THOUGHT UNDERLYING GRADUATE EDUCATION FOR BUSINESS

BY

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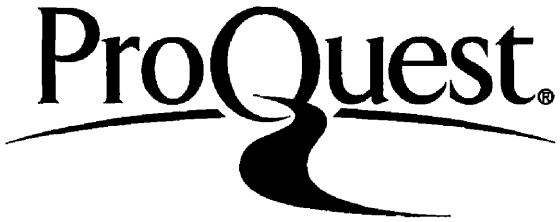

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This Dissertation has been accepted in partial fulfillment of the requirements for the Degree of Doctor of Business Administration in the School of Business of Indiana University.

Date May 23, 1962.

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PREFACE

Conditions existing in late 1956 plus my personal interest in the field of graduate education for business led to this study. At that time business educators, administrators, and the philanthropic foundations were evidencing much interest in the status and future of graduate education for business. The tremendous growth and development of this type of education, the resources devoted to it, and the expected increase in demand for graduate education for business were factors stimulating this interest. This widespread interest in the field plus my own interest in administration of graduate education for business led to the initiation of this study.

The study was undertaken to determine the thought underlying graduate education for business and the forces which have been most influential in the development of this thought. It is hoped that the report which follows may have made some small contribution to this objective.

Appreciation is gratefully expressed to all the members of the dissertation committee for their assistance and for their patience. Particular appreciation is expressed to Dr. Elvin S. Eyster and Dr. Earl A. Dvorak, both professors in the Graduate School of Business, who counselled, assisted, and encouraged so generously at every stage in the completion of the study.

Appreciation is also expressed to all those business educators who gave of their time for the depth interviews essential for this study.

A grateful expression of thanks is made to both my wife, Carole, who endured and encouraged and to my parents, Mr. and Mrs. Earl Green, who supported the study financially and morally. Appreciation is also expressed to others who encouraged and supported the study particularly the School

of Industrial Management of Georgia Institute of Technology and the Georgia Tech Foundation.

Bloomington, Indiana
May, 1962

R. Earl Green

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CHAPTER I

THE PROBLEM AND THE PROCEDURE

There has probably never been a more exciting era in the development of formal education and educational institutions than the present. Many subject areas and methods of teaching are being questioned. Moreover, new subject areas and methods are being developed. In this exciting era of education, one of the most interesting areas is education for business. The focus of this study is the thought underlying graduate education for business. To help the reader understand better the development of this problem, background pertaining to its development is presented below.

Despite the many issues left unsettled at the close of the Civil War in 1865, the major interest of the majority of the population of the United States lay in increasing the total national product of the nation by increasing its resources and increasing the productivity of the resources--people, land, and capital--then in use. The years between 1865 and 1900 represent a rich heritage of expansion of the populated area of the country. Further, they represent years spent in increasing the productivity of industry. The problems of increasing or maintaining the productivity of land were not pressing, due to the plenteous supply. Most efforts were expended in the accumulation of capital and the expansion of the productive capacity of the nation for other capital goods and for consumer goods.

The problems associated with the accumulation of capital and the development of adequate organizations of men to operate them represent

a key chapter in the story of American development, particularly in business and education.

The development of enterprises of sufficient scope and size to serve the needs of a growing country with their demands for capital and for men meant that new approaches to industry had to be developed. Innovating in terms of both techniques and concepts, American men of business developed new approaches to organization and management. Not always were these approaches graciously accepted by the public. The history of this period, particularly in the latter years, is one of stress and strain between business as it reacted to needs and government as it reacted to real or imagined exploitation of people. The period represented a distinct trend away from production of goods under conditions of small plants and relatively few owners.

The response of business to these needs in the development of new organizational and management concepts implied the need for a different type of manager and a different type of specialist from that which had been developed in earlier periods. With respect to the management of these organizations the new requirements called for men who could mass great quantities of capital and great numbers of men and who could combine them to produce increasing quantities of goods and services.

In view of the changes in American business, it is not surprising that concurrent changes were taking place in the thinking of American men of business as to the type of education needed for management of business. Changes in the educational system were also taking place. Educational processes and programs then in existence were not satisfactory to businessmen. The programs of formal education were directed

toward the "chosen few" in the classical sense. A few graduates of such programs were filtering into business and industry. Many of these, however, were privileged to enter at an upper level of the industrial structure because of their family connections rather than as a result of their education and ability. Others going into business received a modicum of education at the grade school level. Entrance into the upper echelons of the business world other than by nepotism, came through apprenticeships and sheer physical and mental prowess and determination. The growing American business structure demanded larger organizations to structure the activities of more people working in more complicated processes. The larger organizations increased the demand for people in management and also created a demand for greater capability than mere grade or high school education plus an apprenticeship could give. By 1881, the date of the founding of the Wharton School of Finance and Commerce, businessmen had expressed this need for a higher level of education for business, and universities had responded. This response has continued to the present. Both the number of educational programs in business and the enrollment in these programs have continued to grow.

By 1900 a new type of demand was recognizable. Two phases of this demand may be expressed. It was obvious to many businessmen and educators that the demand for a new type of management personnel and for able specialists had not obviated the need for such people to have a broad education in the liberal arts. Accordingly, some schools began to view the type of education demanded by business and industry as professional education. It was logical, then, to develop or consider the development of programs of business education at the graduate, i.e.,

beyond the undergraduate, level. Also, the increasing demand for teachers to staff undergraduate programs of education for business meant that the demand for more advanced education was increasing. The increasing complexity of organizations indicated the need for increasingly competent specialists in the various areas of business activity. Graduate work to meet these needs became a distinct necessity. Evidence of the response of privately and public supported institutions of higher education is abundant.

The development of graduate business education has been both rapid and extensive in terms of course offerings, students, and degrees granted. To cite an example, in 1908 when the Harvard Graduate School of Business Administration opened its doors, only 59 students were enrolled.[1] In the fall of 1954 the same school had 1,540 students enrolled for studies.[2] In the relatively short period from 1919-20 to 1939-40 the total number of graduate degrees in business granted by all institutions increased from 110 to 689 per year.[3,4] In the period from 1947-48 to 1957 the rate of

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[1]Wallace B. Donham, "The Graduate School of Business Administration, 1908-1929," Chapter XXXIII in The Development of Harvard University Since the Inauguration of President Eliot 1869-1929, by Samuel Eliot Morison (ed.) (Cambridge, Massachusetts: Harvard University Press, 1930), p. 534.

[2]"At Harvard University . . . Down to the Business of Learning Business," Newsweek XLIV (November 22, 1954), p. 87.

[3]Bureau of Education, "Statistics of Universities, Colleges, and Professional Schools, 1919-20" in Bulletin of the Bureau of Education (Washington, D. C.: U. S. Government Printing Office, 1920), pp. 20-21.

[4]United States Office of Education, "Statistics of Higher Education 1939-40--1941-42," Chapter 4 in Volume II of Biennial Survey of Education in the United States 1939-40--1941-42 (Washington, D. C.: U. S. Government Printing Office, 1943), p. 56.

growth was even more pronounced in absolute terms--2,355 to 4,150.[5,6] From a few courses in business offered at the graduate level in departments of economics, offerings at the graduate level in business have grown to support master's and doctor's degree programs in various narrow aspects of the field. Although graduate work in business dates back at least as early as 1900, the program at Dartmouth College established in 1900 is usually considered the first directly in the field of professional education for business. The number of graduate programs in business grew from 1 master's program in 1900 to 135 master's and 23 doctoral programs by 1957-58.[7]

The figures given above indicate the large proportion of educational resources being devoted to this type of education. With such heavy emphasis placed upon it, increasing interest in this form of education was natural. Between 1950 and 1956 much interest both by individuals and by philanthropic foundations was demonstrated. There was indeed evidence to indicate that research about graduate education for business was in order.

Education for business faces many problems. The bases for solution of some of these problems may lie in the generalizations drawn from experience. Thus, by 1953 interest in the development of the whole field

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[5]United States Office of Education, Earned Degrees Conferred by Higher Educational Institutions 1947-48 (Circular No. 247), (Washington, D. C.: U. S. Government Printing Office, 1949), p. 80.

[6]United States Office of Education, Earned Degrees Conferred by Higher Educational Institutions 1957-58 (Circular No. 570), (Washington, D. C.: U. S. Government Printing Office, 1959), pp. 82-88.

[7]Ibid., p. 34.

of education for business had stimulated Meeri Saarsalmi, a doctoral candidate in the Department of Business Education, Indiana University, to undertake a study of the thought underlying higher education for business. When the study on which this report is based was begun in late 1956, the Ford and Carnegie Foundations already had initiated studies in the field of education for business. These studies were much broader than Miss Saarsalmi'study. Interest and criticism in the field were running at a fever pitch.

Most research completed in the area of graduate business education as of 1956 had been of a survey nature. Little research on the thought underlying graduate business education had been completed. Further, an analysis of the principles and concepts on which graduate education rests could contribute to the understanding of this phase of higher education for business. Since Saarsalmi had studied thought underlying higher education for business but had studied graduate education for business only incidentally and since interest in graduate programs of education was growing, it seemed appropriate to launch a study of the thought underlying graduate education for business.

The Problem

This problem is a study of thought underlying the development of graduate programs of collegiate schools of business.

Graduate programs of collegiate schools of business have been influenced by many factors, among them perhaps changing business practices, economic evolution, shifting government-business relationships, graduate education in general, and a changing philosophy of life of the American

people. Developments in these areas have affected graduate education for business either directly or indirectly. Hence, this study represents an attempt to identify, analyze, and summarize the influence of several factors on graduate business education.

Delimitations of the Problem

Certain delimitations were necessary in order to build a structural framework for the study. They are as follows:

1. This study is concerned exclusively with graduate business education in the United States.

2. The graduate programs studied and the faculty interviewed were limited to those in institutions which are members of the American Association of Collegiate Schools of Business.

3. The study does not include enrollment statistics, data pertaining to physical plant, and data on various other physical features of graduate business education programs.

4. Data on programs conducted or offered by graduate schools or divisions of business but leading neither to a professional nor terminal degree are excluded.

Definitions

This study like many other studies in the social sciences must of necessity use nontechnical language. Therefore, certain terms must be specifically defined for this study. These definitions are presented below:

1. "Graduate programs of collegiate schools of business," "graduate education for business," "business education at the graduate level,"

and "graduate business education" are used interchangeably to refer to formal education in the field of business administration and economics for which an advanced degree is offered by a collegiate school of business either alone or in cooperation with a graduate school or graduate division of a university.

2. "Graduate school of business" is used to describe any member institution of the American Association of Collegiate Schools of Business offering graduate study in business for which a graduate degree is offered even though the jurisdictional unit may be titled other than "school," such as "department," "division," or "college."

3. "Thought underlying" and "underlying thought" are used interchangeably to refer to the body of principles and concepts on which graduate education for business rests.

Purpose of the Study

This study was undertaken to provide a basis for further development and refinement of graduate business education by providing an analysis and classification of the thought underlying the field. From this analysis and classification some useful generalizations perhaps may be drawn as to what developments have occurred and why. Educators may be able to gain a perspective from the study which will perhaps assist them in understanding the present status of graduate business education and also in planning for the future.

Related Research

Much research of a survey nature has been completed in the field of education for business. In addition to this survey research some few other studies have probed into the scholarly thought underlying higher education for business. These studies have paid scant attention to graduate education for business and that only in connection with the much broader field of higher education for business. Several of these studies are, however, pertinent and are reported briefly in this chapter.

In addition to research reports, numerous articles on graduate education for business have appeared. While no effort has been made to present a synopsis of this material in this chapter, numerous references to these articles are made in subsequent chapters.

The Lyon Study

The first comprehensive review of higher education for business including graduate education for business is to be found in a study by Leverett S. Lyon, Education for Business.[8] Lyon reviewed the entire field of education for business from secondary schools through university education for business including private business schools and company training. In presenting his findings on graduate education for business, he classifies full-time collegiate schools of business generally as graduate and undergraduate. He further classifies graduate schools into three groups: exclusively graduate schools, graduate-undergraduate schools, and undergraduate schools offering graduate

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[8] Leverett S. Lyon, Education for Business (Chicago: The University of Chicago Press, 1922).

study. Advantages of each type were quoted from an exponent of each plan for graduate study.

The Marshall Study

This publication is a compilation of articles which had appeared earlier in other publications.[9] A list of collegiate schols of business including the exclusively graduate institutions and their respective dates of establishment is presented. The point is also made that these institutions, "graduate schools," were graduate only in the sense that admission was based on an undergraduate degree. Leon C. Marshall also suggested that a serious problem of the collegiate school of business was the problem of graduate work, "graduate work that will presuppose a much more adequate preliminary training than is current; graduate work of a creative type rather than the course-serving type."[10]

The author also quoted at length a report of the Commission on Correlation of Secondary and Collegiate Education with Particular Reference to Business Education. Admission requirements for 38 institutions are summarized including the 4 institutions conferring only a graduate degree and the 22 institutions conferring both an undergraduate and a graduate degree.

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[9]Leon C. Marshall, The Collegiate School of Business. Its Status at the First Quarter of the Twentieth Century (Chicago: The University of Chicago Press, 1928). (Copyright 1928 by the University of Chicago.)

[10]Ibid., p. 44.

The Bossard and Dewhurst Study

The findings from a study of the demands of modern business and the facilities developed by "representative American Universities" to meet these needs are presented in this report.[11] In one phase of this survey of facilities of American universities, the variety of forms taken by graduate instruction in business in the United States was examined. The forms were classified on a formal or administrative basis as follows: the exclusively graduate schools, the combination graduate and undergraduate schools, and those institutions having both undergraduate and graduate divisions. Also recounted is the emphasis on various subjects in graduate and undergraduate schools.

The Horton Study

Byrne J. Horton studied the history of the organization and administration phases of the American graduate school.[12] The study is based on historical source material and supplemented with observations gained from personal visitations by the author to 22 different schools. An analysis is made of the development of the graduate school concept, the American version of the German university. Examinations of the first work given beyond the undergraduate level, the formal development of a separate organization for the administration of graduate work, and the organizational status of the American graduate school in 1940 are

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[11]James H. S. Bossard and J. Frederic Dewhurst, University Education for Business. A Study of Existing Needs and Practices (Philadelphia: University of Pennsylvania Press, 1931).

[12]Byrne J. Horton, The Graduate School. Its Origin and Administrative Development (New York: New York University Bookstore, 1940).

included in this analysis. Certain recommendations for the improvement of the graduate school are made.

The Kozelka Study

This study is a survey of collegiate education for business made through a sampling of member institutions of the American Association of Collegiate Schools of Business.[13] Only one chapter is concerned with graduate work, and it is merely a light overview of practices and problems related to graduate study in business in member institutions. It is of interest because it reflects thinking then current on specific matters.

The Baker and Tyack Study

Practices in doctoral program of business in member schools of the American Association of Collegiate Schools of Business were investigated by the authors by the questionnaire technique. The results were presented as the first part of a paper given by the authors at the Association's conference, "Faculty Requirements and Standards in Collegiate Schools of Business."[14] The then current practices in the following aspects of doctoral programs were studied and reported: Title of Degrees, Administration, Enrollment, Admission, Residence Requirements, Course Prescriptions and Recommendations, Examinations and Theses.

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[13]Richard L. Kozelka, Professional Education for Business. A Pilot Study of the American Association of Collegiate Schools of Business, Minneapolis, Minn., 1954, mim.

[14]George P. Baker and David B. Tyack. "Doctoral Programs in Business and Business Administration," Chapter 6 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956).

The Saarsalmi Study

This study relates principally to the development of education for business at the undergraduate level, although certain references are made to graduate education.[15] The author refers to graduate business education under two headings: the undergraduate school with a graduate division and the school with a graduate program only. On the graduate level a brief review of objectives and requirements for the Master of Business Administration Degree is presented based on A Survey of the Requirements for the M.B.A. Degree Offered by the Members of the American Association of Collegiate Schools of Business 1952 made available by the American Association of Collegiate Schools of Business. The objectives and requirements at the doctoral level are also briefly outlined. In contrast to the Saarsalmi study, the study reported in this dissertation aims at an analysis of the thought underlying graduate business education with only passing reference to undergraduate business education.

The Gordon and Howell Study

Higher Education for Business presents the results of a study undertaken for the Ford Foundation by Robert Aaron Gordon and James Edwin Howell.[16] In addition to being based on literature bearing on higher education for business, the study is based on data obtained

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[15]Meeri M. Saarsalmi, Some Aspects of the Thought Underlying Higher Education for Business in the United States. Indiana Readings in Business No. 16 (Bloomington, Indiana: Bureau of Business Research, School of Business, Indiana University, 1955).

[16]Robert A. Gordon and James Edwin Howell, Higher Education for Business (New York: Columbia University Press, 1959).

through use of the questionnaire-interview technique from 103 business firms and a detailed analysis of approximately 125 institutions conferring degrees in business. Visitations were made to 37 members of the American Association of Collegiate Schools of Business, 11 schools not members of the AACSB, and 37 institutions conferring degrees in business through departments.

The graduate programs studied in detail are those of 33 of the 37 AACSB members, the 21 master's programs in the sample of 37 nonmember schools, the exclusively graduate schools, and 5 programs in industrial administration or management. Part I is the result of a survey of business education. The needs to be served and the development of business competence are analyzed in Part II. A critical survey of business curricula including master's programs in business and administration is presented as Part III. Doctoral programs in business are treated in Part IV, "Students, Faculty, Teaching, and Research."

Chapter 11, "The Master's Program in Business Administration," of Part III, "A Critical Survey of Business Curricula," is an analysis of the issues in business education at the master's level, the different types of programs, prerequisites, and core requirements as well as admission standards and the 1958 standards of the AACSB for graduate programs

Chapter 17, "Doctoral Programs in Business," of Part IV, "Students, Faculty, Teaching, and Research," is an analysis of doctoral programs and their objectives, formal requirements, sources and selection of students, and also the financing of doctoral programs.

The Gordon and Howell study is related to the study on which this dissertation is based in that the authors surveyed and made critical observations about the same area of which this dissertation represents a study in depth. Data presented in both Chapter 11 and 17 are descriptive and prescriptive. To the extent that they are the latter they are data for this study.

The Pierson Study

In a study prepared for the Carnegie Corporation of New York, Frank C. Pierson and others studied numerous aspects of collegiate education for business.[17]

In the first part of the study, "A Framework for Appraisal," the philosophy underlying the field of education for business as discerned by the author is presented. Part II is an application of this philosophy to existing programs of collegiate education for business. Part III, "Developing the Curriculum," includes an examination of the following areas by an individual well known in each area: decision making as an organizing concept, accounting, and the four functional areas of enterprise activity. Approaches to education for business other than through the conventional school of business or business administration are analyzed in Part IV.

Graduate education for business is treated in both a descriptive and prescriptive manner in Chapter 10, "Master's Programs in Business," and Chapter 12, "Doctoral Programs and Research." Decision making as an

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[17]Frank C. Pierson and Others, The Education of American Businessmen. A Study of University College Programs in Business Administration (New York: McGraw-Hill Book Company, Inc., 1959).

organizing concept, accounting, finance, marketing, industrial relations, and production at the graduate level are treated in Part II. The prescriptive treatment of graduate education in both parts becomes a part of the data for this study.

Nature and Sources of Data

The data for this study when processed and synthesized trace the development and give additional insight into the thought which underlies present graduate programs in business. Since the thought being studied is that of business educators, the data are to be found in (1) records of their activities and (2) their statements as obtained by the interview technique and as found in various proceedings, journals, and other periodicals. More detailed information about the nature and sources of data is presented below.

Nature of Data

Specifically, the data include the following:

1. Recorded action taken by the faculties of selected collegiate schools of business having graduate programs as revealed in the minutes of faculty meetings and/or reflected in the published catalogues or bulletins of the school;

2. Expressions of thought by business educators about the development of graduate business education; and

3. Written statements recording the events which have influenced the thought underlying graduate business education.

Sources of Data

Since this study is concerned with developing the thought underlying graduate education for business, data must necessarily provide for historical development and current viewpoints. Accordingly, historical evidence of the thought underlying graduate education for business has been obtained from the following:

1. Published literature pertaining to graduate education for business and graduate education generally as it has affected graduate business education;

2. Proceedings of meetings of the American Association of Collegiate Schools of Business;

3. Other published and unpublished materials of the American Association of Collegiate Schools of Business which bear on the development of graduate business education;

4. Available minutes of faculty meetings of selected institutions offering graduate business education;

5. Bulletins over a period of years from selected institutions offering graduate education for business; and

6. Individuals who have influenced or who were responsible witnesses to developments in graduate education and the factors and forces bearing on these developments in graduate business education.

