, I started looking for academic support from the USA, mostly through Polish diplomats I knew in Chicago and through the Podhalanie Association. I was looking for a business school which, as I naively believed, would donate to the school its business curriculum and the English as a foreign language programme free of charge. It was a pure coincidence that a Polish émigré from the 1980s, who was working at a small and not very well-known private American university National-Louis University which has campuses both in Evanston and Chicago, managed to persuade his superiors that by opening its campus in Poland, NLU would enhance its image among Polish émigré communities in Chicago, where a substantial number of its American students came from. In 1991, NLU sent its representatives to Poland with the mission of finding an appropriate academic institution as a partner. They came back empty-handed: big, renowned state universities were not interested in the co-operation because they had plenty of similar offers from top western educational institutions. However, in November, 1991, the representatives of NLU came to Nowy Sącz and were received by my Swedish advisor, Per Gustaw Nilsson, as I then had some engagements in Warsaw. The Americans must have been shocked when they saw „the school” in Nawojowa; nevertheless, they started negotiations. What contributed to their decision might have been the fact that the Vice President of NLU at that time was , and still is, a historian who not only understood what NLU could gain by helping an unknown school off the ground but also had a vision of the American mission in Central Europe. Finally, on May 8th, 1992, we signed an agreement on upgrading the two-year

college to a degree granting School of Business. I did not realise then that we did an impossible thing: Within four months we had accomplished the task of negotiating and signing the agreement of co-operation with a foreign academic institution, a process which in most cases takes years to see through. Our American partners gave us their curricula, the name of the school and not a penny; however, they sent three programme administrators, and at the same time, lecturers for a period of one year. And this was the moment that decided our future success—we did not get Nobel prize laureates, but people who introduced and maintained American university standards and very successfully created the image of WSB-NLU as a Polish -American university.

Blur

I keep thinking about three books and four names connected with them, as well as their theses, I best remember:

- Peter Drucker's thesis from 1980 about the coming of „turbulent times” (1)
- Michael Crozier's thesis from 1995 about the need to build free and less corporational institutions than the classic French universities (2)
- a very recent book, which I am trying to cope with, written by Stan Davis and Christopher Meyer titled „Blur”, which I received at the Global Forum on Management Education in June, 1998 in Chicago (3). Davis and Meyer observe that the world we are going to live and work in, some of us are already there, is becoming unclear, foggy, simply blurred. „Blur” is a product of three factors: speed, connectivity and intangibles.

I am more and more prone to believe that if the same group of people using the same means attempted to repeat the process of creating the Nowy Sącz college but started, for instance, in the year 2001, they would fail because the situation in the field of Polish higher education would be too stable and predictable. One can assume that in the year 1991 there existed a particular institutional bubble of time, space and resource (mainly intellectual

capacity) which efficiently absorbed external resources necessary for the development of the institution, and it utilised in a positive way the uncertainty and chaos of the first period of systemic transformation. The following characteristics of the actions we have taken so far can serve as positive experiences which can be utilised in the planning for the future development of the Nowy Sącz school:

- innovation seen as the ability to reject standard solutions and accept new ones, more oriented on the present and future needs,
- multi-dimensionality of the school understood as its openness to business, political and administrative circles,
- strong, unconventional leadership which I have based on my personal integrity and maximum degree of involvement, the qualities I also expect from others; at the same time, leadership seen as a point of reference for students, young people for whom the present times of change and chaos do not pose easy life choices.

Can the unpredictability of the future, or rather, a smaller probability of successful planning, hinder the school's development? I still believe that the fact that the world is changing fast and these changes are more and more radical and unpredictable poses a great opportunity, provided that we do not lose the most valuable elements in our actions, namely the approach of freshness, curiosity, and openness to the world, and we treat our work as a great adventure which can only be compared to the impossible, and which I referred to in the title of this text as „*navigating through the mountains*”.

On top of the mountains

The best press articles about the school were written by the journalists who came to us in order to expose our weaknesses. After a few days' stay, having spoken to both administrators and students, those journalists became the school's greatest fans, a fact which proved to be very beneficial to us.

I would like to present the condition of the institution we called WSB-NLU as of 31 December, 1998 and list our assets and liabilities.