Evidence of current thought underlying education for business at the graduate level has been obtained from:

1. Viewpoints expressed in recently published literature;

2. Recent research in the area; and

3. Viewpoints of individuals as expressed in interviews.

Many of the data on business education, business, economics, and education were obtained from the Indiana University Library. Proceedings of the meetings of the American Association of Collegiate Schools of Business and unpublished materials of the association were made available at the headquarters of the association, Washington University, St. Louis. Libraries at The Ohio State University, University of Pennsylvania, New York University, Harvard University (Baker Library), University of Chicago, University of North Carolina, and University of Tennessee contained additional data used in the study.

Methods of Procedure

Since this study is to some extent historical--although not a chronological history--the historical method was used. Numerous types of data sources were utilized, and within each type many individual sources were utilized. These data have been organized and presented in a descriptive manner. The design of the study, the procedure for collecting data, the procedure for treatment of data, and the organization of the report are presented below.

Design of the Study

Basic to a study of the thought underlying graduate programs of collegiate schools of business is a study of the various aspects of these programs currently. Present characteristics of graduate education for business represent the evolution of thought and practices from the beginning of such education to the present. An analysis of these developments to discern the philosophy underlying each is in order. From

these analyses of present practices and the evolution of practices and thought, the pattern of thought underlying graduate programs of collegiate schools of business was synthesized.

Collection of Data

Data collection for this study was divided into two phases. The first was an intensive study to establish the framework for the collection of data. Also, some incidental data were accumulated during the completion of this phase. The second phase involved the collection of the bulk of data.

The first step in the establishement of a broad framework for data collection was a study of the published literature in the field of graduate education for business and graduate education generally as it pertained to graduate education for business. This study of published literature provided expressions of thought relating to graduate business education over the period of its development as well as reports on practices from its inception to the present. This literature consists of professional business magazines and books, professional education magazines and books, textbooks, historical studies of both business and education, as well as reports of developments which were carried in current newspapers or magazines. In this general category some 116 items were used. As a part of this step, a trip was made to the headquarters of the American Association of Collegiate Schools of Business at Washington University in St. Louis, Missouri, to study the materials of that organization. Proceedings of 25 of the 42 known meetings of the association were analyzed. The discrepancy between 25 and 42 is attributable to the fact that the proceedings of the remainder were not

published or were lost. A major difficulty results from the fact that since 1946 no proceedings have been published. Many papers presented before the meetings since 1946, however, are available and have been studied. A limited number of committee reports of the association were also studied. These materials provided data for the study as well as assisting in the determination of the broad limits on the data to be collected.

Since some of the data for the study were to come from published bulletins, minutes of faculty meetings, committee reports, and depth interviews of faculty at selected schools, it seemed logical to begin the second step in this phase at the School of Business, Indiana University. By starting with the Indiana data, it was possible to develop a technique for collecting data and to establish practical limits on the study.

The third and final step in preparation for the study involved the construction of a guide for collection of data and the selection of the schools to be visited. A copy of this guide is in Appendix A. With the approval of the doctoral dissertation committee, seven programs in addition to that of the School of Business, Indiana University, were selected such that a cross section of graduate programs in business would be represented. The names and locations of these schools are in Appendix B. Schools were selected to include some which had pioneered in the field of graduate education for business and some which had started more recently. The programs were selected to include both graduate divisions of institutions providing undergraduate and graduate education for business and others which are exclusively graduate in nature. The programs selected were from four privately supported schools and four publicly

supported schools. Some of the programs center exclusively around management, others center around the functional or tool areas, and still others accommodate both objectives.

The second phase of the process of data collection involved visitation to each of the schools selected and further library research. Their programs were studied in detail. Faculty meeting minutes, committee reports, reports by the dean or director to the president, and published materials about the program of graduate business education were studied as available. Approximately 584 documents of this type were analyzed. In an initial interview with the dean or director of the program the names of individual members of the faculty who might be helpful were obtained. These faculty members were chosen for interviews on the basis of their close association with the development of the program as a whole, their close association with some specific aspect of the program, or their ability to shed light upon the historical development of the program. The time spent with each varied according to the contribution which each could make. The amount varied however, from one hour to five hours. A list of the interviewees and the positions held by each at the time interviewed is given in Appendix C. Additional library research was performed as needed to complete the analysis of literature including thought underlying graduate education for business.

Treatment of Data

Data of each class were analyzed and classified on the basis of the background leading to the development of graduate education for business and the sources of the influences on graduate education for business. For example, certain evidences of government influences on graduate

education for business were obtained from literature, from reports of contacts between government and educators in graduate education for business, and from the papers presented to the various meetings of the American Association of Collegiate Schools of Business. The peculiar nature of the data made it impossible to separate the various influences from the source of those influences. Consequently, the data have been synthesized on the basis of the influences affecting the development of graduate education for business and the practices which have resulted from these influences. By inductive reasoning it was possible to arrive at certain generalizations about the thought underlying graduate education for business. An example will illustrate this process. Data obtained from the study of doctoral degree requirements in the various programs indicate that where the program of education for business is under the administration of the academic graduate school in the parent institution, the language requirement is likely to be present. Expressions in the literature and from business educators themselves indicate a feeling that more productive use of this time could be made. Data obtained from the study of doctoral degree requirements in other schools not under the administration of the academic graduate school indicate that these schools do not have a language requirement. The data were synthesized to describe this situation. Then, through inductive reasoning, the current thought that the language requirement results from the influence of academic programs of graduate education and that the requirement should be replaced by a more meaningful requirement was discerned.

Organization of the Report

The data pertaining to the background leading to the development of graduate education for business were synthesized first. This synthesis is to be found in Chapter II. The influences stemming from society and government and the thought which resulted from these influences are to be found in Chapter III. Chapter IV includes the influences and the thought developed on the basis of the influences from business. Chapter V presents the thought which has resulted from the influences of higher education. Some other influences have resulted from parent educational institutions, forces internal to a program, and graduate business education programs in other schools. Other influences have resulted from growing student interest in graduate education for business, the American Association of Collegiate Schools of Business, and the philanthropic foundations. These influences together with the thought resulting are presented in Chapter VI. The generalizations which form the conclusions of this study are included as Chapter VII.

CHAPTER II

BACKGROUND FOR THE DEVELOPMENT OF GRADUATE EDUCATION FOR BUSINESS

A particular pattern of conditions and needs may be found in the origin of almost any institution in society. To study properly an institution and its development, this background material should be analyzed. An analysis of the conditions and needs which prompted the development of graduate education for business is presented in this chapter. These conditions and needs center around the needs of business and the growth of graduate education.

A study of the literature of the last quarter of the nineteenth century and the first quarter of the twentieth century should help to reveal the background which led to the development of graduate education for business. The organization of the Amos Tuck School in 1900 at Dartmouth College supposedly marks the beginning of a formal program of so-called graduate education for business. There is, however, evidence that graduate courses in business had been offered in the last part of the nineteenth century. Also, the period of its early development may be said to extend even into the 1920's. The conditions which brought about the development of graduate education for business resulted from the needs of business and the growth of graduate education. These conditions were present prior to 1900 and continued to be present well into the twentieth century as evidenced by the continued establishment of new graduate schools of business administration and the continued growth and development of existing graduate programs of education for business. Analysis of these conditions is the next logical step.

Needs of Business

With the ending of the Civil War, the United States was ready for further economic development subject to pressures generated and unexpended as a result of the war. Its expansion included changes in both geographical source and composition of national output as well as internal changes in business. As the structure and problems of business changed, new needs became evident.

New Needs Resulting from Demand Pressure Changing to Production Pressure

With certain exceptions, such as agriculture and certain other industries for a limited time or in a limited area, demand for goods had ordinarily exceeded the capabilities of productive resources in use until near the close of the nineteenth century. Such a condition is reported in the following:

> The capacity of the market to absorb goods has generally exceeded the ability of manufacturers to produce them. This at least was true from the introduction of power-driven machinery into English industry until the closing decades of the nineteenth century.[1]

The reaction to this pressure of demand was emphasis on production. Engineering resulted from this emphasis on production, and consequently institutes of technology grew from the need for engineers. The years 1824, 1847, and 1848 saw the establishment of Rensselaer Polytechnic Institute, Sheffield Scientific School at Yale, and Lawrence Scientific School at Harvard, respectively. An even greater growth resulted after

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[1]A. W. Shaw, An Approach to Business Problems (Cambridge: Harvard University Press, 1916), p. 104.

the Civil War, when during the 20-year period between 1870 and 1890 some twenty engineering schools of first rank were established either as departments of universities or as separate institutions.[2]

That these schools or institutes had partially accomplished their objective is shown by this statement from an eminent industrialist and early contributor to the literature on management thought of his era:

> This country has developed a fairly well-rounded group of engineers, skilled artisans, and technicians to understand things and so to make them behave. Management must therefore chiefly devote itself to understanding people and making them behave--those in the financial world--bankers and investors, those in the markets--buyers and sellers, and those of all ranks within its own organization--including the engineers and technicians themselves.[3]

The use by businessmen of engineers making useful applications of the basic principles of science led to somewhat revolutionary consequences in terms of the increase in total productivity and the number of products produced and offered for sale in the United States. This expanding level of production capability along with the expanding market of the United States was a factor in the type of management prevalent in business. Expansion of production caused a shift from the predominantly "owner-manager" form of management from approximately 1850 to 1880, to the "captains of industry" in the period between 1881 and

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[2] Ibid.

[3] Henry S. Dennison, "The Management Viewpoint in Business Education," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 33.

1910.[4] It further led to the need for larger organizations and to the refinement of the enterprise functions of finance, distribution, and industrial relations in addition to production. These developments comprised a partial beginning of one of the forces leading to the development of graduate education for business.

Needs Resulting from Vastness and Complexity of Business

Partial mastery of power technology and other applications of science led to tremendous growth and complexity of industry. The creation of massive physical plants, based on the mastery and application of some of the basic principles of the physical sciences, was casting the framework for very difficult problems. These problems involved the management of people, problems for which the institutes of technology were not primarily or particularly well equipped to handle.

As production capabilities increased, the need for sales organizations to arrange for the profitable sale and distribution of industry's output increased. Two aspects of this problem presented themselves. The first aspect was the problem of organizing for distribution on a nationwide basis. For many firms, production for and marketing on a nationwide basis due to the expansion of the country and population growth in the western regions of the nation represented a new and much greater challenge. The second aspect of this problem of preparing for mass distribution was increasing the demand for products where the

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[4]John F. Mee, "The College Graduate in the American Economy, 1970," in Indiana Business Information Bulletin No. 23 (Bloomington, Indiana: Bureau of Business Research, School of Business, Indiana University, 1955), p. 39.

products were already known and accepted. Describing this situation, A. W. Shaw, an early participant in graduate education for business and publisher of business periodicals, wrote:

> Only in recent years, when the development of production has potentially outstripped the available market and shifted the emphasis to distribution, has the manufacturer-merchant become a pioneer on the frontier of human desires and needs.
>
> Today the progressive businessman makes careful, intensive studies not merely of the consumer's recognized wants but of his tastes, his habits, his tendencies in all the common activities and relations of life. This he does in order to track down unconscious needs, to manufacture goods to satisfy them, to bring these products to the attention of the consumer in the most appealing ways, and finally to complete the cycle by transporting the goods to him in response to an expressed demand. His problem is chiefly one of adjustment. He must bend the materials and forces of nature to the end of human service. And, most difficult [sic] task of all, he must shape his making and selling policies alike to satisfy contradictory conditions and methods and to employ without waste the divergent and overlapping agencies through which present-day distribution is carried on.[5]

Although the practices described above applied particularly in the consumer goods industries, a derived force affected the capital goods industries.

The increase in size and complexity through the differentiation and multiplication of functions led to the logical development of administrative organizations for the management and control of these functions. In describing the situation prevailing by 1908, the year of the founding of the Harvard Graduate School of Business Administration, Melvin Copeland has written:

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[5]Shaw, loc. cit.

> By 1908 the typical firms in many industries had grown to a size which required the setting-up of administrative organizations; they had outgrown the one-man, owner-manager stage. Such administrative organizations needed staffs of competent men, with a capacity for analysis and a broad outlook, who could base their business decisions on a comprehensive understanding of the many factors involved, factors which commonly were economic and social as well as technical. Comprehensive methods of accounting for corporate affairs were being developed to supplement the earlier bookkeeping procedures. New production ideas, notably the "Taylor System" of so-called scientific factory management, were coming into great vogue. Labor relations were well-nigh universal problems.[6]

Business had become vast and complex both in the measure of magnitude of its physical resources and output and in its organization and the number of different specialized occupations and professions which were being absorbed into it. The success of the firm that would become great depended not only upon the availability and certainty of obtaining capital but also upon the availability and certainty of obtaining intelligent men. Men with great mental capacity properly developed were needed for the problems of business.[7] Business had faced problems before, problems of finding and obtaining resources, problems of applying the laws of physical science to materials in the process of production, but a good start had been made in the solution of these problems. The problems facing industry at the end of the nineteenth century and the beginning of the twentieth century were of a different type. Some of these problems resulted from growing difficulties in labor relations and the administering of mass organizations in terms of capital

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[6]Melvin T. Copeland, And Mark an Era. The Story of the Harvard Business School (Boston: Little Brown and Company, 1958), p. 18.

[7]Harlow S. Person, "Professional Training for Business," The World's Work VIII (May, 1904), p. 4747.

investment and personnel. Others resulted from the necessity of operating within previously nonexisting regulations originating in the passage of the Interstate Commerce Commission Act and the Sherman Anti-Trust Act, and creating demand for known products and new products being developed. Approaches to the partial solution of these problems had to be developed and put into practice for these great organizations to continue to exist. The institutes of technology were not equipped to train men to solve these problems. Those undergraduate schools of business then in existence were turning out men who could perform with credit in any of several specialties being utilized by business such as accounting and selling. Their graduates could not, however, handle the larger problems involving the integration of the various functional aspects of business activity.

Need for a Different Type of Education for Business

Where then were the men to come from who could master these new problems--problems of developing an organization for the management of people in large companies, problems of creating demand for mass produced goods, problems which demanded not repetitive performance of tasks but research to improve the effectiveness of functional activities? Could they come from internally operated programs of business training either formal or informal?[8] Surely some would, but business was not satisfied

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[8]Today the term "business training" is usually used to describe development of personnel at a very low level in business; however, in the early years of education for business, "business training" was used frequently in referring to programs of education for business at the undergraduate and graduate levels. This explains the extensive use of the term in this chapter.

with its internal programs of training. Businessmen realized that much of this internal training was imperfect and likely to be both time consuming and incomplete. Business executives realized that within the firm from top to bottom were men who could contribute considerably more had they received a different type of training and education.[9]

With the work of Frederick W. Taylor on motion and time study, businessmen realized that scientific methods could be applied in industry as they had been applied in the sciences for many years. Businessmen became aware of the implications of Taylor's real contribution, the idea that management problems could be solved scientifically regardless of the area of activity in which they occurred. At the Northwestern University Conference on Business Education in 1927 Richard T. Ely observed:

> Businessmen are demanding that industry and commerce be removed from the field of guesswork and put on an accurate fact-basis. They are seeking the services of men who are trained in research methods and are turning to the universities to supply their needs.

During that saeme year the former dean of the Harvard Graduate School of Business Administration, in recalling the beginnings of that school, demonstrated the response of business educators to this need when he said that teachers were attempting to "find the answer to the

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[9]Wallace B. Donham, "University Training for Business in the Light of Harvard Experience," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 52.

[10]Richard T. Ely, "The Place of Research in Graduate Training," in Proceedings of the Northwestern University Conference on Business Education (Chicago: Northwestern University, 1927), p. 50.

society. The fact that the world of business was developing a wider social horizon, a wider intellectual horizon, an enlarged geographical reach, a stimulation to the imagination, and that it was offering satisfactory financial rewards perhaps helps to explain why 35 per cent of the 1896 Harvard class entered business.[14] The administration of Harvard felt that the university should accept additional responsibility for business training since so many of its graduates were going into business.

Awareness of the number of students going into business was not an isolated phenomenon. This awareness is illustrated by the development of a graduate course at the Wharton School[15] in 1922 "to meet the needs of the graduates of the many colleges and universities that do not have collegiate schools of business."[16]

Concomitant with this increase in the number of students, college graduates and otherwise, being absorbed by business was the increase in the competition for such positions. With the rapid expansion of industrial life in the United States this competition for positions in business had not been much of a problem until about 1918.[17] The effects of

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[14]Owen D. Young, "Dedication Address," An address delivered at the dedication of the George F. Baker Foundation, Harvard Graduate School of Business Administration, June 4, 1927, and published in the Harvard Business Review V (July, 1927), p. 386.

[15]The Wharton School of Finance and Economy, later known as the Wharton School of Commerce and Finance, had been established in 1881.

[16]Emory D. Johnson, The Wharton School. Its First Fifty Years 1881-1931 (Philadelphia: University of Pennsylvania, printed for the Wharton School, 1931), p. 37.

[17]A. Wellington Taylor, "The Business Man's Opportunity," The Nation CVI (March 28, 1928), p. 380.

the close of the war--a certain amount of retrenchment of industry and the return of young men to civilian life--were sufficient to cause competition for some of the better positions in industry. At the same time businessmen were beginning to demand that the men who fill responsible positions be familiar with the principles of business and be capable of more than routine work. It had become more and more difficult to acquire an understanding of the broad background of fundamental principles requisite for executive responsibilities within the confines and intricacies of an operating business organization.

The need for greater understanding and the competition for available positions had a noticeable effect on graduate programs in terms of increased numbers of students. For example, an increasing number of students remained to earn a master's degree at the Wharton School after completing the undergraduate program even though the program was not designed for this purpose.[18] The limits of a number of programs in terms of materials and instructional staff were approached or reached as a result of this influx of students. So great was the influx at the School of Business of Columbia University that the Director wrote in his "Annual Report of 1925," "It is possible that in the future the school may devote its energies and interests to graduate work to the exclusion of undergraduate courses."[19] Competition between firms in the production of goods and services had resulted in a recognized need for the

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[18]Johnson, loc. cit.

[19]James C. Egbert, "Annual Report of 1925," quoted in Thurman W. Van Metre, A History of the Graduate School of Business, Columbia University (New York: Columbia University Press, 1954), p. 55.

achievement of an understanding and capability beyond the routine by the management of these firms. Further, there was much competition between men for positions in the management of these firms. Both of these aspects of competition served to increase the need for graduate education for business.

Another aspect of the need for graduate education in business was found in the need for faculty to staff undergraduate schools of business and the graduate schools of business themselves. Both types had been organized to meet the needs of business. The Louisiana State University (now Tulane) organized a School of Commerce in 1851, but it was abandoned in 1857. Before the end of the century, Wharton and other schools of business had been established. In 1900 the Amos Tuck School was established. At this time business training was also begun at the University of Wisconsin and New York University. Prominent in the years following were schools at Illinois, Pittsburgh, Texas, Tulane, Nebraska, Harvard, Northwestern, and Columbia. Faculties were recruited from departments in schools of economics where there had been a smattering of so-called "practical courses" and from young Ph.D.'s from these departments or schools as well as businessmen on a part-time or full-time basis. These sources were soon to prove less than satisfactory. Further, the growing enrollments at both master's and baccalaureate levels made the need for graduate work in business more acute. It was only reasonable that schools dedicated to the service of the community would respond with education for this purpose.

The American economy was changing both in geographic relationships and in importance of the various units which comprised it. Business was

moving into a position of ascendancy, and in so doing it was becoming larger, more complicated, and therefore more demanding in its operations and toward its personnel. In no aspect was this change more pronounced than in the growth of the administrative organization and in the need of business for specialized professions demanding a high level of education. With this growth and change in business came increased interest and need for managerial and highly specialized personnel--personnel who needed the type of education that could be obtained through graduate instruction in business. And as the field of education for business grew, it generated within itself the need for faculty, a need which could be fulfilled satisfactorily only through programs of graduate education for business.

Growth of Graduate Education

Graduate education in America, although influenced by many forces, has grown from two basic roots which may be classified as academic and professional. Academic programs of graduate education originally were characterized by a strong classical emphasis and by research purely for the sake of knowledge. Professional programs of graduate education were characterized by study designed to facilitate the mastery of a particular occupation usually service oriented. Graduate education for business may be said to partake of both phases of this growth.

Growth of Academic Programs of Graduate Education

One academic root of graduate education for business was the liberal arts college with its colonial origins and its very strong

classical emphasis. This root might even be traced to the German universities with their emphasis on research. Specifically, the organization of Johns Hopkins University with its faculty to direct studies exclusively at the graduate level and existing for the expansion of the borders of knowledge is a case in point.

The liberal arts college. From the founding of Harvard College until the present the liberal arts college has played a significant part in the development of higher education. Although a full discussion of the curriculum of the early liberal arts school is not in order here, it did include some elements of mathematics; logic; theology; languages such as Latin, Greek, and Hebrew; and the literature of classical antiquity.[20] By the period of the Revolution the college curriculum had assumed a somewhat uniform status, but this was to be destroyed between the period of the Revolution and the period of the Civil War.[21] From natural philosophy, the staple of instruction in colonial colleges, the various sciences were developed in later periods. Chemistry was developed. Mineralogy was also developed and often associated with chemistry. Modern languages were introduced. The study of English developed from the study of rhetorics in the colonial colleges.[22] Moral and political philosophy were usually combined for purposes of instruction

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[20] Elbert V. Wills, The Growth of American Higher Education. Liberal, Professional, Technical (Philadelphia: Dorrance and Company, 1936), pp. 158-167.

[21] Ibid.

[22] Ibid., p. 169.

during this period, and later, political economy was derived from moral philosophy, and from political economy came economics.

Demands were being heard that the colleges give attention to the problem of providing some instruction for meeting certain vocational needs. Two aspects of this problem were present. The first was the problem of those students who could not stay for the length of time necessary for the mastery of the traditional college course. For this group some provision was made by setting up special courses on a non-degree basis. The second problem had to do with those desiring and able to stay for the full length of time but wanting some instruction in other than the arts and sciences. From this problem arose the policy of some schools of offering a parallel course in a more "practical" area with perhaps a substitution of modern languages for the ancient. From the parallel course within the college, the next logical step was to the separately organized schools which laid the framework for the development of the technical school.[23]

The growth of the American state university systems was another development laying the framework for the addition of courses in areas other than the classics and the pure sciences. These university systems were based to some extent on liberal thought about the natural rights and duties of men. They were also to a large extent publicly controlled; therefore, these state universities reflected the needs and feelings for education in other than the classics. The widespread support of the institutions both directly by the populace and through the

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[23]Ibid., p. 276.

support of the Federal and State governments by land grants and appropriations gave further impetus to education in such areas as business, education, and journalism. Where these had not been organized as separate schools, the practice was to place such specialties at the senior college level, although in some institutions the practice was for such schools to extend their courses throughout the entire period of collegiate education. In any event the groundwork had been laid, and such specialized subjects were being offered as a part of the curriculum of some four-year colleges and universities.

The beginnings of graduate work. The origins of graduate instruction in America may be said to date back to 1642, when on that occasion Harvard drew up its requirements for the master's degree.[24] It was not in any sense, however, graduate work as known today. It was not professional, it was not meant to qualify one for a teaching position--it was merely a testimonial of good conduct, and evidence that the interest of the recipient in learning had continued past his baccalaureate. This type of practice continued at Harvard until 1872, and at Yale until 1874, and even longer at some other schools.[25]

No real opportunity was available for graduate study in the United States until about 1850. The procedure of granting a second degree about one year from the receipt of the bachelor's degree for a payment of a fee by the recipient, was still being practiced. Yet, the middle of the nineteenth century saw some serious efforts to raise the quality

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[24]U. S. Office of Education, Bulletin, 1934, No. 20 (Washington, D. C.: U. S. Government Printing Office, 1934), pp. 1, 59.

[25]Wills, op. cit., p. 188.

of this second degree. Additional course work was added; in some cases an examination and thesis were also added.[26] These efforts were in the form of an upward extension of liberal arts education. The pattern of development of graduate education is outlined as follows: A student who desired to study beyond the baccalaureate level would come to the school and attach himself to one of the professors in the area of his interest and work with him, learning from him at the same time. As more students expressed an interest, the professor would set up a class or seminar. This pattern of development was fairly clear by shortly after the middle of the nineteenth century.

The beginnings of research-oriented graduate work. The beginning of research-oriented graduate work is usually ascribed to the founding of the Johns Hopkins University in Baltimore in 1876. The reasons for its founding, however, go back further and indirectly find their roots in the historical development of the liberal arts college. Previously noted was the development of these colleges around a core of classics. It was sometime after their beginning before even the pure sciences were added to their curriculum. The scarcity of educational facilities for the study of the sciences and the lack of opportunity in America, as well as in England, to obtain a thorough post-graduate training had driven a number of students to the German universities for such training. Johns Hopkins resulted from the return of these students to this country. Embodied in Johns Hopkins were some of the ideals of the

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[26]Agatho Zimmer, Changing Concepts of Higher Education in America Since 1700 (Washington: Catholic University of America Press, 1938), pp. 66-67.

German universities such as freedom in learning, teaching, research, and the publication of findings.[27] The school further rested on the philosophy that educational institutions in the United States should adjust to the needs of the agricultural and industrial economy and other local needs as they were expressed. The administration of Johns Hopkins thought that by concentration on graduate work the institution would be kept distinct from the traditional college of liberal arts, and from all religious and political control.[28] One author describing this event has written, "The organization of the Johns Hopkins University is generally regarded as marking the beginning of a new epoch in higher education in America."[29] About this Elbert V. Wills has written:

> . . . The influence diffused by this institution, both through its example and through the attainments of the scholars whom it trained, was most salutary in promoting the development of graduate study and research in American universities.
>
> Stimulated by the example of Johns Hopkins University, the spread of the graduate school was steady and by the end of the nineteenth century a relatively extensive development had been achieved.[30]

In the same vein Leon Carroll Marshall, a former dean of the School of Business of the University of Chicago, spoke in 1948 about the

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[27]Ernest V. Hollis, Toward Improving Ph.D. Programs (Washington: Commission on Teacher Education of American Council on Education, 1945), p. 9.

[28]Ibid., p. 10.

[29]Luther P. Eisenhart, "Graduate Study and Research," Founder's Day Address at Lehigh University, October 2, 1935, in Science LXXXIII (February 14, 1936), p. 147.

[30]Wills, op. cit., p. 191.

conditions leading to graduate work in the School of Business of the University of Chicago:

> . . . Although the century of transition--with its emphasis upon science and technology--did effective groundwork, true graduate instruction and research was only beginning in this country as recently as the 1870's. Then came a generation-long pioneering period, with Johns Hopkins University profoundly influencing the direction taken in research by its emphasis upon the physical sciences and upon modern "humanities" rather than "classical" forms. By 1898, graduate work was attaining maturity.[31]

The growth of graduate education of the academic type seems clear from these comments.

By 1900 there had been an amalgamation of research-oriented graduate education stemming from Johns Hopkins and the graduate education which had started earlier in the liberal arts colleges. Other schools seeing the fruits of the Hopkins plan and finding that their own graduate education in its loosely organized form was not as fruitful began to organize graduate schools to include all facilities in all departments for advanced teaching and research work. The graduate school then became the equivalent of the Hopkins graduate faculty. The typical graduate school, however, retained some of the thought pertaining to classes, prerequisites, examinations, and qualifications for entrance into the liberal arts school.

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[31]Leon C. Marshall, "Collegiate Education for Business Faces Challenges," An address delivered at the Annual Dinner of the School of Business of the University of Chicago, June 11, 1948, and reprinted from The Challenge of Business Education, papers published in celebration of the Fiftieth Anniversary of the founding of the School of Business of the University of Chicago, p. 11.

As previously noted the first formal announcement of a graduate program of education for business came with the organization of the Amos Tuck School at Dartmouth in 1900, but that business education was a part of this growth of graduate work seems clear. Courses such as Finance, Administration, Transportation, and Commerce for example were listed in the Fasciculus of the Department of Philosophy of the University of Pennsylvania in 1897-98.[32] These courses had grown from political economy and economics earlier and were growing to be a part of a formal program later.

Growth of Professional Programs of Graduate Education

Professional programs of graduate education grew from the practice of separating education from on-the-job learning in certain occupations with a decided service orientation. From this practice came the resulting growth of professional schools. Early examples of these areas of activity for which professional schools developed are law, medicine, and theology. Although not originally a part of the university, they were ultimately accepted into and became a legitimate part of the university.

Beginnings of professional education. Professional education as systematized teaching of principles and practice for the solution of specific problems has its roots in the same specialization and has the same values of which Adam Smith wrote. It is the process of setting off training from practice to obtain an increase in productivity. Its

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[32]Fasciculus of the Department of Philosophy 1897-98 (Philadelphia: Printed for the University of Pennsylvania, 1897), p. 21.

development has, however, taken a number of twists and turns. For example, "The courses of study in most of the colonial colleges emphasized preparation for the profession of the ministry."[33] Preparation for medicine in this country early took the form of "a term of apprenticeship under a practicing physician."[34] Later, some private instruction in anatomy and dissection was set up along with the establishment of early medical schools in connection with the colleges.[35] Early instruction in law was in the form of an apprenticeship aided by the study of certain classic publications in the field. Later, schools of law were set up to which students might go either directly from secondary schools or after one or more years in the liberal arts college. Reference has already been made to the founding of the technical schools beginning near the end of the first quarter of the nineteenth century and continuing throughout the remainder of the century. The development of technical schools in state institutions was further encouraged by the first Morrill Act. These technical schools, devoted to application of the principles of science in the solution of problems, had grown up entirely separate from and independent of the older colleges, although sometimes on the same campus with the liberal arts college. Growth of professional education for different fields of activity has not followed a uniform pattern.

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[33]Wills, op. cit., p. 72.

[34]Ibid., p. 73.

[35]Ibid.

Beginnings of graduate professional education. Despite the lack of a uniform pattern in the development of professional education, certain professions particularly law and medicine began to be based on a liberal education. Of this, Charles F. Thwing wrote in 1906:

> The last score of years, however, has seen a great change in the preparation required for admission to the schools of law and medicine. These schools have in a few instances become strictly graduate schools, and the tendency of requiring a liberal education of those seeking professional training has become strong. The causes lie in the increasing elaborateness of civilization, creating new problems of health and of personal and property rights; in enlarging wealth of the community, allowing more liberal compensation for service; and, in the case of medicine, in the progress of physical and natural science. At the present time, even if a professional school does not require a liberal education of those seeking to become its matriculants, not a small share of such candidates are men of liberal learning. For the pursuit of professional studies the graduate bears qualities which insure to him a larger professional equipment and richer professional results.[36]

A pattern of professional education built on a foundation of liberal education began to develop. True, not everything about it was satisfactory. The increased length of time necessary for the course in schools of law and medicine and the higher requirements for entrance into the college of liberal arts brought a desire for shortening the combined period of the collegiate and professional course. This was met in a number of ways such as three-two (three years undergraduate liberal arts--two years professional) programs and modifications thereof.

Beginnings of professional education for business at the graduate level. Some of the pioneers in education for business were influenced

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[36]Charles F. Thwing, A History of Higher Education in America (New York: Copyright, 1906, D. Appleton and Company), p. 425.

by this pattern of professional education development. The trustees of Dartmouth College desiring to add education for business decided that higher instruction in this area should be professional in nature:

> In 1900 the trustees of Dartmouth College decided upon the establishment of a higher school of administration, commerce, and finance. However, they looked upon instruction of that sort as professional in its nature and they wished to guard jealously the established policy that the college is an institution of the arts, humanities, and sciences. They therefore did not introduce the new courses into the curriculum in the ordinary way. They organized an associate school similar to the medical and engineering schools already established at Dartmouth; a school with a two years' course, the first year of which is accepted by the colleges as equivalent to its senior year, the second year purely graduate and leading to the degree of Master of Commercial Science.[37]

A comparable idea is expressed in this interchange between President Lowell and Professor Taussig of Harvard:

> . . . I am convinced that to do that we must have, not a department of the Graduate School of the College, but a separate professional school, with a separate faculty, whose object would be purely to train men for their career, as the Law and Medical Schools do.[38]

President Wilbur as he opened the Stanford Conference on Business Education in 1926 said, "We have taken up the study of business as a professional matter largely because we have felt that business has just as great a need of development educationally as have law, medicine or

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[37]Harlow S. Person, "The Amos Tuck School of Dartmouth College," The Journal of Political Economy XXI (1913), p. 117. (Copyright 1913 by the University of Chicago.)

[38]Copeland, op. cit., p. 7.

engineering."[39] Business educators had to meet an obstacle to success not confronting other professional schools These educators were undertaking professional training for what at that time was a nonprofessional activity almost completely; yet this growth of professional education at the graduate level was extending over into the field of business education.

Despite the lack of an altogether professional character in business, a body of material was being developed largely under the original impetus of Frederick W. Taylor "that carried a professional stamp comparable with the material used in teaching law, medicine, and engineering."[40] President Nicholas Murray Butler commented on this in his Report of the President, 1932:

> . . . Business having so developed and having so defined itself, became self-conscious and began asking precisely the same questions which law and medicine and theology asked a thousand years ago and which engineering began to ask nearly a hundred years ago, namely, what are the controlling facts or principles of this calling; what are the aspects or elements of theoretical knowledge upon which it rests; what does its experience and history teach for its improvement and its development; how can society be better served by its men of business; how can the gainful motive be sustained without limiting or refusing service? So soon as these questions were consciously asked, business had qualified for academic recognition and for academic companionship. The university study of business cannot be and should not be regarded merely

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[39]Ray L. Wilbur, "Opening Address," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 1.

[40]Willard E. Hotchkiss, "The Setting of the Conference," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 11.

> as a form of vocational preparation any more than is the study of law or medicine or theology.[41]

The foundations of professional education were being structured and raised during the late years of the nineteenth century, and this process was to continue over into the twentieth century. In addition to the schools of technology, law, medicine, and theology which have been mentioned, programs of pharmacy and dentistry were started during the middle and latter decades of the nineteenth century. Programs for agriculture had been established earlier and had continued to grow. The provision for university training in business was a phase of the general expansion of higher education. It was a reiteration of the process of splitting off training from practice for greater productivity and one which could now be afforded by society.[42]

Although programs of education for business at the graduate level sprang from the two roots discussed above, there was cross fertilization between the two resulting in a number of different approaches and types of programs. By 1913 Leon C. Marshall, then Dean of the College of Commerce of the University of Chicago, indicated that graduate work in that school was partly training and partly an opportunity to extend

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[41]Nicholas M. Butler, "Report of the President, 1932," quoted in Thurman W. Van Metre, A History of the Graduate School of Business, Columbia University (New York: Columbia University Press, 1954), p. 84.

[42]Hotchkiss, op. cit., pp. 12-13.

the bounds of knowledge.[43] These forces have continued to act and counteract with each other even to the present.

Summary

Beginning in the late years of the nineteenth century and continuing into the early years of the twentieth century, new forces were being generated in the United States. New stresses were being exerted upon business and education. Business was responding to pressure from production as opposed to the previous situation of pressure from demand. Business had grown both in the magnitude and in the complexity of its operations. This growth demanded a different type of education for business. Although signs of these changes were plentiful, they were especially evident from the employment opportunities for the graduates of colleges and universities. Education in the United States was responding to new stresses placed upon it by both expanding in terms of total numbers of students and in total areas covered. It grew to meet these needs by expansion of academic programs of graduate education. Since the educational system of the United States has ever been responsible to the demands of a free society, it was to be expected that the combination of these forces acting on business and education would lead to new developments in the field of education for business.

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[43]Leon C. Marshall, "The College of Commerce and Administration of the University of Chicago," The Journal of Political Economy XXI (February, 1913), p. 101. (Copyright 1913 by the University of Chicago.)

CHAPTER III

INFLUENCES ON THE DEVELOPMENT OF GRADUATE EDUCATION FOR BUSINESS STEMMING FROM SOCIETY AND GOVERNMENT

The background conditions from which graduate education for business grew were presented in Chapter II. This chapter, on the other hand, traces and analyzes the influences of society and government upon the development of graduate education for business.

Graduate education for business, like other institutions in society, has been subject to and has responded to developments in society. These influences of society have been exercised through both institutions of education and business. Some of these influences have been exercised as a result of the subtle pressures of society, whereas others have resulted from the exercise of social pressure through government. The first major section which follows is an examination of developments in society and government which relate to business and how these have affected graduate education for business. The second major section is an examination of developments in society and government which relate to education and how these have influenced graduate education for business.

Developments in Society and Government Relating to Business

The developments in society and government which have influenced graduate education for business are to be found in the changing social concepts of the role of business in society. Some of these developments in social thought have been reflected in legislation providing for

government activity to affect the role of business. Others have permeated the complex of business activity and exercised invisible but just as important influences. The effects of these influences on graduate education for business are analyzed in this section.

Changing Social Concepts of the Role of Business

With the lack of communication and transportation facilities in the early American economy, society showed relatively little concern with the role of business in society. However, as transportation and communication facilities developed, the importance of the home as the all-sufficient unit tended to decline. Reliance was placed upon business for the manufacture and distribution of some products previously produced and consumed in the home. This growth in reliance on business was laying the groundwork for the development of business and industry as it is known today.

Between 1850 and 1880, the period when business and industry first developed on a large scale,[1] the attitudes of society toward business and its role in society and the uses of government to influence this role have been through at least three stages. The first period may be described as the period of "near" laissez faire, the second as the period of restrictive regulation by government, and the last as the period of positive government intervention in the affairs of business.

The concept of laissez faire. Adherence to the philosophy of laissez faire meant that society felt little if any need for active

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[1]Jack Taylor, Business and Government. An Introduction (New York: Barnes and Noble, 1952), p. 56.

regulation of business activity. This was not to say, however, that business was free of all social constraints. For example, during this period the

> . . . tacit moral obligations of business were to observe the rules of property; to honor contracts; to refrain from deception and fraud; to be efficient and promote economic progress; to protect life, limb, and health of workers of the general public; to compete vigorously; and when competition failed, to act with restraint; to accept and respect the economic freedoms of consumers, workers and owners; and to have regard for the human rights of others.[2]

The acceptance of the attitude of "near" laissez faire by society had begun to decline by the 1880's. Howard Bowen has pointed out that decline in acceptance of this attitude was due in part to moral failure on the part of businessmen. This decline is also attributable in part to technical conditions such as growth of large-scale enterprise and the concentration of economic power, fluctuating general business activity with periods of unemployment, personal insecurity of people, disparities in the distribution of income, and other comparable conditions.[3] By 1887 society in the United States felt that some regulation of business by government was necessary, and the foundation was laid for the next development in social thought about business.

The concept of restrictive regulation by government. Dissatisfied with the performance of business under "near" laissez faire, but not desiring to destroy the basic substance of laissez faire, society

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[2]Howard R. Bowen, Social Responsibilities of the Businessman (New York: Harper and Brothers, 1953), p. 19.

[3]Ibid., p. 21.

demanded that action be taken to overcome the abuses of "near" laissez faire. This action took the form of legislation to force companies to compete, with the Sherman Anti-Trust Law of 1890 as the outstanding illustration of this type of legislation. Such legislation also took the form of action to purge business of unfair methods of competition, i.e., the Federal Trade Commission created in 1914. To protect against dishonest, fraudulent, or otherwise injurious practices, the pure food and drug acts and the "blue sky" laws were passed.[4] Other legislation of this general type was passed.

Although the legislation described above was designed for restrictive regulation of business to prevent the abuses of business under laissez faire, within it are to be found the beginnings of positive control of business. The principal result of such legislation was to restrict severely, by a body of legislative and administrative law, the activities of business enterprise in accordance with the viewpoint of society that such restriction of business was in order.