Our assets include:

- ◆ 1134 alumni of the Baccalaureate programme, of which 673 studied full time and practically had no problems finding good positions. Approximately 20% of this group works in Warsaw, and many have started promising managerial careers.
- ◆ An asset difficult to estimate, but very important—a special atmosphere (mood) among the majority of students, strong team spirit and pride of being the students of our school.
- ◆ The majority of students' distinct focus on their own personal success, courage, self-confidence and reliance on their skills. Mediocrity is not accepted by our students and good grades are considered „cool”.
- ◆ The school's very strong ties with Polish business circles. I can honestly claim that these ties are much stronger than those of other leading universities and schools of business.
- ◆ A very good, comprehensive curriculum in the Baccalaureate programme, which broadens students' horizons, as well as provides them with necessary skills and the three excellent Master programmes focused on educating Polish business elites.
- ◆ A strong co-operation with our American partner which enables our students to receive an American BA after an additional year of study at NLU. The Polish émigré community in Chicago claims that the school in Nowy Sącz is the cheapest way of earning an American degree.
- ◆ Strong and stable group of young junior faculty (over 30 people), half of whom have already started their Ph.D. research and are publishing papers. In 1999, two of them will complete their Ph.D. programmes.
- ◆ An invaluable phenomenon of the exodus from state universities of the experienced faculty who, in their forties, decided to leave their positions and come to work for WSB-NLU.
- ◆ A strong team of mathematicians and computer scientists who focus on the practical applications of their academic achievements.
- ◆ A very fruitful relationship with the media, not only local, but also international e.g., Kevin Dove's opinion about WSB-NLU as being „at the cutting edge of transition in Poland,” presented in the *Financial Times*.

- ◆ A large group of foreign language instructors of English, German and French, consisting of over 60 teachers.
- ◆ The acceptance for our activities and achievements granted by the majority of Polish academic circles.

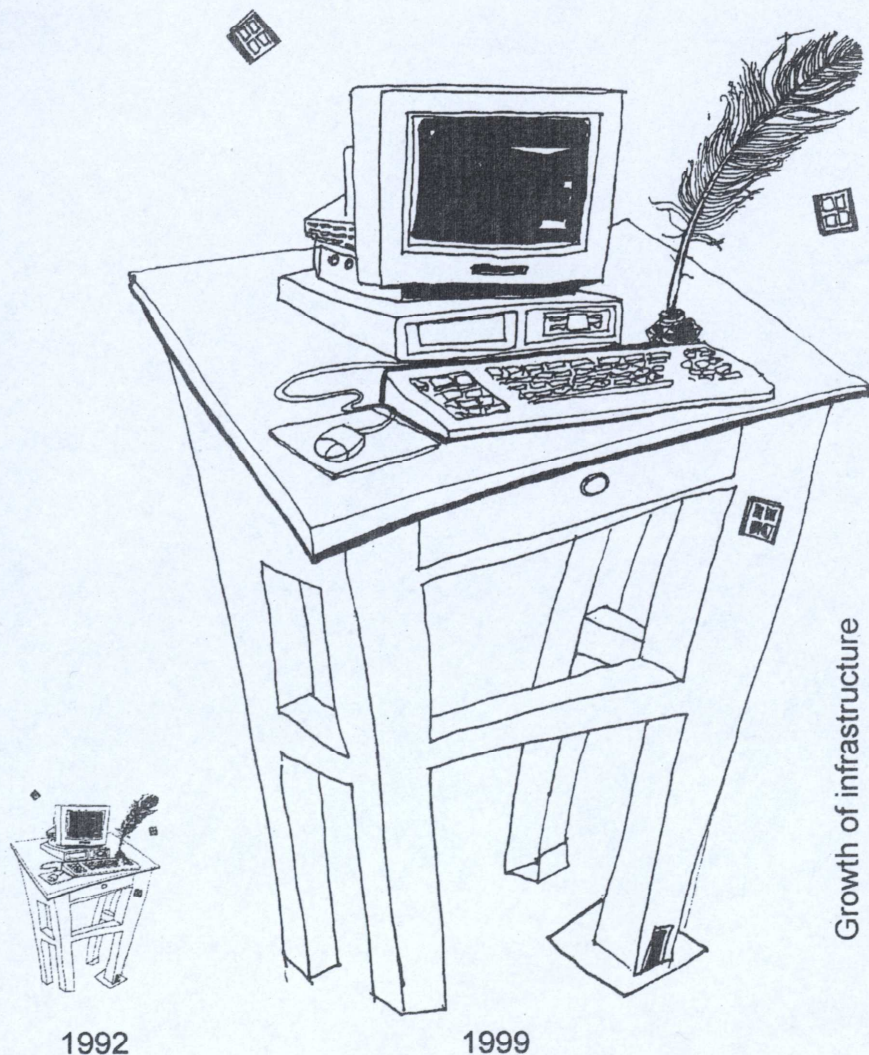
Our liabilities:

- ▲ the still present alienation from the local Nowy Sącz community and the total lack of support from the local authorities.
- ▲ Constrained potential for development funded solely from our own financial resources, resulting from the strategy of fixing tuition fees to enable children from middle-income families to study at the school. With the individual tuition approximately on the level of \$1660 per annum and the number of students not exceeding 3,000, the annual funds available for investment do not exceed \$ 600,000.
- ▲ The lack of state subsidies for student infrastructure (dormitories) and for the programme of faculty development.