The concept of positive regulation by government. The concept of positive regulation of business by society through government was probably demonstrated first in the administrative law promulgated by the Federal Trade Commission Act. This was given further expression, however, in the 1930's with the body of legislation enacted as a part of the New Deal. By its approval of this body of legislation, society was demanding that business operate other than in mere conformance with restrictions on its behavior previously passed. In noting that all the

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[4]Ford P. Hall, Government and Business (New York: McGraw-Hill Book Company, Inc., 1949), pp. 9-10.

moral rules of laissez faire economy were still applicable, Bowen has pointed out that two additional responsibilities on the part of businessmen were essential:

> First, in reaching his private decisions, he is called upon increasingly to consider their broad economic and social effects, and whenever possible to temper his decisions accordingly. Second, since government has become, and will necessarily continue to be, a partner in all economic affairs, he is expected to cooperate with government in the formulation and execution of public policy.

By its enactment and approval of such legislation, society indicated the feeling that if businessmen did not willingly assume these responsibilities, then government must force businessmen to assume these responsibilities. Not only continuous and intensified restrictive regulation but also conscious supervision and intervention by government in the general economic development of the country characterized this period.[6] The expression of society's concept of positive guidance to business as the dominant group in the economy is found in the Employment Act of 1946.

> The Congress hereby declares it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its need and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to co-ordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there shall be afforded useful employment opportunities, including self-employment, for those able,

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[5]Bowen, op. cit., p. 28.

[6]Taylor, op. cit., p. 19.

willing, and seeking to work, and to promote maximum employment, production, and purchasing power.[7]

Implicit in this analysis is society's belief that the institution of business is basic to the economy. Also implicit is the belief that business must serve society, and to the extent that it does not voluntarily serve society as well as its direct participants, society must take action to insure that business policies and actions will be in accordance with the needs of society. This statement in the law implies a belief in the need for an over-all guiding hand in the economy, a role which can be played only by government.

Influences of Changing Social Concepts of Business on Graduate Education for Business

Since graduate education for business should supply a sizeable portion of business leaders, these changing concepts of society and government about business should have influenced graduate education for business. These influences may be classified as influences on the attitudes of business educators, influences on subject matter of business education, and influences on the areas of service of both faculty and graduates of graduate programs of education for business.

Influences on attitudes of business educators. Evidence is available to indicate that the attitudes of educators have been influenced by the changing social concepts of business. Since, however, formal programs of education for business have existed only since 1900, such programs would have been largely influenced by the periods of

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[7]Employment Act of 1946, Public Law 304, Seventy-Ninth Congress (Washington, D. C.: U. S. Government Printing Office, 1946), Section 2.

restrictive regulation and positive intervention in the affairs of business. Throughout this period expressions of thought about the basic and substantial nature of business in the economy are to be found. For example, in 1915 this comment was made:

> The project, then, which I would urge upon teachers of economics and business administration, in our colleges and universities, is to regard the business leader not merely as a ruler of matter and force, or a calculator of value relations, but a leader of his fellowmen.[8]

In 1927 Dean Wallace B. Donham wrote that:

> There is a close analogy between the position of the governing class in the earlier, simple societies and that of the business group in our present complex social organization. Positions of power must carry with them a sense of trusteeship. New situations must be dealt with in a spirit of trusteeship.[9]

Evidence is also available to indicate that leaders in the field of graduate education for business were becoming aware of the key role which they were playing in the economy as part of one of its most important institutions. Also, they were becoming aware of the pressures for social control of business which were manifested in the strict controls on business in the 1930's. For example, Professor Hiram Scovill of the University of Illinois pointed out the following to the American

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[8]Edward D. Jones, "The Relation of Education to Industrial Efficiency: The Study of the General Principles of Administration," The American Economic Review V (March, 1915), p. 225.

[9]Wallace B. Donham, "The Emerging Profession of Business," An address delivered at the dedication of the George F. Baker Foundation, Harvard Graduate School of Business Administration, June 4, 1927, and published in the Harvard Business Review V (July, 1927), p. 405.

Association of Collegiate Schools of Business in 1938:

> A sound philosophy is that which recognizes business in its broadest sense as a means by which society becomes self-sufficient through division of labor. It is the result of a gradual development away from the era when each individual family was self-sufficing. Those engaged in business pursuits, under this philosphy, would recognize their obligation to other members of society while retaining their independence of thought and action. Such a viewpoint we believe would be more beneficial than one which would have organized society [sic] through its agency known as government [sic] enforce such recognition. . . . It thus seems that intelligent social minded leadership is necessary if it is to avoid getting into conditions again which will require the whole business structure of the country to lift itself by its own boot straps, or have the government perform the same act, as it attempted to do through the National Recovery Act.[10]

Business educators were applying themselves to a determination of the role of business in society, and the attitudes of educators on this matter were changing. An early expression of the idea that service is the proper aim of industry was made in 1919.[11] This same idea with the further admonition to cooperate with the public was expressed by a businessman speaking to the Stanford Conference in 1926.[12] Leverett S. Lyon made the same point in 1928.[13]

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[10]Hiram T. Scovill, "Education for Business Beyond the Bachelor's Degree," Proceedings of the 20th Annual Meeting of the American Association of Collegiate Schools of Business, Urbana, Illinois, April, 1938, pp. 103-104.

[11]Harvey A. Wooster, "University Schools of Business and a New Business Ethics," The Journal of Political Economy XXVII (January, 1919), p. 62.

[12]David F. Houston, "The Young Man and Modern Business," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 11.

[13]Leverett S. Lyon, Discussion of a paper by H. E. Hoagland, "An Era of Water-Tight Compartment Instruction in Business Subjects," and a paper by Willard E. Hotchkiss, "A Unified Management Concept as a Basis of Business Teaching," in proceedings of the 10th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, November, 1928, p. 36.

The legislation and the attitudes of the 1930's were to reinforce this move toward social-mindedness on the part of business educators. A leading educator pointed out in 1929 that "It is this undercurrent of social movements that explains the present day phenomenon of business ethics."[14]

The 1934 meeting of the American Association of Collegiate Schools of Business was devoted to a consideration of the effect of the New Deal on collegiate schools of business. At this meeting Dean William H. Spencer of the University of Chicago pointed out that one feature of the recovery program likely to become a part of our social policy would call for an increased emphasis on law as a social force.[15] At the same meeting it was pointed out that codes developed and encouraged by the NRA had forced the matter of business ethics to the front.[16] This was the era of the social sciences. This fact was firmly pointed out by Dean Victor P. Morris at the 1939 meeting of the Association when he said,

> . . . Intense individualism finds modern education a poor soil in which to grow. The individual, warmed and nourished under schools and colleges, emerges from them with ideals and

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[14]Carl F. Taeusch, "Business and Education," An address delivered at the annual meeting of the Harvard Teachers' Association, Cambridge, March 16, 1929, and published in School and Society XXIX (June 8, 1929), p. 724.

[15]William H. Spencer, "The Recovery Program and the Teaching of Law in Collegiate Schools of Business," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 43.

[16]William R. Gray, "Will the New Deal Involve Important Changes in Curriculum Philosophy and Teaching Materials and Methods?" Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 46.

> concepts clearly different from those of the earlier self-made man. These are the days of the social sciences.[17]

The displeasure of society with the performance of business in the 1930's and the resulting actions taken through government influenced the attitudes of educators in the field of graduate education for business. These new attitudes also became a part of the thought underlying graduate education for business. In describing the changes which have taken place in business philosophy about social problems, Bowen has written of the influence of business educators:

> Business Schools have unquestionably contributed both directly and indirectly to the recognition among businessmen that their decisions and policies are of deep social concern and that they have important obligations to society. And they have been pioneers in this respect--as the earlier literature on the philosophy of business education clearly shows.
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> The writings of business educators, in which they express their educational philosophies, almost uniformly refer to the need for helping students to obtain an understanding of the economy and of the society within which business functions, and an appreciation of the businessmen in the social order.[18]

Influences on instructional materials and curriculum content. As attitudes of business educators in graduate programs of education for business have been influenced by the changing social and governmental concepts of business, these attitudes have permeated the instructional materials and curriculum content in a very general way. In addition to

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[17]Victor P. Morris, "Changing Concepts of Business with Some Curricular Implications," Proceedings of the 21st Annual Meeting of the American Association of Collegiate Schools of Business, Berkeley, California, April, 1939, p. 139.

[18]Bowen, op. cit., pp. 78-79.

general influences there have been other more concrete influences on the curricula of graduate programs of education for business which have resulted from society and government. At the 1934 meeting of the AACSB it was pointed out that there would be greater emphasis on public regulation of business in subject matter.[19] Leon C. Marshall in 1948 in examining the scope of business control by government remarked that a fourth branch of government--the administrative branch--had developed in his generation.[20] Evidence to support the validity of these statements is available. The subject matter of the functional areas has grown to include some of the more basic provisions of the laws which regulate business activity in those areas. A body of material has been developed and courses have been inaugurated in the area of government-business relationships in general. Also, courses have been developed which examine the operation of the economy in view of government action taken to affect the over-all level of economic activity.

With respect to the functional areas, finance, marketing, and industrial relations have perhaps been affected most by government regulation of business. For example, the legislation dealing with restrictions on marketing policies and practices, such as the Federal Trade Commission Act and other modifying pieces of legislation, has been integrated into the study of marketing. The Securities Act of 1933,

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[19]Spencer, op. cit., p. 42.

[20]Leon C. Marshall, "Collegiate Education for Business Faces Challenges," An address delivered at the Annual Dinner of the School of Business of the University of Chicago, June 11, 1948, and reprinted from The Challenge of Business Education, papers published in celebration of the Fiftieth Anniversary of the founding of the School of Business of the University of Chicago, p. 3.

the Securities Exchange Act of 1934, and the regulations of the Securities and Exchange Commission are a part of the subject matter of finance. The field of labor legislation has provided much of the material for study of labor and labor problems at the graduate level.

Developments in Society and Government Relating to Education

Just as graduate education for business has been influenced by changing social concepts about the role of business in society, so also has graduate education for business been influenced by changing social concepts about the role of education in society. As these developments in social thought have occurred, some have been reflected in legislation providing for government activity affecting education. Such direct influences have not been insignificant, but they have perhaps been less important than the indirect influences of society and government on education. An analysis of both types of influences on education and their effects on the thought underlying graduate education for business is presented below. In Chapter V an extended analysis of the influences of higher education on graduate education for business will be made. Such, however, should follow this more general analysis of the effect of society and government on the thought underlying graduate education for business.

Changing Social Concepts About the Role of Education

The changing social thought about the role of education is clearly demonstrated in the twin developments of universality and relevance in educational philosophy. As used here, universality denotes "education

for all," and relevance signifies the relating of "education to the needs of contemporary society."[21] Relevance also "enables the student to feel a sense of real connection between the educational process and the life that he subsequently leads."[22] While these developments in American education preceded the development of graduate education for business, they were basic to its development and represent part of the thought underlying its development.

Universality of education. Prior to the beginning of graduate education for business, forces were abroad in the United States which were tending to develop the feeling that education should be universal. These forces, of course, had operated at the secondary level first but were felt at the undergraduate and graduate levels. These forces grew. There seems to be little indication of a weakening of their influence. Among these many forces, two seem to be predominant. They are the further democratization of society and the ever-increasing productivity of the economy. The first to manifest itself was the democratization of society which had the result of increasing the demand for education at all levels. The second in time perhaps, but no less important, was the increasing productivity of the economy which has made universality of education more nearly possible in the sense that more time and energy may be given to the education of youth of all ages than was possible in the past.

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[21]Milton Katz, "Liberal Education in Education for Business," Business Horizons II (Fall, 1959), pp. 80-81.

[22]Ibid.

There are numerous evidences available in the literature to high light the democratization of society and its resulting demand for universality of education. C. DeWitt Hardy and Richard Hofstadter, for example, point out that:

> . . . During the last quarter of the nineteenth century the number of students going to college more than doubled--which was both a consequence and a cause of changes in the curricula.[23]

In 1926 it was pointed out that "Provision for university training in business is a phase of the general expansion of higher education."[24] Former President Conant of Harvard has written that:

> . . . Parental concern with education as a way by which a son may better himself economically and socially is a consequence of the spread of that spirit of democracy of which Tocqueville wrote more than a century ago.[25]

Harold Stoke has taken the figures showing the growth in the number of graduate students as an indication of the transformation of society and the increase in productivity of the economy. These changes are shown in the following:

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[23]C. DeWitt Hardy and Richard Hofstadter, The Development and Scope of Higher Education in the United States (New York: Commission on Financing Higher Education, 1952), p. 48.

[24]Willard Hotchkiss, "Educational Setting of University Business Schools," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 12.

[25]James B. Conant, "Education in the Western World," Atlantic CC (November, 1957), p. 74.

> . . . In 1870 there were 44 graduate students in the United States; in 1950 there were 215,000! This is a startling statement. In it can be read a national transformation. It reports the transfer of millions of population from agricultural to industrial occupations and from rural to urban life. It reflects the release of time and energy for use in education, new occupations, and industries. It tells the story of the fundamental revolution which has transformed human beings from a source of physical energy to a source of intellectual energy--a change from men as a source of muscle to men as a source of brains. The fact that this number of people in our population can or must spend their time in advanced study and scholarship is the result of a fundamental social transformation.[26]

The increase in productivity made possible the partial fulfillment of the growing desire for universal education.

Relevance of education. The demand of society that education have more relevance than in the past grew from a number of forces. An analysis of these forces follows.

Not the least of these forces was the growing belief in the universality of education. More and more people joined the ranks of those striving for an education. Education could no longer concern itself with the niceties of life. Education had to become relevant in the sense of relating "education to the needs of contemporary society" and the enabling of the student to feel "a sense of real connection between the educational process and the life that he subsequently leads."[27]

Another force which contributed to the demand for relevance in education had its genesis in the failure of education to develop an earning ability quickly in individuals. This force was described in

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[26]Harold W. Stoke, "Some Observations on Graduate Study," The Journal of Higher Education XXV (October, 1954), p. 287.

[27]Katz, op. cit., p. 81.

the following comment about the growth of business teaching:

> . . . but notwithstanding the fact that more of our young men who graduate from college choose business as their life work than any other field of endeavor, the average college course in liberal arts has largely failed to develop an ability quickly to earn a satisfactory income.[28]

Other evidences pertaining to society's encouragement of relevance in education are to be found. Hardy and Hofstadter quote from a report of the Committee on Education, Schools, and University Lands of the Wisconsin State Senate submitted in 1858 which indicated that the people had a right to expect that the university

> ". . . shall primarily be adapted to popular needs, that its courses of instruction shall be arranged to meet as fully as possible the wants of the greatest number of our citizens. The "farmers, mechanics, miners, merchants, and teachers" of Wisconsin, represented in this legislature, have a right to ask that this bequest of the government shall aid them in securing to themselves and their posterity, such education advantages, as shall fit them for their pursuits in life, and which by an infusion of intelligence and power shall elevate those pursuits to a social dignity commensurate with their value."[29]

Hollis has written of the developing educational institutions in the United States which were adjusting to the agricultural and industrial economy of the day and meeting local needs as they were expressed.[30]

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[28]Floyd W. Parsons, "Harvard Teaching Business the Way It Teaches Law," World's Work XXXVI (June, 1923), p. 167.

[29]Hardy and Hofstadter, op. cit., p. 46. (Citing an 1858 Report of the Committee on Education, Schools, and University Lands of the Wisconsin State Senate.)

[30]Ernest V. Hollis, Toward Improving Ph.D. Programs (Washington: Commission on Teacher Education of American Council on Education, 1945), p. 10.

The university itself is in part a product of these developments. This is true both from the standpoint of number of universities in the United States and their orientation. The demand for universal education resulted in greater demand for university education. Also, and perhaps more importantly, the growth of education at the secondary level meant that more teachers should be trained, and this in itself contributed to the growth of the university as an educational institution. Further, the insistence on relevance in education meant a shift in emphasis. The ancient universities were concerned with a philosophical study of a limited number of fields. Although these fields were concerned with the so-called weightier matters of the world, they had only indirect relevance to the day-to-day needs of individuals and society. As the university grew, its emphasis shifted from such matters which had little direct relevance to the work of the world. Coincident with this growth of interest in other than the ancient studies was the growth of scientific knowledge--growth such that it disrupted the previously held idea of a fixed body of knowledge for study. This growth led to careers in many specialties due to the dissatisfaction with one type of training to cover all needs.[31]

The growth of business and industry which occurred coincident with this growth in the function of a university also influenced the direction of growth of the university. This is pointed out in the following statement:

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[31]Hardy and Hofstadter, op. cit., p. 48.

> Since the emergence of the university coincided with the period of industrialism, corporate business, urbanism, growth in social complexity, and the advancement and heightening prestige of science, the new graduate and professional schools that proliferated in the university revolution were naturally molded by these developments.[32]

Professor Milton Katz has summarized the effect of these intermingling forces of universality, relevance, and growth of business and industry in the following:

> . . . let me return to the collegiate school of business. In its beginnings . . . it exemplified the principle of universality in one of its aspects, in that it grew out of the American attempt to make education at the college level available to an entire population.[33]

This much of the pattern of thought underlying graduate education for business seems to be clear. Forces resulting from democratization of society and increasing productivity of the economy led to the belief that education should be universal at both the secondary and collegiate levels. Universality implied that education should be relevant to the needs of society. The growth of business and industry coincident with these other developments led to the belief that education for business was essential. Graduate education for business was a natural outgrowth of this thought.

Government Influences on Graduate Education for Business

The changing social concepts about the role of education have affected education in general and thus have also influenced graduate

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[32] Ibid., p. 57.

[33] Katz, op. cit., p. 32.

education for business. Many of these influences have been manifested through direct government activity based on a government educational policy. Other influences have been effected through actions of government which, although not reflecting a stated educational policy, did affect graduate education for business. From these actions can be discerned the forces which have affected the thought underlying graduate education for business.

Direct government influence on graduate education for business. Government actions to influence education directly are abundant. More of the system of higher education is supported and guided by government at some level than by any other institution. The regulations which result from this support are not, however, the specific area of interest in this report. The report is rather concerned with actions which do not merely regulate higher education but set policy to guide it into certain areas of activity and which reflect underlying thought. No attempt is made to provide an exhaustive list, but rather a presentation of typical actions is made.

Reference has already been made to a report of the Committee on Education, School, and University Lands of the Wisconsin State Senate submitted in 1858.[34] Here, direct guidance was given to the system of higher education in the State of Wisconsin. This guidance by government was a direct reflection of wants and needs of society--wants and needs brought about by the thought that education should be universal and relevant. The actions of government and the thought of society

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[34]Hardy and Hofstadter, op. cit., p. 46.

about education and specifically education for business are found in results of the Engineering, Science, and Management War Training Program (to be referred to hereafter as Management War Training Program), the President's Commission on Higher Education, the National Science Foundation Act, and the National Defense Education Act.

An example of direct action by government to affect graduate education for business is found in the action taken by the Management War Training Program. Under this program, schools of business were

> . . . called upon to offer intensive courses in management personnel administration, accounting, cost accounting, and statistics. These courses were hurriedly organized to meet a demand for specially trained workers in a rapidly expanding industrial economy.[35]

In addition to the establishment of such courses in the schools, the experience obtained in these schools was utilized in the further development of graduate programs after World War II.

Another example of government action which, although directed toward graduate education generally, has affected graduate education for business is the action of the President's Commission on Higher Education. The Commission urged that a system of fellowships be made available for students intending to enter teaching. About this Theodore C. Blegen has written:

> National fellowship programs of unprecendented magnitude reflect an increasing national concern about college teaching, particularly in terms of recruiting high talent at the first year graduate level; and graduate schools are

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[35]Russell A. Stevenson, "Training for Business," The Annals of the American Academy CCXX (January, 1944), p. 99.

> seeking fellowship funds for the later years of graduate study, including the dissertation-writing stage in doctoral candidacies.[36]

This quotation reflects the concern of society with education, specifically the education of college teachers. The quotation also reflects the thought that society should support through government action the development of graduate work to prepare college teachers.

The result of this policy goal expressed by the President's Commission on Higher Education is partially found in the establishment of the National Science Foundation in 1951. This agency was given broad authority to promote the increase of knowledge in all fields of science. The social sciences are thus included, although certain exceptions are made. The fellowships are awarded for study in several of the basic sciences related to graduate education for business such as mathematics, anthropology, psychology, sociology, and economics, although business administration as such is specifically excluded. Thus, any effect on graduate education for business from this act must be derived through the basic sciences underlying the field of study for business.

Of more primary importance to graduate education for business is the National Defense Education Act of 1958. This act was specifically designed to provide for more college teachers. Its objective is to provide students with funds for graduate study and at the same time

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[36]Theodore C. Blegen, "How Can Graduate Schools Increase the Supply of College Teachers?" The Journal of Higher Education XXX (March, 1959), p. 128.

increase the number and scope of graduate programs of study.[37] The fellowships are awarded by the Commissioner of Education to individuals who have been accepted for a program approved by the Commissioner in a cooperating institution. The program must qualify in two ways. It must be a "substantial addition to the Nation's training facilities and a contribution to a wider geographic distribution of such facilities."[38] As the educational institution awards fellowships to students, it must give preference to persons interested in college teaching, although the recipient is not limited to this career on completion of the program.[39]

Since fellowships are limited to no specific subjects areas, what is the effect of this government action on the field of graduate education for business? First, at least one of the institutions studied in this research is developing a program partially on the basis of this support both to the institution and to students. Other institutions have developed programs in newer areas such as quantitative business analysis.[40] Still others have developed modified programs in the more traditional areas of business study. The effects seem to be three. First, this act has encouraged the development of new programs where none existed before; second, it has encouraged innovation within

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[37]Office of Education, U. S. Department of Health, Education, and Welfare, Guide to the National Defense Education Act of 1958 (Revised ed.; Washington, D. C.: U. S. Government Printing Office, 1960), p. 11.

[38]Ibid., p. 12.

[39]Ibid.

[40]Office of Education, U. S. Department of Health, Education, and Welfare, National Defense Graduate Fellowships Approved Graduate Programs 1962-63 (Washington, D. C.: U. S. Government Printing Office, 1962), p. 7.

existing programs; and it has probably increased the number of students engaged in graduate study in business.

Also indicated by such actions as the NDEA fellowship programs and the World War II business and management training programs is the belief that schools are to a large extent public service institutions. The exact effect of such actions is pinpointed in the following:

> . . . This is the movement which is transforming the schools from places of formalized education into public-service institutions. A trend of long standing, its explicit acceptance in American educational philosophy is new . . . . Our growing consciousness of possibilities of this kind can be measured by the number of commissions, bureaus, government agencies, and private organizations which are bombarding the schools with plans, programs, instructional materials and even propaganda.[41]

From these quotations it becomes clear that government is operating on the premise that institutions of formal education may properly operate as public service institutions. This principle of government policy makes it possible for government to utilize graduate programs in general as an instrument of policy by encouraging studies in certain areas through assistance to students. This principle is also used to attempt to justify calling on these institutions to run certain training programs.

Indirect government influence on graduate education for business. Government has also influenced graduate education for business indirectly. Government programs have influenced study and research in

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[41]Harold W. Stoke, "The Future of Graduate Education. How Does Graduate Work Fare in the Postwar Period?" The Journal of Higher Education XVII (December, 1947), p. 475.

numerous ways. As a major employer in our society, government creates a market for personnel. These channels of action were summarized by Leverett S. Lyon at the 1934 conference of the American Association of Collegiate Schools of Business, when, after recounting some of the intellectual notions of the New Deal, he suggested the following:

> . . . Whether we view these matters in terms of the philosophy of business and economics which we must teach; whether we view these matters in terms of the subject-matter of curricula; whether we view them in terms of the kinds of opportunities which they will present for our graduates; whether we view them in terms of their implications for research or whether we view them in relation to any other of the aspects of collegiate schools of business administration, they raise for us challenging questions.[42]

In addition to the opportunities for graduates referred to above, government use of faculty from graduate programs of education for business has been a widespread phenomenon. An analysis of the channels by which government has affected indirectly graduate education for business is presented below.

Some of the most pertinent expressions of thought about the effect of government on instruction in business relate to the effect of the New Deal which, of course, represented the beginning of positive intervention by government in the affairs of business. Lyon has suggested that the New Deal centered attention on a "new economics and on new problems of governmental management" and these "facts mean much for the

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[42]Leverett S. Lyon, "Problems of Business Education at the Collegiate Level," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 32.

collegiate school of business."[43] Among the notions of the New Deal referred to by Lyon which affected collegiate education for business was overproduction, and he further suggested that if this notion continued to be held, decisions would have to be made on some basis other than profits and prices.[44]

Other effects of the New Deal included the disruption of academic studies by government demands on teaching personnel, the increasing interest in the current government-business relationships, the stressing of macro as opposed to micro aspects of problems, and an increase in the use of then current illustrative maerials. About the first one, Dean Roswell C. McCrea of Columbia commented as follows:

> . . . Demands on our [Columbia] staff in Washington and elsewhere have been heavy. Problems of policy affecting taxation, finance, labor, public utilities, statistical procedures, N.R.A. code practices and a host of related matters have drawn so widely on the services of members of our staff that the calling of faculty or committee meetings has required time adjustments almost impossible of solution.[15]

This deep involvement of faculty with current happenings in government along with the availability of fresh data and points of view stimulated both the interest of students and faculty.[46] McCrea thought that, prior to some of the actions of the New Deal, businessmen had been interested

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[43] Ibid., p. 29.

[44] Ibid., p. 30.

[45] Roswell C. McCrea, "The New Deal as It Has and May Be Expected to Affect Large City Schools of Business," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 32.

[46] Ibid., p. 33.

only in the micro aspects of their own firms. The depression and the resulting New Deal had focussed attention on the macro problems of relating a business or industry to the whole of the nation.[47] It was McCrea's thought also that the institution of the New Deal had forced business educators to give more attention to the broader business relationships and the adaptations of business to social needs. This was a part of the wedding of business to economics.[48] This viewpoint is reinforced in the following comment by Dean Joseph H. Willits of the Wharton School of Finance and Commerce:

> . . . We want ever more competence in the individual business unit, but society asks and business requires more awareness to--more sensitiveness in business men [sic] to common business or social problems.[49]

There were other ideas and thoughts on the effect of government, specifically the New Deal, on collegiate education for business. Dean Spencer of the University of Chicago pointed out that:

> The recovery program does give additional support to the conviction which many entertain, that increased emphasis should be placed upon law as an important social force, its scope and changing character. This is a matter of primary consideration to schools of law. It should be just as important a matter for schools of business.[50]

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[47] Ibid., p. 34.

[48] Ibid.

[49] Joseph H. Willits, "The Significance of New Deal Activities for the Social Aspect of Business Education," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 37.

[50] Spencer, op. cit., p. 42.

This emphasis on law was to include additional emphasis on public regulation of business particularly through administrative law. Also, new emphasis was placed on "the law dealing with the relation between employer and employee."[51] Out of the development of codes was likely to "come a new body of law bearing upon fair and unfair market practices.[52] Also, according to Dean Spencer, collegiate schools of business had an obligation to keep their students informed on this body of law as it emerged.[53] These views were reinforced by Dean Henry F. Grady when he commented that the philosophy underlying the New Deal

> . . . will necessitate a readjustment in the emphasis on the social aspects of business; and the new problems of business per se under these changed conditions will require a different stress on the various phases of our collegiate business training. These changes will beyond doubt entail some shifts in courses and some change in the content of present courses to meet the new conditions.[54]

In addition, Grady commented that greater emphasis would need to be placed on sound basic training in accounting and statistics, marketing, manufacturing, and labor relations. Also, according to Grady the rights of the consumer would have to be given more than lip service and coordination between political science and business studies would have to be improved. And, according to Grady, as a result of the New Deal's effect

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[51] Ibid.

[52] Ibid.

[53] Ibid.

[54] Henry F. Grady, "The New Deal as It Has and May Be Expected to Affect Collegiate Business Education in the State Universities," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 37.

on the whole field of business ethics, particularly through the codes of the NRA, a better grounding in social theory and criticism became necessary.[55]

In the proceedings of a very early meeting of the American Association of Collegiate Schools of Business an expression of thought about government and research in schools of business is to be found. In a general discussion about research in business education C. O. Ruggles pointed out that:

> Schools of business cannot overlook the fact that if they are to receive support either through legislative appropriations or through endowments they must justify their existence not only by the product which they turn out but also by their attitude toward the problems of research and certain other extramural activities.[56]

Hollis in his study of Ph.D. programs has written of the role of graduate education and government in the matter of research. Until 1918 the universities were the primary agencies for organized research in the United States.[57] World War I marked the beginning of a trend toward large-scale use of university personnel by government and others to carry on research. Hollis observes that by the time the second world war broke out the universities had become relatively less important in productive research. As a result of this change in the role of

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[55] Ibid., pp. 44-46.

[56] C. O. Ruggles, "The Significance of Research in Business Education," in proceedings of the 6th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, 1924, p. 12.

[57] Hollis, op. cit., p. 32.

government from partially supporting and using research done in graduate schools to extensive use of research personnel obtained in the main from graduate programs, Hollis reached this conclusion:

> The fact that university research now makes no more than a minor contribution to the increasing mass of essential findings simply indicates that our economy has reached a stage of development that calls for greater differentiation of functions. As the situation immediately ahead looks now, faculty members in graduate schools will probably be called on to devote more time and talent to preparing others for research and related scholarly activities than to productive research themselves.
>
> This differentiation of function has provided graduate schools with opportunities for improving the education of personnel for the scholarly needs of government, industry, and the collegiate institutions.[58]

Demands for research but more particularly for researchers have also been made on graduate education for business. Evidence of this demand and its effect on studies is to be found in the following:

> Research is inherent in the formulation of any economic plans, and to the end that such research will have practical results it will be necessary that workers in this field be more familiar than heretofore with the processes, techniques, and organization of business enterprises in various industries. The increasing demand for men to direct research and New Deal mechanics both in industry and government means that training in colleges and universities must be grounded on a solid and thorough foundation in present day economic conditions.[59]

At the same meeting of the AACSB, where the above comment was made, another dean commented:

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[58] Ibid., p. 34.

[59] Grady, op. cit., p. 45.

> In the second phase, such a comprehensive program of relief, recovery, and reform, particularly in its planning phases, requires comprehensive and impractical research. From the outset one of the most serious obstacles which the various administrations have encountered is the lack of well integrated, reliable data . . . . If we are to continue in the direction in which we are moving, the need for comprehensive, detached, impartial, and competent research will tend to increase rather than to decrease.
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> . . . . . .
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> Members of faculties of schools of business, law schools, departments of economics, and of other divisions of the Social Sciences, do possess many qualities which fit them to serve government and business . . . .[60]

Dean Willits of the Wharton School of Finance and Commerce spoke of his fear of the effects of the depression on research:

> . . . As a result of the depression, I rather look for a crop of new research ventures each of which will undertake to cure the world of depression.[61]

The effect of government on research is again clear in the findings of a study on "Research Activities in the Schools of Business," in which a large number of studies were being done on "various aspects of the N.R.A. and allied politico-economic matters."[62] Included in the latter category were studies on the relation of Federal Courts to labor problems, the effect on labor of recent legislation.[63] According to

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[60]Spencer, op. cit., pp. 55-56.

[61]Willitts, op. cit., p. 60.

[62]Clare E. Griffin, "Research Activities in the Schools of Business," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 62.

[63]Ibid., p. 65.

Dean Clare E. Griffin, social and broad economic aspects were the concern of most researchers in these problems.[64]

None of the quotations above specifically related to graduate education for business. Yet, it is obvious that the faculty most likely to be involved in work with the government is the group most concerned with graduate work in business. These government efforts seemed to have had an effect on the curricula of graduate studies in business. This effect is obvious from a report by Frances H. Bird on curriculum changes taking place in member schools. Bird reported, for example, that the Graduate School of Business Administration of Harvard University was placing greater emphasis on the relation of economic theory to business as evidenced by two new courses, "Business Economics" and "The Problem of Economic Balance."[65] Also, the Amos Tuck School had modified its course in general management to consider problems "not so much from their departmental significance as they are from their relation to general administrative policies."[66] Such issues as ethics, public relations, and economic planning were receiving more attention.[67]

Numerous statements about government influence on research, a matter of acute interest at the graduate level, can be found also. The influences of government on research may be viewed as influences

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[64] Ibid.

[65] Frances H. Bird, "Some Curricular Experiments: A Report on Recent Educational Trends in Collegiate Schools of Business," Proceedings of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, p. 75.

[66] Ibid.

[67] Ibid.

occurring because much graduate education generally (including graduate education for business) is supported by government to a large degree. The influences of government may also be discerned in the results of government hiring from universities in general and from educators and students in graduate education for business.

From this evidence it may be seen that government was having two effects on research in graduate education generally and on graduate programs of education for business in particular. The growth in the amount of research being done led to the development of research in other agencies particularly government. As as result of this, government began to look to graduate programs in business education for the training of researchers in business and economic matters who would then be hired by the government. Also, as a result of the needs of government for information to guide the regulation of business and industry, research both government sponsored and otherwise was directed toward matters of a broad economic and social nature. These two trends have continued.

There is yet one other well-defined channel by which the thought underlying graduate education for business was affected by government--the influence of government as a market for personnel. The twin facets of this channel of influence are pointed out below:

> All the various divisions of government have need for the young men and women trained in our collegiate schools of business. They are constantly demanding both our professors and students to carry on the ever increasing program of regulating private business and of carrying

> on business enterprise formerly administered by private individuals.[68]

Government was then using, had previously used, and has continued to require the use of faculty members as well as the graduates of schools of business.

Undoubtedly students completing programs of study in business had entered government work before the 1930's, but the New Deal opened wider this path. At the 1934 AACSB meeting to discuss the effect of the New Deal on collegiate education for business, the use by government of graduates was discussed. One comment by Dean Grady was typical:

> The increase in government bureaus and supervising agencies implied in the New Deal will furnish a new market for the services of commerce graduates; . . . .[69]

Indicative of the thought underlying this comment was this statement in the same paragraph:

> These changes will beyond doubt entail some shifts in courses and some change in contents of present courses to meet the new conditions.[70]

At the 1937 meeting, Dean Bidgood of Alabama discussed the concern of numerous groups with education for business. He highlighted the concern of government and its effect on the number of graduates going into

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[68]Reid L. McClund, "Cooperative Research Within the Faculty," Proceedings of the 20th Annual Meeting of the American Association of Collegiate Schools of Business, Urbana, Illinois, April, 1938, p. 8.

[69]Grady, op. cit., p. 44.

[70]Ibid.

government service in the following statement:

> The last of the five parties, government, is concerned as an employer--a rapidly growing employer--and as a fostering and regulating agency. The number of business jobs in the service of the national, state, and local governments is enlarging daily.
>
> . . . . . .
>
> But government itself has immediate need for professional business schools. It comes to these schools for facts and for trained men to carry on its enlarged and enlarging program of regulating private business.[71]

Still later in 1946, Dean Robert D. Calkins of Columbia University's Graduate School of Business in a speech before the AACSB pointed out that government agencies exerted tremendous influence on business activities and that many of these agencies would need individuals with a collegiate business education background.[72] The influence of government as a market for graduates of schools has been observed for about 30 years now, and the implication has been that if some graduates are to participate in governmental affairs, then some consideration should be given to education needs for service in this capacity.

Again, undoubtedly faculty members of schools of business had been engaged in government service prior to the occurrence of World War II, but one of the first reports about such refers to the decimation of the

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[71]Lee Bidgood, "The Philosophy of Business Education," Proceedings of the 19th Annual Meeting of the American Association of Collegiate Schools of Business, Baton Rouge, Louisiana, March, 1937, p. 67.

[72]Robert D. Calkins, "Objectives and Methods of Collegiate Education for Business," Proceedings of the 28th Annual Meeting of the American Association of Collegiate Schools of Business, Chicago, Illinois, May, 1946, p. 2.

Harvard Graduate School of Business Administration in World War I.[73] Utilization of faculty personnel of schools of business for government work again reached a peak in the 1930's during the period of the New Deal. Reference has already been made to the comment of Dean McCrea of Columbia that the demands on his staff from Washington and elsewhere were very heavy.[74] Also at that meeting, Dean Spencer of the University of Chicago School of Business pointed out the underlying reason for this use of School of Business Faculty members as well as the degree of their use in the following:

> In the first place, the administration of such a far-reaching program certainly needs impartial, detached, competent advice on the political, social and economic implications and consequences of its plans. The present administration has certainly made liberal use of academic minds. . . .[75]

Widespread use of faculty members of schools of business during World War II and during the mobilization in the early 1950's for the action in Korea was again a fact. An outstanding example of utilization of faculty members of schools of business is that of the Council of Economic Advisers--Professor Robert Turner of Indiana, appointed by President Truman; Dean Neil Jacoby of the University of California, Los Angeles, and Professor Paul W. McCracken of the University of Michigan, appointed by President Eisenhower. The extent of this use, however,

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[73]Melvin T. Copeland, And Mark An Era. The Story of the Harvard Business School (Boston: Little Brown and Company, 1958), p. 60.

[74]McCrea, op. cit., p. 32.

[75]Spencer, op. cit., p. 55.

and viewpoints about the usefulness of government experience are indicated in the following quotation:

> Slightly over 50 percent of the typical faculty of A.A.C.S.B. member schools have had a year or more of business or government experience, and all schools responding believed it desirable for teachers to act as consultants in business and government concurrent with their teaching duties.[76]

The underlying thought would seem to be that faculties of schools of business are valuable not only for research but also for advice on policy making. The evidence of government influence through these channels on thought underlying graduate education for business is plain.

Another indirect influence of government on graduate education for business resulted from the financial assistance to World War II and Korean War Veterans provided under Public Laws 346 (The Servicemen's Readjustment Act of 1944) and 550 (Veteran's Readjustment Assistance Act of 1952). No attempt was made to direct the education of these veterans except that their programs of study had to be in recognized areas. Yet, this influx of professionally minded students meant so much to graduate education for business. An analysis of the precise effects of this group of students is presented in Chapter VI; however, it is important to note that government assistance to this group of students helped to create a market demanding the development of professional education for business.

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[76]George P. Baker and David B. Tyack, "Doctoral Programs in Business and Business Administration," Chapter 4 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956) p. 90.

Summary

Among the major influences on the thought underlying graduate education for business is society and its major instrument of power, government. Influences have been channelled through both business and education. Business as the institution of society for meeting its economic needs has been regulated. The regulations placed on business by society have become, in part, an addition to the substance and system of thought presented at the graduate level. As this regulation has passed through the various stages of "near" laissez faire, restrictive regulation, and positive regulation, it has affected attitudes and therefore curriculum content as well as materials chosen to implement the curriculum.

Graduate education for business has also responded to changing social concepts about the role of education in society. The major effects have resulted from the growing universality and relevance of education. In addition to the permeating effect of social thought on educational thought, government has influenced graduate education for business both directly and indirectly. Directly it has exercised influence through overt policy guidance and programs emphasizing or supporting a particular type of education. Graduate education for business has been influenced by some of these policies and programs by providing a market for graduates--both for those interested in administration and those interested in research--and through the utilization of faculty for government administration and policy development. As a result of this market, graduate education for business has become concerned with government problems in addition to problems of the firm.

Also, government has stimulated the growth of graduate education for business from 1946 through the early 1950's through its financial support to veterans many of whom were vitally interested in graduate education for business. The National Defense Education Act of 1958 with its financial assistance to students and educational institutions has stimulated growth of student enrollment, development of new programs, and modification of traditional programs in graduate business education.

CHAPTER IV

INFLUENCES ON GRADUATE EDUCATION FOR BUSINESS STEMMING FROM BUSINESS

The material presented in Chapter II helped to portray the background from which graduate education for business has grown. Starting from this background, various institutions have exercised influences on graduate education for business. The influences deriving from society and government were presented in Chapter III. This chapter, Chapter IV, is concerned with the influences on graduate education for business stemming from business.

The fundamental developments in business since 1900, the period approximating the life of graduate education for business, have been bigness and the managerial system.[1] By any standard, whether physical volume, total dollar value, or resources used in production and distribution--the growth of business has been great in this period. Likewise, the development of the managerial system has been extensive. The growth of the managerial system is indicated by the growth of the managerial group as a percentage of total firm employment, the growing dependence of the firm on the managerial group, or the policy changes of business firms which may be traced to the influence of the managerial group. Internal strains on business have resulted from growth in the size of firms as well as from the development of the managerial system. Also, external strains on the relationships of business to society as a whole

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[1]Thomas C. Cochran, The American Business System. A Historical Perspective, 1900-1955 (Cambridge: Harvard University Press, 1957), p. 15.

as well as to various groups in the economy served by business have resulted from these twin developments. Some of these strains and resulting developments have generated influences on graduate education for business.