The fact that the school was rejected by the conservative town brought about the process of internal integration, the inevitable result from the sociological and psychological perspective. This process is most vivid among students, who, to counterbalance the town's isolationism, have created very strong group bonds and emphasised their differences by focusing on their own advantages.

The dreams of the captain

Since last year, I have been able to think with comfort about the school's distant future, e.g., the next 50 years. The comfort of my position comes from the total financial stability achieved by the school and from the strengthening of its organisational and human resources. Now I realise that it takes many years to create a good university, especially working in Polish circumstances. How many? Fifteen or twenty, and we have survived half or nearly half of this period of time. Now I dream about is the people who, living and working in Nowy Sącz, will receive their doctoral degrees. I also dream that some of our first alumni, having had successful busi-



1992

1999

Growth of infrastructure

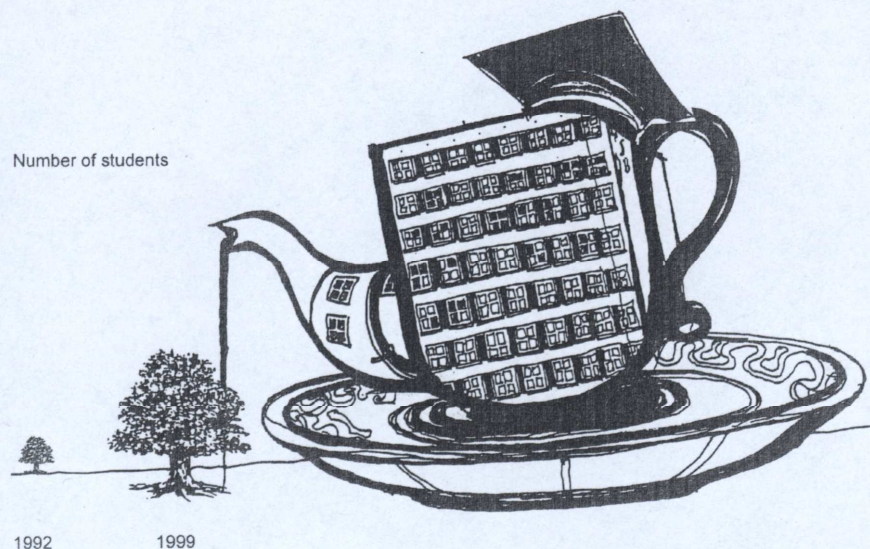
ness careers, will come back to Nowy Sącz to start their academic careers (a few of our graduates already work in the school's administration). I am sure they will bring back to the school the qualities they received here, namely a very strong identification with the school, self-confidence, courage and open-mindedness. I do believe they will fight to maintain the school's position on the leading edge of change.

I also dream about someone special, and the intensity of these dreams increases as my health deteriorates, a person who could become „another Pawłowski”, who could take over the leadership of the school from me. One threat, still present but disappearing slowly, is the fact that the school is identified with my name. It is very flattering to receive awards, to be popular with journalists; however, it poses some dangers, too. Therefore, for the past two years I have been making efforts to delegate authority and responsibility and to structure the school as an institution. I am always on the look-out, both among my employees and externally, for the person who would be able to continue my work in the future.

I also dream about further strengthening the school's image and its leading position among Polish business universities and schools and of making it the leading educational institution of the future, the one which sets standards, implements new ideas and methods, and constantly develops, not only in the area of management education. I believe that future comprehensive education will be based on a multi-dimensional matrix which could be expanded with new knowledge and skills, as necessary. Elements of such educational systems are being currently implemented in Nowy Sącz, and in Poland we are front runners in education, with a new programme which offers graduates a range of opportunities instead of limiting them to some narrow specialisation.

Press articles and opinions of the school's guests often feature somewhat exaggerated comparisons such as „The Polish Harvard” or „The Stanford of the Podhale region”, but I dream that in 15 or 20 years' time, someone abroad will say that their business school is similar to the Nowy Sącz school, because I believe that we should and must be the pioneers of the future. We must achieve this, since the school in Nowy Sącz would not exist if it were not the best. Today, one third of our students come from elite backgro-

unds: from big cities, from families of top successful entrepreneurs, managers, and the intellectuals. Another 10% are graduates from American high schools. We also have students from Slovakia and the Ukraine. They will all come to Nowy Sącz only if the school, its advantages and the education it offers outweigh the weaknesses of the environment and if they consider it a viable investment in their futures.