Although the influences of business on education for business at the graduate level have been numerous and their directions and effects plentiful, not all can be treated in this report. Certain influences seem more pronounced than others. For example, with the development of the managerial system came greater emphasis on managerial development. With the growth of business and the resulting growth and differentiation of the functional areas, the need for specialists has increased. Special problems have arisen in business, the influence of which has been felt in the area of graduate education for business. Accordingly these influences have been classified as managerial influences, specialization influences, and special problems influences. After the analyses of the influences of the above have been reported, an analysis of the channels by which these influences are effective will be presented.

Managerial Influences

Reference was made in Chapter II to the growth of business operations and the concurrent development of managerial organizations. Evidence of the extent of the influence of this development on graduate education for business of the professional type is included in the following quotation from Arthur M. Weimer and Herman B Wells:

> Many changes in the business world have contributed to the need for professional education for business. Among these may be included the increasing complexity of business, with its intensification of problems of an administrative character; the growth in the size of business units, with consequent division of functions and job specialization; the transferred interest of college graduates from the older professions toward business; the development of legislative and trade restrictions on the free functioning of the economic state; and the necessity for and the willingness of businessmen to assume social responsibility.[2]

Speaking in 1955 before the American Economic Association, Dean Neil Jacoby observed that "Management is the proper focus of the business school curriculum."[3] Others have made the same point.[4] The emphasis, then, on the managerial viewpoint in the graduate education for business and the influences on graduate education for business traced to the managerial viewpoint imply the need for an analysis of the functions of a manager.

Authorities have not always agreed exactly on the concept of the functions of a manager, but there is agreement in basic concept. One of the earliest writers in the field of management and administration, Henri Fayol, visualized the functions of a manager as planning,

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[2]Arthur M. Weimer and Herman B Wells, "Social and Economic Program-Adapting to New Horizons in Education for Business Management," Trusts and Estates LXX (May, 1940), p. 465.

[3]Neil H. Jacoby, "Economics in the Curricula of Schools of Business Administration," The American Economic Review XLVI (May, 1956), p. 554.

[4]Robert D. Calkins, In a speech before the 37th Annual Meeting of the American Association of Collegiate Schools of Business, April, 1955, and quoted in John F. Mee and Robert C. Turner, "Potential Changes in the American Economy and Their Impact on the Educational Development of Teachers of Business," Chapter 6 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 151.

organization, command, coordination, and control.[5] Fayol had difficulty in distinguishing the function of "coordination," because he failed to recognize that coordination is the end product of management. William Newman has conceived of the functions of a manager as planning, organizing, assembling of resources, directing, and controlling.[6] Harold Koontz and Cyril O'Donnell have written that the functions of a manager are planning, organizing, directing, staffing, and controlling.[7] R. C. Davis has conceived of the functions of a manager as planning, organizing, and controlling.[8] These three functions, however, have been defined to include substantially the ideas expressed in the other concepts.

These principles and concepts about managerial functions have been developed as a result of the necessity for analyzing the work of a manager and have become a part of the body of knowledge used in graduate education for business. These principles and concepts about managerial functions have also provided a partial framework for the development of business education. Influences resulting from the growth of the managerial system may conveniently be studied through the functions of a

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[5]Henri Fayol, General and Industrial Administration (London: Sir Isaac Pitman and Sons, Ltd., 1949), p. 3.

[6]William Newman, Administrative Action (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1951), p. 4.

[7]Harold Koontz and Cyril O'Donnell, Principles of Management (2nd ed.; New York: McGraw-Hill Book Company, Inc., 1959), p. 35.

[8]Ralph C. Davis, The Fundamentals of Top Management (New York: Harper and Brothers, 1951), p. 14.

manager. For purposes of this analysis, these influences have been classified as factors affecting planning, organization, and control.

Factors Affecting Planning

Planning has been defined as the selection from alternatives of objectives, policies, procedures, and programs.[9] Growth of business meant that decisions had to be made on other than an intuitive basis. Business was "becoming less and less a matter of luck or chance.[10] Chances of success through special opportunities such as exploiting a natural resource or developing a new line of product without scientific study and analysis were rapidly disappearing. This same viewpoint on business is present in the following:

> Business has become very much more stable. Fortunes are no longer, or at least not so frequently, made by single strokes of fortune.
>
> Planning is more and more becoming a characteristic of these expanded businesses.[11]

These viewpoints of businessmen were having an influence on the thought underlying graduate education for business. Expressions of leaders in the field attest to this fact. One leader observed in 1939 that the businessman no longer "tends" his business but rather guides

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[9]Koontz and O'Donnell, op. cit., p. 453.

[10]J. O. McKinsey, "Objectives and Methods in Business Education," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 125.

[11]David F. Houston, "The Young Man and Modern Business," in Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 47.

and directs it.[12] Another observed in 1946 that business was becoming "more technical, more highly organized, more intricate, more governed by law and contract, and more deliberately managed."[13]

The emphasis on planning has in turn placed greater emphasis on the essentials of planning. One of these essentials is the development of tools for forecasting the framework within which planning takes place and the expected results of alternatives. Other essential considerations for planning are the shift in basic objectives and values to be used in planning which has resulted from the growth of the managerial system, and the development of the decision-making process. These essentials of planning have become a part of the curricula of graduate programs in business. Dean Weimer has observed that the "objective of scientific study in any field is prediction and narrowing the margin of error in predictions."[14] In business, as in any other area of study, this improvement of prediction would require expansion of knowledge and constant improvement of analytical methods. Such a course of direction in the field of graduate education for business is observable.

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[12]Victor P. Morris, "Changing Concepts of Business with Some Curricular Implications," in Proceedings of the 21st Annual Meeting of the American Association of Collegiate Schools of Business, Berkeley, California, April, 1939, p. 143.

[13]Robert D. Calkins, "Objectives and Methods of Collegiate Education for Business," A speech presented before the 28th Annual Meeting of the American Association of Collegiate Schools of Business, Chicago, Illinois, May, 1946, mim., p. 2.

[14]Arthur M. Weimer, "Critique" of George P. Baker and David B. Tyack, "Doctoral Programs in Business and Business Administration," Chapter 4 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), pp. 106-107.

Improvements in forecasting. With respect to forecasting the environmental fromework within which planning must take place, business educators have adopted the analytical tools of various disciplines for use at the graduate level. From the field of economic analysis graduate business educators have adopted, either taught by the economics department or integrated into their own courses, the concepts of national income analysis useful for prediction. From statistical applications of mathematics have come trend and correlation analysis.

Victor P. Morris commented in 1939 that:

> The business man halts before accepting extensive governmental planning; but he clearly has moved to the conviction that economic life must now be planned.[15]

Perhaps the acceptance of the concepts of national income analysis for purposes of forecasting are a partial reflection of this acceptance of planning of economic life. This acceptance may also indicate the recognition that the firm is directly and measurably related to the changes in the structure of our national economy and its product. The thought is that these tools and concepts now a part of the curriculum of graduate education for business would free the student of business from reliance on naive or purely mechanical methods of forecasting. These tools and concepts for forecasting should allow the student to search deeply for the causative forces which affect the firm. The adoption of these tools should help the student identify some of these causative

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[15]Morris, op. cit., p. 143.

forces and their magnitude either within the firm itself or within the economy.

The essential nature of such analyses and approaches was pointed out by business educators in their written expressions. Joseph Mayer wrote in 1925 that:

> The modern businessman is on the one hand, demanding executives thoroughly grounded in an understanding of these broader business problems; and, on the other hand, he is insisting that facts regarding business conditions, marketing possibilities and the like be placed at his disposal.[16]

Professor H. P. Collings of the University of Pennsylvania reported on the desire of businessmen for research-trained people in 1929.[17] Mr. Amos E. Taylor of the Office of Business Economics of the U. S. Department of Commerce pointed out in 1945 that business needed more personnel for analysis of economic phenomena and more detailed statistical and factual information on domestic and foreign markets.[18] Summarizing this emphasis on prediction with the necessary forecasting, John F. Mee and Robert C. Turner have written that:

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[16]Joseph Mayer, "Modern Business Education and Research," Scientific Monthly XX (March, 1925), p. 265. (Reprinted from Scientific Monthly by permission.)

[17]H. P. Collings, Comments on the paper of W. J. Donald in Proceedings of the 11th Annual Meeting of the American Association of Collegiate Schools of Business, New York, May, 1929, mim., p. 100.

[18]Amos E. Taylor, "How Can the United States Department of Commerce and the Collegiate Schools of Business Develop a Closer and Continuing Working Relationship for the Benefit of Business and Industry," A paper presented before the 28th Annual Meeting of the American Association of Collegiate Schools of Business, Chicago, Illinois, May, 1946, mim., p. 1.

> Many of our courses now deal with techniques of analysis and prediction. Analysis of balance sheets, techniques of employee selection, methods of market analysis, procedures for security analysis, to mention a few, are taught to advantage now. Both these types of courses must be improved if our students are to cope with the more complex situations likely to develop in future years. In any event, the effective education of our students will undoubtedly require that increasing attention be given to analytical processes and the making of predictions within narrowing margins of error.[19]

The thought is that the high level nature of these analytical approaches requires more emphasis on analytical processes and narrowing the margins of error on prediction. Since these analytical approaches discussed in this quotation are basic to graduate study in business, one direction of development in graduate business education is indicated.

The decision-making process has developed to include approaches which could permit quantification, manipulation, and integration of a great number of variables in the attainment of the best decision, i.e., choosing the best alternative in view of ends desired and means available.

In his presentation of "A Unified Management Concept as a Basis of Business Teaching" before the 10th Annual Meeting of the American Association of Collegiate Schools of Business in 1928, Dean Willard E. Hotchkiss pointed out that:

> The attention which is now being given to the analysis and control of sales and to linking of sales with production means, as I see it, two things--first, an extension of the

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[19]John F. Mee and Robert C. Turner, "Potential Changes in the American Economy and Their Import on the Educational Development of Teachers of Business," Chapter 6 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 152.

> functional efficiency that has been achieved in production to the other divisions of management, especially to distribution; second, an analysis of the work of all functions from the standpoint of what is best for the business as a whole.[20]

In their article in 1940, Weimer and Wells pointed out the need for business of broad training who could integrate and coordinate a number of different types of specialized techniques and processes.[21] The recent trends in the direction of automation and cybernetics emphasizing over-all integration and closed systems of operation have been another force affecting the development of the decision process.

Decision theory and operations research have resulted from the influences of these forces. Although neither originated in graduate education for business, both decision theory and operations research have been integrated into the programs of graduate education for business. The analytical tools and techniques included therein such as mathematical programming, model building for the analysis of alternatives, probability theory, and others are becoming a part of the managerial emphasis of graduate education for business. They represent the "present-day culmination of management's evolution," and "are the most advanced developments for generalization all management situations."[22]

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[20]Willard E. Hotchkiss, "A Unified Management Concept as a Basis of Business Teaching," A speech made before the 10th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, November, 1928, p. 24.

[21]Weimer and Wells, op. cit., p. 466.

[22]David W. Miller and Martin K. Starr, Executive Decisions and Operations Research (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1960), p. 4.

These developments have become a part of the thought underlying graduate education for business.

Changing objectives and basic values for planning. Another aspect of the growth of the managerial system manifested through the planning emphasis has been the change in the basic objectives of the business enterprise. This change in objectives resulted in a change in the thought underlying graduate education for business. Planning has, of course, become more deliberate and more complete. In addition to this development, the performance of this function by a managerial group as opposed to owner-managers has influenced the direction of business. In the selection of plans there are basic objectives and values, and the basic objectives and values of the managerial group as opposed to the owner-manager group are different in some respects.

One important basic consideration in planning under the managerial system has been the institutional nature of business and the trustee function being performed by management. Owen D. Young in 1927 pointed out that managers were no longer the partisan attorneys of one group against another but that they were expected to be trustees of the whole undertaking.[23] The need for managers who can perform this function has both intensified the demand for education for business--an education which can best be given at the graduate level--and intensified the need for the development of the trustee concept on the curricula of education for business.

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[23]Owen D. Young, "Dedication Address," An address delivered at the dedication of the George F. Baker Foundation, Harvard Graduate School of Business Administration, June 4, 1927, and published in the Harvard Business Review V (July, 1927), p. 392.

Another important basic consideration which has both intensified the demand for graduate education for business and at the same time permeated the curricula of education for business is the emphasis of the managerial system on public relations. The firm has many publics--its customers, its employees, the government, and others. The extent of this influence is noted in the following quotation:

> Finally, the management must always steer its course with an eye to how its actions will look, not only to its employees, its stockholders, its customers, and the government, but also to the general public. The heads of little businesses may engage in deals which will not stand public scrutiny, and sometimes get away with grand larceny; the heads of big businesses are under close critical observation. Detailed reports to the Securities and Exchange Commission, detailed reports to the tax gatherers, and the possibility at any moment of being investigated by the Federal Trade Commission or by a congressional committee leave them with about as much sense of privacy as a goldfish.[24]

Howard Bowen has pointed out that the businessman is called upon increasingly to consider these broad economic and social effects of his decisions.[25]

The thought underlying graduate education for business has been affected by these developments resulting from the growth of the managerial system. Realizing the essential nature of this managerial action, business educators have developed courses with such titles as "Social Responsibilities of Business," "Public Relations," "Business and Government," and the great number of courses with implications for employee-

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[24]Frederick L. Allen, The Big Change. America Transforms Itself 1900-1950 (New York: Harper and Brothers, 1952), p. 240.

[25]Howard R. Bowen, Social Responsibilities of the Businessman (New York: Harper and Brothers, 1953), p. 28.

business relationships either on a union or nonunion basis. With the change in the basic considerations of the planner, provision has been made for these new approaches in graduate education for business.

The emphasis on planning which resulted from the managerial system meant that graduate education for business must concern itself with the essentials of planning. Thus, curricula have been developed which contribute to the accomplishment of forecasting, the actual decision process, and an analysis of basic objectives and values in planning undertaken by the so-called professional manager as opposed to the owner-manager.

Factors Affecting Organization

Some years ago the editors of Fortune in an advertisement for the book U.S.A., The Permanent Revolution declared that "The tycoon is dead."[26] Although perhaps an overly dramatic attempt to create attention as an advertisement, the expression "The tycoon is dead," explains a lot about the organization of business enterprise and the resulting influence on graduate education for business. This expression describes the passing of the era when the underlings of a business (among whom could be included much of so-called management) went to the one manager, the tycoon, for decisions on all matters of other than the purest routine. It sets the stage for the development and study of the extensive organizational development which has been necessary to supplant the tycoon. The stages of this development may be classified as the development of the job-task pyramid, the development of the decentralization

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[26]Allen, op. cit., p. 246.

concept, the development and emphasis on the study of human relations, and the emphasis on behavioral sciences in the organization process. An analysis of the process of growth of business organizations should provide some insight into its development and influence on graduate education for business.

Development of the job-task pyramid approach to organization. The growth of the managerial system forced a sharper development of the principles of the managerial function of organization. As business firms expanded to serve the expanding market in the United States, the span of management of the "owner-manager" was rapidly exceeded. This expansion, of course, was one of the keys to the growth of the managerial system.

As business grew and the managerial system gradually came to be accepted, expansion of the enterprise organization took place. This expansion ordinarily occurred through the process of devolution, functional growth downward; and this type of organization has been referred to as the job-task pyramid. Early scholars in the field of management such as Hamilton Church and Oliver Sheldon recognized and described this process of organizational growth.[27] This process became a part of the body of literature used in graduate education for business. However, this early development on the basis of functional devolution was not an altogether satisfactory and complete process for the growth of an organization.

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[27]See A. Hamilton Church, The Science and Practice of Management (New York: Engineering Magazine Company, 1914), p. 73. and Oliver Sheldon, The Philosophy of Management (London: Sir Isaac Pitman & Sons, Ltd., 1930), p. 51.

The extensive growth of the managerial system meant that specialized managerial assistance must be provided. More recent writers have recognized and developed the concept of staff evolution to provide for specialization in the performance of managerial functions.[28] These two analyses, both a part of the job-task approach to the organizational development of business enterprise, became necessary for the development of managers capable of handling the organizational problems in the modern large-scale enterprise. The thought that such analyses as these were essential for managerial development underlies the study of this type of organization in graduate programs of education for business.

Development of the decentralization concept. As businessmen's understanding of the principles of organization of business developed, changes took place in the organization of business which exerted further influences on graduate education for business. J. O. McKinsey noted that the business organization was changing and emphasized two trends and their effects on graduate education for business in the following presented in 1927:

> . . . we are developing in business a different type of organization.
>
> The executive of today delegates a much larger responsibility to his subordinates than was formerly the custom. . . . I think this trend is very important to us, for it means that the subordinate executives in business are assuming larger and larger responsibilities and consequently the young men who leave college in the future may reasonably expect to reach a position of responsibility much earlier than did the young man of a few generations ago.

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[28]For an example, see Ralph C. Davis, op. cit., pp. 369-487.

> A second tendency in organization is to fix more definitely the responsibility of executives.
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> This trend in organization is important from our point of view, because if responsibility in business is defined it means the executives must perform more intensive work in the positions they hold, and they cannot succeed by doing the more or less superficial kind of work that some executives have done in the past. Consequently the student who has been trained to do intensive work should have a better opportunity for success than he would in an organization where responsibility is not defined.[29]

The trend toward greater delegation of authority has been extended into one of major proportions and major influence on business and graduate education for business. It was perhaps encouraged by the success of the decentralization policies put into effect by Alfred P. Sloan at General Motors. The doctrine of decentralization became a cornerstone in the organization policy of many companies. In reporting this trend Mee observed that:

> The size of business organizations is steadily increasing both in the number of employees and the number of decentralized units, often called profit centers.[30]

As McKinsey in 1926 predicted, this had the effect of increasing the importance of the executive's work, particularly that of the junior executive. Increasing organization size not only affected the type of education given to the prospective manager through the medium of graduate education for business, but also increased the demand for men so

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[29]McKinsey, op. cit., pp. 128-129.

[30]John F. Mee, "The College Graduate in the American Economy, 1970," in Indiana Business Information Bulletin No. 23 (Bloomington, Indiana: Bureau of Business Research, School of Business, Indiana University, 1955), p. 41.

educated--men who could be entrusted with the greater authority placed in their hands.

Development of the human relations approach to organization. Beginning in the middle of the third decade and continuing into the fourth and fifth decades of the twentieth century, increasing attention was paid to the human relations aspects of organization problems. Human relations, defined as "the development of joint purpose and motivation in a group,"[31] brought a new dimension to the organizational process. Prior to this development it had been thought that managerial authority was sufficient to motivate the members of an organization to the accomplishment of the goals of the organization. The development of this area pointed out that there are other means of developing this "joint purpose."

This thought, that means other than authority are essential if an organization is to be developed into a working force, then led to the development of the human relations emphasis in graduate education for business. This area of organization, like the earlier development of organization on the basis of job-task authority relationships, had its genesis in the development of principles through inductive reasoning.

Development of the behavioral science approach to organization. Beginning in the early 1950's an attempt was made to apply the principles and concepts of the "behavioral sciences" to management problems with special application to organization problems. The development of this attempt in business and industry is indicated by the hiring of

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[31]By permission from Human Relations in Business by Keith Davis. Copyright, 1957. McGraw-Hill Book Company, Inc., p. 4.

psychologists and sociologists on either a full-time or a consulting basis to aid in the solution of organizational problems. The addition of courses in the behavioral sciences to the graduate business curriculum is an illustration of this development. These behavioral science courses have been taught either by a behavioral scientist on the staff of the school of business or by a representative of the appropriate institutional department on a service course basis. Although systematic application of behavioral sciences to business education is in a pioneering stage, the thought is that applicable concepts or principles in the behavioral sciences should be integrated into the graduate program of business education.

The development of the managerial system has placed emphasis on the development of the organization function of management just as on the planning function previously discussed. The direction has been from functional devolution and evolution, in terms of the work to be performed, to perhaps an overemphasis on the problem of human relations in welding people into a productive organization. From this latter extreme, the present stage of the job-task pyramid modified on the basis of concepts and principles of the behavioral sciences has evolved. Organizational development has evolved from inductive reasoning in the early stages to a combination of inductive and deductive reasoning at the present level of development. The thought that such concepts of organization are essential to the functioning and further development of managerial performance is the foundation on which this portion of graduate education rests.

Control Influences

The growth of the managerial system has placed additional emphasis on the performance of the control function of managerial activity. The control function has been defined as including "those activities which are designed to compel events to conform to plans."[32] Development of the function of control has not been as extensive as that of planning and organization. Therefore, development of this function has not had the impact of the development of the other functions on the thought underlying graduate education for business. Evidence of influences resulting from the development of the control function is, however, to be found in the growth and development of statistical control, the modifications of accounting for control purposes, and in certain other developments such as data processing, feedback, and controllership

Statistical control. In the early 1920's Walter A. Shewhart of the Bell System developed the application of statistical control to production management problems. By 1930 the Assistant Vice-President of the American Telephone and Telegraph Company, in commenting on the increasing demand for men with education in business, was able to say that "We do need men who are able to come in and help develop that most important tool of management--statistical control."[33] The pressure for

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[32]By permission from Principles of Management (2nd ed.) by Harold Koontz and Cyril O'Donnell. Copyright 1959. McGraw-Hill Book Company, Inc., p. 37.

[33]R. I. Rees, "What Business Expects of Graduates of Schools of Business," A speech made before the 12th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Journal of Business III (October, 1930), p. 34. (Copyright 1930 by the University of Chicago.)

production and control resulting from World War II added to the emphasis on statistical control for quality and quantity control in the field of manufacturing management. After World War II wider applications of statistical control were made. It was observed that any process exhibiting over-all stability could be controlled through this approach. The way was open for the application of statistical control in the functional areas of marketing and finance as well as to certain problems in the area of industrial relations.

Wide application of the technique of statistical control has been made in the managerial function of control. Because of its essential role in managerial control, study of this technique has been integrated into the study of business. Instruction in the application of this tool is thought to be appropriate for undergraduate instruction in business. Development of a true understanding of its contribution to managerial control as well as the development of a real proficiency in its use is thought to be appropriate only for graduate education for business.

Accounting for control. Accounting is certainly not a product of the managerial system, and yet modifications of its approach have been made to facilitate the development of the control function. The growth of the cost accounting area with its emphasis on the establishment and maintenance of standards is one result of this emphasis on control. The development of textbooks on managerial approaches to accounting is another result. The influence of this development on graduate education for business is observable in the emphasis on managerial accounting and accounting for managerial control. The number of textbooks and courses

bearing titles similar to the above is a manifestation of this development.

Other control developments. Other evidences of the thought that it is essential to prepare students for the managerial function of control are to be found in the growth of courses in controllership, and in budgeting and the emphasis on control in budgeting.

Another development resulting in part from the managerial emphasis on control is the growth of data processing. With the growth of business, managers would be inundated with so much information that management and therefore control would be impossible. The necessity for assembling and condensing this information into meaningful form was an influence on the development of data processing. The importance of control, then, in industry has influenced the growth of data processing as an area of study in graduate education for business.

The development of the concept of feedback in automation and cybernetics has likewise had an influence on the whole concept of managerial control.[34] Although developed as a part of automation, the concept has been applied to other managerial problems, and it is a symbol of the emphasis on and improvement in managerial control in business. Feedback too is having an influence on graduate education for business.

Management-Centered Curricular Development

In addition to the managerial influences which have been suggested in the previous sections of this chapter, the growth of the managerial

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[34]The term "feedback" as used in the context of automation and cybernetics implies self-correction on the basis of a comparison of actual performance with some preset standard.

system has resulted in another development in graduate education for business. Numerous educators have read from these developments the need for programs in graduate business education which are built around management as a central core. Evidence is available to indicate that these programs were developed to meet a need expressed by businessmen. In 1914 Benjamin Baker reported that businessmen consulted about their needs reported "that they had constant difficulty in getting men who were qualified to become their executive officers."[35] Melvin Copeland reported that by 1908 administrative organizations requiring "competent men with a capacity for analysis and a broad outlook, who could base their business decisions on a comprehensive understanding of the many factors involved," had developed.[36] Thurman Van Metre has observed in the following statement that:

> . . . The increase in the number, in the size, and in the complexity of business enterprises has given rise to progressive needs for better means and methods of supervision, management, and control, as well as for highly specialized services designed to meet the requirements created by the division and the diversification of the functions of the individual enterprise.[37]

The conditions which led to these statements have continued.

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[35]Benjamin Baker, "Teaching the Profession of Business at Harvard," The World's Work XXVII (March, 1914), p. 584.

[36]Melvin T. Copeland, And Mark an Era. The Story of the Harvard Business School (Boston: Little Brown and Company, 1958), p. 18.

[37]Thurman W. Van Metre, A History of the Graduate School of Business, Columbia University (New York: Columbia University Press, 1954), p. 5.

The schools which have taken this approach in the development of their programs have been described as being "dedicated to the belief that business leadership is a profession."[38] Their emphasis has further been described as being on "analysis, values, the power of expression and developing the capability of ingenuity and judgment."[39] Another expression of the emphasis of such programs is to be found in this comment by Dean Phillip Young of Columbia in his report for the academic year 1947-48 as that school prepared to shift to a graduate program in this area:

> The basic objectives of the new graduate program will be to educate for management in the broadest sense of the term. Emphasis will be placed on analysis of business and other economic data; recognition of interrelationships; formulation of policies; and appraisal of the effect of such policies in individual business firms as well as the whole structure of business and economic life. Every effort will be made to develop competence in the administration of business and economic affairs, with emphasis on the managerial problems of the small as well as of the large firm.[40]

The emphasis in such programs seems to be clearly on the development of analytical and decision-making ability for administration of the firm from a relatively high level. Evidence from the interviews would suggest, however, that educators in these programs believe that such

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[38]Peter F. Drucker, "The Graduate Business School," Fortune XLII (August, 1950), p. 93. (Courtesy of Fortune Magazine.)

[39]Clark Kerr, "The Schools of Business Administration," in New Dimensions of Learning in a Free Society (Pittsburgh: University of Pittsburgh Press, 1958), p. 69.

[40]Phillip Young, "Annual Report for Academic Year 1947-48," and quoted in Thurman W. Van Metre, A History of the Graduate School of Business, Columbia University (New York: Columbia University Press, 1954), pp. 98-99.

education is also appropriate for any level requiring administrative ability. At the same time, however, they indicate a belief that their graduates will be managing affairs from a relatively high level in the organization.

As would be expected from the findings from the literature presented above and obtained from the visits to schools, programs of graduate education built around management have developed principally at the master's level. The thought behind this practice is that a student must have at least the background of a baccalaureate degree to benefit from such an educational program. Preferably this baccalaureate degree should either be in some area of the liberal arts, pure science, or engineering. Further, there is some realization of the need for competence in some narrower technical or functional area to obtain entre into the business or industrial organization, and it is thought that the undergraduate degree should partially meet this need.

Since this is a professional type of education thought to be appropriate largely at the master's level, these programs have typically not extended to the doctoral level except in perhaps rare cases. Two reasons for this are suggested. First, experience in a management position is likely to be worth more to the prospective executive than additional academic study in administration. Business is not willing to pay a differential for a doctorate with a major in general management. Second, the students who have graduated from such a program are likely to have little competence for an intensive study in one area due to the general nature of the master's program.

Influences Resulting from Complexity of Business

The growth in size of organizations in almost every aspect of life has been one of the basic characteristics of the nation. This great development in the size of organizational units in the United States has been a driving force for specialization. Discussing this effect on graduate schools in general, Harold Stoke has written:

> Above everything else, the tremendous growth of the graduate schools in the United States reflects the triumph of specialization. The graduate schools produce the scholars, scientists, and specialists on whom the continuity of the dominant intellectual, scientific, and technological trends in our national life depends. The conditions of our national life compel the development of the specialist.[41]

The field of business activity and organization has been very much a part of this national growth.

Differentiation of Functions

The vehicle for the growth of business enterprise has been the corporation, but just as it has been the vehicle for growth it has also been the vehicle for the specialization of business functions. In their analysis of the growth of professional education, C. DeWitt Hardy and Richard Hofstadter pointed out that "The large corporation gave rise to the specialization of business functions."[42] The extent of this growth and differentiation of functions in the corporation is at least

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[41]Harold W. Stoke, "Some Observations on Graduate Study," The Journal of Higher Education XXV (October, 1954), pp. 287-288.

[42]C. DeWitt Hardy and Richard Hofstadter, The Development and Scope of Higher Education in the United States (New York: Columbia University Press, 1952), p. 91.

partially indicated in the following quotation from Frederick Allen in which he comments on the use by business of specialists and semiprofessional or professional groups:

> It employs statisticians, cost accountants, auditors, economists, quality-control experts, motion-study experts, safety engineers, medical directors, personnel men, labor-relations specialists, training executives, public-relations men, advertising men, market analysts, research consultants, foreign-trade consultants, lawyers, tax experts--the list could be continued at length.[43]

This growth of functions has, of course, resulted from the functional devolution and evolution performed as the function of organization and made necessary by the growth of the organization.

Need for Specialists

The nature of the influence resulting from differentiation of functions and the use of specialists is partially indicated in this statement about the relationship of the specialists in the firm to the managers and administrators of the firm:

> It takes more people to run a company than administrators alone; many more even within the management group itself. It requires the staff specialist on forecasting or industrial relations.
>
> . . . Members of the specialist caste should be highly competent technically in their individual fields; some of them should be men of ideas.[44]

Donald W. O'Connell has also pointed out the need for specialists:

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[43]Allen, op. cit., p. 242.

[44]Clark Kerr, "The Schools of Business Administration," op. cit., p. 69.

> . . . The American community's need for people knowledgeable in business extends to those skilled in business research, those competent to hold positions of "staff" rather than "line" character, those trained to administer governmental and other institutions, and, not to be avoidably circuitous, those prepared to be business educators.[45]

In making a specific application of this thought he has also said:

> . . . Big business needs economists, but this need is not synonymous with its need for managers. Prospective business economists require elaborate training.[46]

In addition to the need for managers previously discussed, business and industry have need for specialists in the various functional areas of marketing, finance, production and industrial relations; in the important tool areas of accounting and statistics; and in the special areas which are more closely related to a specific industry such as insurance, public utilities, and real estate. (This latter group is discussed in a later section of this chapter.)

Business demonstration of these needs in the market place is partially indicated in the following statement by Duncan Norton-Taylor:

> . . . On balance, in the matter of hiring, at least, they now give a better break to business majors than to majors in liberal arts. Although recruiters from business look impartially on business majors and liberal-arts majors applying for general administrative jobs, they seek out the business majors when they want men already trained in some

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[45]Donald W. O'Connell, Comment on a paper by Neil H. Jacoby, Economics in the Curricula of Schools of Business Administration," The American Economic Review XLVI (May, 1956), p. 570.

[46]Ibid., p. 571.

> particular technique--accounting, real estate, insurance for example.[47]

Although this statement does not make a comparison between the student who is broadly trained in management and the student who has depth in one area of specialization, it does indicate that business wants the person who may be classified as a specialist. Van Metre has also commented on this need.[48] Further indications of the hiring policies of business in this area are to be found in the reports from some graduate programs about the ease with which the specialist is placed. Business seems to have indicated with money its need for specialists.

Curricular Changes

Just as the growth of the managerial system has resulted in emphasis on management in many graduate programs of business education, so the need for specialists is a part of the thought underlying the great number of areas of specialization offered in graduate programs of business. This number of areas of specialization may be observed in different institutions and even within the same institution. This influence is further reflected in differing philosophies at the master's and doctoral levels in graduate education for business. Findings presented below were obtained by interviews with faculty and study of programs at the schools visited, and the observations made below are based only on the schools visited and educators interviewed.

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[47]Duncan Norton-Taylor, "The Business Schools: Pass or Flunk?" Fortune XLIX (June, 1954), 112. (Courtesy of Fortune Magazine.)

[48]Van Metre, loc. cit.

Master's programs. A review of bulletins of the schools visited shows that the master's level provides the broadest spectrum of graduate programs resulting from differing thought about the reaction of graduate education for business to this need for specialists. Some programs provide opportunities for a student to become a specialist in a functional area such as marketing or finance or in a tool area such as accounting. Still others allow a student to specialize within one of those functional or tool areas, thus applying much of his graduate work to a smaller division of one of these areas. Some business educators in these programs believe that only through concentrated study in one area can a master's program develop the proficiency needed by the specialists. Evidence shows that the degree of this specialization is likely to be determined by the interests of the faculty and the depth of faculty in a particular functional or tool area. Whether a program of graduate education for business has this depth is also determined to some degree by whether a thesis is required. When a master's thesis is required the thought is that the student should have greater depth in a special area to do research in that area. Again, whether this degree of specialization is offered in a program may depend upon the demands of students. If the program, for example, exists within a state university operating to meet the needs of as many different groups of students as possible, opportunities for specialization may be provided in at least one or more areas. At the same time needs of students may indicate a need for a separate program in general management.

Educators in some programs have attempted to combine objectives by offering opportunities for specialization but requiring one or more

courses in the management area. Emphasis in other programs is on management but with provision for some limited degree of specialization. Evidence indicates that to some extent these programs are resting on the thought that executives may need some specific technical competence and that specialists may need some managerial capacity and training.[49] Such programs also rest upon the thought that there is a need for specialization but that advancement and therefore the student's long-run interest may lie in the field of management.

Doctoral programs. Evidence from the literature and from interviews with educators indicates that most programs at the doctoral level provide for specialization. Differences in the degree of specialization may exist as to whether one specializes within a functional or tool area or within a division of one or the other. Although a doctoral program may provide for some breadth with either multiple fields or minors, the thought is that the degree should provide for depth in at least one area.

There are differing viewpoints as to how specialization may be achieved. Educators in some graduate programs express themselves as believing that specialization can best be accomplished through a series of graduate-level courses in an area. Others express the thought that the course work at the doctoral level should be devoted to the development of breadth and that necessary specialization can be achieved in the research necessary for the dissertation. The flaw in this latter viewpoint seems to be an overlooking of the fact that to do research in an

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[49] Clark Kerr, "The Schools of Business Administration," op. cit., p. 69.

area one must first know the area thoroughly to recognize problems worthy of research. Further, the only method for mastering the area is through a course of study restricted in breadth and leading to great depth in one area.

The thought that programs at the doctoral level should provide for depth results from business influence directly and indirectly. Directly, it rests upon evidence that business seems to hire graduates of doctoral programs only for highly specialized positions or for positions which call for a very specialized type of research. Indirectly, it results from the fact that by far the largest number of graduates of doctoral programs go into teaching in undergraduate or graduate (master's) level programs to produce the people hired by business. Depth in an area is essential for teaching and research.

Whether a doctoral program of graduate education for business provides opportunities for specialization in relatively few areas or in many areas will be dependent upon the resources available in terms of faculty and library facilities. Current thought is that a doctorate should be offered only in those areas, and for that matter only in those schools, where such resources are adequate. To do otherwise would be worse than not offering any doctoral program.

Influences Resulting from Special Interest Groups and Special Problems of Business and Industry

In addition to the influence of business growth and the growth of the managerial system, there are other influences of business on graduate education for business. From time to time programs of graduate

education for business have been set up for special interest groups, usually trade associations representing specific industries. In other cases graduate education for business has been most responsive to the needs of business by setting up courses for the treatment of special problems arising in industry generally.

Graduate Programs for Specific Industries

An analysis of the development of curricula in graduate programs of education for business from 1900 to the present reveals numerous instances of special curricula set up for industries. Examples of this are to be found in master's programs for banking, for restaurant and hotel administration, for the lumbering and printing industries, for transportation, and for insurance. Where these programs have been developed for a large industry aware of the benefits of graduate education, the programs have been successful. Where the industries are limited in size and therefore limited in opportunities for the graduates of such programs, the programs have, in many cases, withered in a very short time.

On the business side of these operations at least two underlying objectives are discernible. On the one hand, business has been desirous of obtaining professionally trained people without having to train such people to cope with the problems of the industry. Another aspect has been, in many cases, the desire for social recognition for the industry as a result of its having professionally trained people. These objectives are, of course, compatible.

With respect to business educators, the thought in accepting proposals for such programs has been that acceptance would provide

opportunities for the graduates of such schools. Of course, underneath such thinking is an implicit desire for growth which may or may not be concerned with social need. In other cases the thought has been that the additional support of a financial nature supplied by the interested group was needed and this, therefore, would justify such programs. The error in such thinking lies in overlooking the fact that any educational program is offered at a cost to society. Therefore, the offering of a program of study for a special group means greater cost even though the cost is partially made up by contributions of the business group. Due to limited educational resources other educators have held that such scarce resources should be utilized for filling a broader social need.

Courses Aimed at the Solution of Special Problems

Evidence indicates that from time to time graduate business educators have responded to difficulties and problems of business by creating new courses directed toward the solution or contributing to the solution of these problems. An early example of such practice is to be found in the development of courses in personnel administration. With the development and application of the so-called Taylor System of Industrial Management, some of the close relationships of the worker to his chief were lost. The need for courses in personnel administration to offset some of the problems resulting from this development is explained in the following:

> . . . Scientific management originally undertook studies designed to test the operations used by workers and devised new ones to take their places if the old ones proved inefficient. Out of this process grew personnel administration intended to improve relations between management and labor by trying to restore something of the personal element that had

> formerly existed, by seeing to it that the worker was given the job best suited to his abilities, and by improving working conditions in general. On the whole, however, only the foundations of the personnel administration movement were laid during these years, and it gathered greater momentum during the World War years and after than at this time.[50]

The influence of needs occurring as a result of the war with its emphasis on production is also noted in the quotation above. The emphasis on production, industrial management, and production control, for example, may be traced to the influence of World War II with its emphasis on production. The greatest growth in that group of courses occurred during World War II. Courses in collective bargaining developed during periods of growing labor influence. Courses in public administration of business or certain types of businesses have appeared during or after extensive government operation of business.

Business emphasis on or difficulty with a certain problem seems to have been felt in graduate education for business. The thought underlying the development of courses to handle special problems of business seems to be that graduate education for business must be aware of and must respond to the difficulties of business.

Business and Industrial Staffing Policies Influencing Graduate Education for Business

In the preceding analysis, attention has been given to the development of bigness and the managerial system in business since 1900 and

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[50]William C. Kesler, "Business Organization and Management," The Growth of the American Economy, ed. Harold F. Williamson (2nd ed.; Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1952), p. 612.

the effect of these developments on graduate education for business. The fact remains, however, that these developments in business, as important as they are, would perhaps have had little or no influence on graduate education for business except for the channeling of this influence to educators. The most direct method for this influence to be effective is, of course, through the staffing policies of business.

Staffing policies pertinent for this analysis include policies covering the source and demand for business personnel for general management or positions requiring a specialist. Also, salary and advancement policies followed by business firms indirectly influence the source of such personnel and are pertinent for this analysis. These influences are discussed below.

Source of and Demand for Personnel

Due to the lack of organized professional contact between businessmen and leaders in the field of graduate education for business in its early years, expressions of business thinking about the product of the graduate schools of business in the literature of that period are almost nonexistent. It can be surmised, however, that business was somewhat pleased with personnel from this source due to the growth of this particular field of education. As early as 1930 one business leader reported to the American Association of Collegiate Schools of Business that there was an increasing demand for men with the character of training being given in graduate programs.[51] In 1937 Dean Bidgood in explaining his business education philosophy said that the

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[51]Rees, op. cit., pp. 33-34.

businessman desired to hire the products of the business schools to raise the prestige of his business and save money by the use of professionally educated employees.[52] Before this same organization in 1956, Chancellor Kerr pointed out that business is becoming dependent on schools of business for its employees, consultants, laboratory and library resources, and for contractual research.[53] An even more recent expression of this viewpoint is found in the following statement:

> The growing interest of business and industry in this level of higher education has been reflected in the recruiting policies, particularly of the major corporations. In most areas of managerial, professional, and scientific skills, the interest of business in those young people who have completed one or more years of graduate study education is growing. Moreover, advanced degrees that formerly appeared to be superfluous for business employment now have achieved stature in the economic world.[54]

Salary and Advancement Policies

Business, of course, could have been receptive to the products of graduate programs in education for business without paying a salary differential. Developments over the years have been in the direction of paying a differential for graduate education for business, however. Prickett in his study in 1957 found that business was then paying $50

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[52]Lee Bidgood, "The Philosophy of Business Education," in Proceedings of the 19th Annual Meeting of the American Association of Collegiate Schools of Business, Baton Rouge, Louisiana, March 1937, pp. 67-68.