What is my image of the school in 25 years' time (I hope to live long enough to see it) or in 50 years' time? Well, I do not have one and consider such a situation an advantage. As it has been so far and will continue in the future, our competitive edge will be the ability to take advantage of the opportunities that arise, the ability to anticipate changes and to take risks. I realise it might sound like propaganda, but it is true now and in the future, that our advantage is the fact that we do not spoil young people who come to the school, we let them develop, do not restrain their individualism, and treat them as partners. However, I will never let students rule and

govern the school, as suggested by some post-modernist fads, and I would like our school to be able to form attitudes, set ethical standards and educate students to be not only great managers but also valuable members of local communities. In a nutshell, we want to educate youth to become people with personal integrity.

Is it real?

Sometimes when I wake up I doubt if what has happened during the last nine years is real or is it all in my dreams. I am often asked to describe those years to try to depict the process of fulfilling my vision and creating the image and the new, stable institution. My answer has always been that I am too busy to do that. I am too busy to put down daily appointments in my calendar and my days are so intensive that in the evenings I can hardly remember everything that has happened. Many situations which were milestones of the school's history have slipped my mind, also some people who helped me start the task have left and it is going to be more and more difficult to collect my memories. We have tried several times to keep the school's chronicle, but the intensity of our regular work, new ideas and the lack of manpower as the administration costs are kept down, all contributed to the fact that we have had no time to chronicle the past. Besides, I wonder if it is really a worthwhile task. It may come as a surprise that I, a person who values Polish history and tradition so much, reject without hesitation reminiscence of the school's past, just as I reject solutions which I used to consider the most vital and the best. I also reject the past because I realise that our experience can not be used again in Poland; it might be of some value in other developing countries.

On the other hand, it is too early to analyse the case of the Nowy Sącz school in a thorough, detached, and scientific way. One can only try to identify the phenomena or events which contributed to the success of our venture. From today's perspective, I recognise the following reasons for our success:

- Ⓐ something which I, tongue in cheek, refer to as „the total lack of imagination or rather irresponsibility,” that is, the situation at the beginning of the 1990s, when neither me nor my associates realised that we tried to accomplish the impossible. We did not

realise that, from a professional point of view, there was no chance to create a viable business college in Nowy Sącz, the knowledge of which could have complicated our decisions and moves, or even made the whole thing impossible. In the long run, this lack of knowledge became an advantage because we crossed lines which no professional would have crossed.

- (b) I also think that my „animal instinct” or, to put it nicely, my exceptional intuition used to identify and take advantage of arising opportunities proved to be vital for the school’s development. Another important skill, which I owe to my background in physics, is the ability to associate things happening in very distant spheres of life and, connected with that, the ability to recognise new chances arising from phenomena under analysis.
- (c) My propensity to reject solutions which have traditionally been considered the best. Several times, at least five, I have changed the school’s mission and objectives to adapt to new opportunities. Such flexibility and the ability to adapt to the needs of the environment together with the ability to predict future needs will, in my opinion, characterise new leading educational institutions of the future. Other institutions, even those with the longest tradition and recognition, who stubbornly stick to the old standards and routine actions from the past, will become extinct due to the forces of a more demanding market.
- (d) I always emphasise the role the Polish mass media played in creating the image of the school. I remember the titles of the first two features written about the school which best depict the atmosphere of those times: „Frescoes and plum vodka” and „The Bulldog clan.” Afterwards came dozens or even more articles, features and interviews with the top Polish dailies, weeklies and magazines, a few big TV programmes, and top rankings published by *Wprost*, *Home and Market*, and other leading Polish periodicals. It may come as a surprise that the mass media, who love covering catastrophes and scandals, made the Nowy Sącz school the epitome of the transformations taking place in Poland and enabled us to receive lots of positive publicity.

- (e) Another element of our success, which could prove to be a decisive factor in the future, was the fact that we forged bonds with the Polish business community very rapidly. From the very beginning, we saw the school as „their school” and we succeeded in persuading them of this vision. As a result, our alumni have no problems finding jobs and the school administration does not need to facilitate the job-hunting process for them.
- (f) I can not underestimate the importance of the human factor in creating our success. I would like to mention a few associates with academic backgrounds who, from 1991 to 1993, supported my vision and started working full-time for WSB-NLU. Thanks to their efforts, a group of disorganised enthusiasts received massive support in building structures and procedures, developing rules and regulations, enhancing curricula—simply in creating a good business college. If it had not been for them, I would have had nothing to turn up-side down by setting new challenges and pushing the school to the top inaccessible to those who lack courage, imagination and a touch of positive madness.