[53]Clark Kerr, "Business Leadership and Economic Development," A speech presented before the 38th Annual Meeting of the American Association of Collegiate Schools of Business, Berkeley, California, April, 1956, mim., p. 4.

[54]J. Whitney Bunting, "Industry and the Graduate School," Educational Record XL (October, 1959), p. 302.

to $70 a month more for an applicant with a master's degree in business as opposed to a bachelor's degree.[55] Some additional evidence indicates that business is in certain situations paying an additional differential for men with doctor's degrees for staff and research positions.

Business thinking about the need for graduate study in business for advancement is reported in the following quotation: "Entrance to industry requires a bachelor's degree, but the key to advancement is a graduate degree."[56] Other evidence of business thinking on this matter is to be found in the practice of certain firms in releasing key men without graduate degrees to earn such a degree. This practice, developed in the 1940's, has continued to grow.

With respect to the thought underlying graduate education for business, these practices on the part of business indicate the regard business has for graduate education for business. This, then, has become a part of the thought underlying graduate education for business.

Summary

Along with many other institutions in our society, business since 1900 has experienced amazing growth. A major vehicle for this growth has been the corporation. This same vehicle provided the environment for the development of bureaucracy, i.e., a broad layer of middle

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[55]Alva L. Prickett, "The Master's Degree with Courses in Business, Yesterday, Today, and Tomorrow," The Accounting Review XXXIII (January, 1958), p. 76.

[56]Wendell Horsley, quoted in "The Pressure's on for Top Degrees," Business Week, June 18, 1960, p. 121.

management, and thus led to the development of the managerial system. The outstanding developments in business since 1900 have been the growth in number and size of business firms and the use of the managerial system.

The effects of the growth of the managerial system are to be found partially in the subject-matter development around the functions of a manager. Many of the courses in graduate programs of education for business both manager oriented and specialist oriented are related to the performance of the managerial functions.

Other effects of the growth of the managerial system are evidenced by the development, largely at the master's level, of programs centered around management. Such programs are built on the thought that management is a profession and that this is the unique area in business worthy of graduate study.

Effects of the tremendous growth of business organizations have also been felt by graduate education for business. Here, graduate programs have been developed to respond to the differentiation of enterprise functions to a high degree and the resulting need for specialists. Programs have been developed at both the master's and doctoral levels in response to this need.

In addition to the effects of bigness and the growth of the managerial system, graduate education has responded in various ways to the needs of specific industries and special problems of industry in general. These needs have not always been satisfactorily defined and satisfied. Thus, educators have not always agreed upon the success of programs in these areas.

A major channel for communicating needs for and evaluations of graduate programs of business to business education has been through staffing practices. The response of business through this channel seems to indicate that business is willing to pay for and thus approves of the product of graduate programs in business.

CHAPTER V

INFLUENCES ON GRADUATE EDUCATION FOR BUSINESS STEMMING FROM HIGHER EDUCATION

Starting with the background for the development of graduate education for business in Chapter II, this report has included an analysis of the influences of society and government and business on the development of graduate education in business. These two influences were treated in Chapters III and IV respectively. The influences on graduate education for business which have resulted from higher education are analyzed and presented in this chapter.

Reference has already been made in Chapter II to the two roots of higher education from which graduate education for business has grown--the growth of academic graduate work and the growth of professional schools at the graduate (built on a baccalaureate degree but not necessarily in the same subject-matter area) level. In addition to having its origins in these two branches, both of which were influenced by the concepts of universality and relevance, graduate education for business has been influenced by both of these branches of higher education. Analysis of these influences follows.

Influences Stemming from Academic Programs of Graduate Education

Academic programs of graduate education are those programs which are found in graduate schools of arts and sciences and which have origins in the liberal arts colleges and the German universities. Various aspects of academic programs of graduate education have had

important influences on graduate education for business. The beginning of graduate business education at the master's level may be traced in part to the early granting of the traditional master of arts and the master of science degrees in business. However, most of the influences of academic programs of graduate education on graduate business education occur at the doctoral level. This results from the recognition that education for business at the master's level is largely professional education. As suggested later in this chapter, educators in most professional fields have recognized the need for graduate education beyond the purely professional level. Consequently, graduate education for business has been strongly subjected to influences of academic programs of graduate education at the doctoral level. An analysis of these influences follows.

Influences of Traditional Ph.D. Requirements on Graduate Programs of Education for Business

The period from 1876 to 1900 has been described as the formative period in graduate education with the period from 1900 to 1918 classed as the era of standardization.[1] By 1900 graduate education had reached a sort of maturity so that it was accepted, even desired, by educational institutions and their faculties. By 1900 the schools had passed from the pioneering period into a period of concern for advancing and protecting the practices which had developed. Pressure for advancing and protecting graduate programs came not only from the schools themselves

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[1]Ernest V. Hollis, Toward Improving Ph.D. Programs (Washington: Commission on Teacher Education of American Council on Education, 1945), p. 9.

but also from holders of the Ph.D. degree. These standardizing efforts proceeded on the assumption that the purpose of such degree programs was to train individuals who would "either devote themselves to research directly, or who would combine individual study of an advanced character with the training of other research workers under university auspices."[2] This assumption was sound until around 1905 when new forces began to be felt in the form of a demand for teachers with a Ph.D. degree for college teaching. This demand created an immense new market for advanced students. In trying to respond to this new need, the graduate schools admitted a less homogeneous group of students preparing for a diversity of occupations but particularly for teaching many different subjects at the college level. At the same time the schools proceeded with the standardization of the requirements for the degree as if the purposes were the same as they were initially at Johns Hopkins, higher instruction and research particularly in the sciences. A problem arose because the needs of the new group of students were not necessarily the same as those for whom the Hopkins' objective was set. About this problem Ernest V. Hollis has written:

> This disregard of the basic assumption that the social purpose of a degree constitutes the framework in which its content and standards should be developed led inevitably to the practice, frequently described in current professional periodicals, of observing the letter of the requirements--in languages, thesis, and examination, for example--while winking at the spirit of these standards.[3]

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[2] Ibid., p. 23.

[3] Ibid., p. 28.

The requirements as they developed at Johns Hopkins were that each candidate devote "his attention to one main subject and one subsidiary subject" and that these primary subjects be "sufficiently broad to require prolonged and arduous study, and that the secondary subjects be pertinent to the principal themes."[4] Each candidate was further expected to have a speaking knowledge of Latin, French, and German and show evidence of acquaintance with the methods of modern scientific research.[5] Every candidate was also to present an elaborate thesis on a topic approved by his chief adviser.[6] The candidate was also to appear before professors collectively and submit to an oral examination and at another time to a written examination.[7] Later in 1888 a requirement for a preliminary examination was set up, and Latin was dropped as a requirement. By the end of the standardization period the requirements for the Ph.D. were fairly well established on the basis of the following composite list:

1. Advanced instruction in a major and one or two minors depending upon the school. (This, of course, was an extension of the procedures of the college into the university.)
2. Preliminary or qualifying examinations designed to probe the depth of understanding of the candidate in either his

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[4]Byrne J. Horton, The Graduate School. Its Origins and Administrative Development (New York: New York University Bookstore, 1940), p. 62.

[5]Ibid.

[6]Ibid.

[7]Ibid.

major field or both the major and secondary fields.

3. The passing of language examinations of varying difficulty but all supposedly designed to indicate that the candidate's capability was such that he could do research on material in these languages. The languages were ordinarily French and German, although others might be substituted at some institutions if it could be shown that the substitution would facilitate research in the candidate's field.
4. The submission of a thesis supposedly presenting some contribution to knowledge.
5. A final examination based on the thesis and perhaps including the field in which it was written.

These requirements seem to have been accepted on a continuing basis as indicated in the suggestions of a committee report to the Association of Graduate Schools in November of 1957. In this report it was suggested that course requirements not be stated in terms of a major and minors but rather in terms of those courses necessary for mastery of the student's field. Languages were recommended, and it was further recommended that the examination in at least one language be passed before admission to study in the program. The qualification or general examination would be an examination not for vague acquaintanceship but for mastery. The thesis should be a "modest specimen eruditionis" evidencing use of techniques of research; ability to organize findings; and competence in verbal presentation on a subject both compact, interesting,

and useful.[8] Despite much criticism over the years, the heart of the Ph.D. program in graduate schools of arts and sciences has been modified only in a very limited way.

With the growth in the number and heterogeneous nature of students and the unchanging attitudes of the graduate schools of arts and sciences, the lines were being drawn for a struggle between those who wished to adhere to the requirements for the Ph.D. as they had been substantially standardized and those who wished to modify the requirements in view of the area of activity in which the recipient would serve. Hollis has described this struggle as follows:

> By 1918 the issues were drawn between representatives of the graduate arts and sciences areas and those of the semi-professional fields. Representatives of the older disciplines doubted that the newer fields had a body of scholarly knowledge sufficient for offering the Ph.D. degree. They objected to what professional groups considered suitable research topics for dissertations. They disapproved the tendency to use unorthodox research tools and techniques, especially at the expense of French and German or other foreign-language requirements. The field of education, particularly, felt it must have some qualitative modifications of these requirements or that it must begin to offer its own doctorate as a professional degree.
>
> Through the processes of compromise common in a democracy, faculties of most institutions found ways to make a place in the usual graduate family for the field of education, although this was accomplished at the cost of continuous mutterings of dissatisfaction. Not all universities made these adjustments and some graduate schools of education preferred to give a professional doctorate, usually the Ed.D. degree. The Graduate School of Education at Harvard University awarded the first such degree in 1922, and by 1940 twenty-four institutions were conferring it intermittently. The awards usually

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[8]Jacques Barzun, J. P. Elder, A. R. Gordon, and Marcus E. Hobbs, "Doctors and Masters--Good and Bad!" A committee report to the Association of Graduate Schools and published in The New York Times, November 13, 1957, p. 28.

> were made independent of the graduate faculty or else through a franchise from it which provided essential autonomy. The intent was to design a distinct degree suited particularly to the needs of school administrators and supervisors, but in most institutions as it has gained prestige it has taken on more and more of the characteristics of the Ph.D. in education.[9]

Graduate education for business seems to have been caught up in this controversy. The first institution to grant the Doctor of Commercial Science degree was the Harvard Graduate School of Business Administration, followed by the New York University Graduate School of Business Administration. The Harvard program was announced in 1921 and the New York University program in 1924. Changes in the D.C.S. program as compared with the Ph.D. program varied among institutions. Some programs moved toward a high degree of specialization (with the additional time freed by the removal of the language requirement being used for additional course work in the area of the major or closely related areas). In other programs one or two fields in the functional areas were substituted for the languages. Very early after the change to the D.C.S. these fields were likely to be accounting or statistics or some field in the functional area. More recently the trend has been in the direction of statistics and mathematics with some schools making provision for specialized study in one or more of the behavioral sciences. In almost every case the thought has been that these areas would contribute more to the development of a research technique than would the languages, particularly since the literature in business administration is largely to be found in the English language. If, however, a

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[9]Hollis, op. cit., p. 96.

candidate chooses to do a study in a field where use of a language is necessary, he is likely to be held to it by his committee. This practice is in line with the thinking that a doctoral program involves the understanding and utilization of appropriate research techniques for the field.

As will be discussed later it is clear that economic theory, and to some extent economic history, have a definite part in graduate education for business. This area, too, has been affected by the attitude of the graduate schools of arts and sciences particularly where economics is under the jurisdiction of that organization. Even when a school is offering a professional doctorate in business as opposed to the Ph.D., the program usually includes work in economics particularly economic theory and history of economic thought. Where arbitrary and rigid organization or traditions limit availability of work in this area or where coordination is lacking, the graduate program of education for business tends to develop a direct relationship of graduate offerings in business to a core of so-called behavioral sciences.[10] Another more extreme reaction and one widely held, though not universally so, is that graduate education for business should center exclusively around the field of administration.[11]

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[10]G. Rowland Collins, "The Graduate School of Business Administration," Chapter 28 in Education for Business Beyond High School, published jointly by The Eastern Business Teachers Association and The National Business Teachers Association (Somerville, New Jersey: Somerset Press, 1957), p. 353.

[11]Neil H. Jacoby, "Economics in the Curricula of Schools of Business," The American Economic Review XLVI (May, 1956), p. 554. For a somewhat different opinion see Donald W. O'Connell's discussion of the Jacoby paper, pp. 570-573.

The continued insistence upon maintenance of the classical requirements for the Ph.D. degree and the continued insistence that the Ph.D. could under no circumstance be a professional degree seem to have been the influences resulting in the development of professional degrees for graduate programs in business. Early expressions of thought by business educators indicated that the Ph.D. would be the degree for doctoral work in business inasmuch as work beyond the master's would be largely research.[12] Expressions of thought obtained through interviews recently have also indicated this same viewpoint, but where institutions have not been able to modify the requirements for the Ph.D. in a functional manner, the trend has been toward the professional degree in both character and name.

As a partial result of the tendency toward professionalization of the degree, there have been some expressions of thought that the degree program should insure that the candidate is broadly trained. It is still recognized, however, that an opportunity should be provided for specialization at this level.[13] This is essential both for educational purposes and for expansion of knowledge.

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[12]C. E. Griffin, Discussion of a paper by Frank Stockton, "Should Degrees Granted by Schools of Business Be Standardized?" presented before the 12th Annual Meeting of the American Association of Collegiate Schools of Business, The Journal of Business III (October, 1930), p. 159. (Copyright 1930 by the University of Chicago.)

[13]Arthur M. Weimer, Critique of George P. Baker and David B. Tyack, "Doctoral Programs in Business and Business Administration," Chapter 4 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 107.

Viewpoint of Graduate Education

Contrasting viewpoints on graduate education have been expressed. Dr. Abraham Flexner expressed the philosophy that graduate work should be directed toward social economic problems in his attack on the respectability of the Harvard Graduate School of Business Administration when he said:

> . . . It is the university's concern to face fearlessly problems of political organization and political theory, of social organization and social theory, of business organization and business theory; but it is no concern of the university to train in a technical sense either politicians or businessmen.[14]

The chief character in The Late George Apley held the same viewpoint when he regarded the Harvard Business School as the crassest form of materialism and would, therefore, look the other way on passing it.[15] Traces of the same thought are to be found in this quotation from a leader in the early days of graduate education for business when he commented that, "If marketing is studied as a social economic problem and not as one of placing on the market a specific article, it seems to me to take on the characteristics of graduate work."[16] In discussing this viewpoint C. P. Biddle commented:

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[14]Abraham Flexner, "Failings of Our Graduate Schools," The Atlantic Monthly CIL (April, 1932), p. 449.

[15]John P. Marquand, The Late George Apley (New York: Grosset and Dunlap by arrangement with Little Brown and Company, 1936), p. 330.

[16]A. Wellington Taylor, "What Constitutes Graduate Work in Business Administration?" A paper presented to the 8th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, September, 1926, p. 14.

> The basic consideration of what constitutes graduate work in business administration seems to me to lie in the purpose of the graduate training . . . if its purpose is to train "head" or future leaders in business, it has no difficulty in justifying its existence or place.
>
> . . . the problems of placing specific articles on the market are fully worthy of graduate study, provided that the problems selected are significant in illustrating principles and that the consideration is something more than immediate profit.[17]

Current thought would hold with the latter viewpoint, although extending it to indicate that graduate courses should require a high level of analysis based on fundamental understanding in the solution of business problems.

Teaching Methods

Graduate education for business has been influenced in two ways by the academic programs of graduate education with respect to the education of doctoral candidates in business. In the first place, graduate education for business has utilized the "seminar method," a method of teaching peculiarly adapted to and developed by graduate education. In the second place, graduate education for business has been subject to certain difficulties and criticisms because of its almost total lack until recently of any deliberate attempts at improving teaching through teacher training for those recipients of doctor's degrees going into teaching. The "seminar method" was borrowed from the German universities

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[17]C. P. Biddle, Discussion of A. Wellington Taylor, "What Constitutes Graduate Work in Business Administration?" A paper presented to the 8th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, September, 1926, p. 17.

and brought to this country for use in graduate programs of education. The first American experiment in the use of the "seminar method" of training in research technique and presentation of results of research seems to have been in 1871 at the University of Michigan.[18] This course was developed by Charles Kendall Adams. When in 1876 Johns Hopkins was founded, the "seminar method" became a cornerstone of graduate instruction. Describing its use at that institution, Byrne J. Horton has written that it is the accepted workshop of the graduate school designed not to teach facts but to teach the correct methods of dealing with raw material from which facts must be established.[19] As used in the graduate school, the "seminar method" usually consists of a small group of advanced students carrying on investigations of an original nature under the guidance of a professor or group of professors.

Early in the development of graduate education for business an attempt was made to use the "seminar method" as evidenced by the names of courses in early catalogues. However, whether its use was completely in accord with the use explained above seems doubtful. Because of the professional nature of the work in business much of the instruction has been accomplished in courses using the discussion or problem method. Many of these courses have been labelled seminars, but were not seminars in the true sense. Where the true seminar has been attempted as a device for instruction rather than research, it typically has not

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[18]Elbert V. Wills, The Growth of American Higher Education. Liberal, Professional, Technical (Philadelphia: Dorrance and Company, 1936), p. 190.

[19]Horton, op. cit., pp. 115-118.

been successful. Use of the method assumes knowledge up to the point of application of present knowledge and technique to the raw material from which new facts are to be developed.

As graduate education for business has matured, the "seminar method" has more closely approached its original function. Frequently the seminar is used in a research methodology class. This use of the "seminar method" in graduate education for business is probably closest to the original concept of a seminar as a group of scholars doing research to develop conclusions which may be combined into a systematic and comprehensive whole.

Little thought was given to the development of teaching competence on the part of recipients of the doctor's degree because of its emphasis on research. No particular effort was made to correct this condition even when educators realized that a large percentage of the recipients of the doctor's degree went into college teaching. Much criticism has resulted from this attitude on the part of the graduate schools of arts and sciences. An example of this criticism is the following quotation from the Report of the President's Commission on Higher Education:

> The most conspicuous weakness of the current graduate program is the failure to provide potential faculty members with basic skills and the art necessary to impart knowledge to others. College teaching is the only major profession in which there does not exist a well defined program of preparation directed toward developing the skills which it is essential for the practitioner to possess.[20]

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[20]Report of the President's Commission on Higher Education (Washington, D. C.: U. S. Government Printing Office, 1948), vol. 4, 16.

Rejoinders have been made to this criticism.[21] Despite these, however, the criticisms have continued.

Deans and administrators in schools of business have also criticized the failure of young doctors to learn how to teach. In the following statement Elvin S. Eyster has pointed out the need for training of teachers of business administration as well as the nature of the training needed:

> College teaching in business and economics is a profession, a requisite of which is an understanding of certain basic principles of the science of education which includes the art of teaching. A person who is competent in teaching in business administration and economics has a knowledge of the history and philosophies of education. He thus understands the relationship of education for business to other aspects of education. He has a knowledge of the historical development and thought upon which current objectives of collegiate education for business are based. Furthermore, he not only knows what the current thought regarding the functions and purposes of a school of business is, but he is also alert to every opportunity for progress through the revision of these objectives.[22]

As a result of these difficulties and criticisms some business educators have inserted into the program, on either a formal or informal basis, an opportunity for fulfilling this need. These alternatives have taken the form of a teaching assistantship under the direction of a competent teacher or organization of informal noncredit seminars in the teaching of business administration.

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[21]Barzun, Elder, Gordon, and Hobbs, loc. cit.

[22]Elvin S. Eyster, "Essential Qualities for Teaching Competency in Collegiate Schools of Business," The Journal of Business Education XXIX (November, 1953), pp. 59, 64. (Copyright 1953 by Robert C. Trethaway.)

Admission Policies

Traditionally, admission policies of graduate schools of arts and sciences have been designed to use only scholastic ability as a criterion for selection of students for study in doctoral programs. This viewpoint seems to have permeated the admission policies of graduate programs of schools of business also. The Baker-Tyack survey reported that 70 per cent of the members of the American Association of Collegiate Schools of Business having doctoral programs claimed to have only academic criteria for admission.[23] A fairly new development, however, is indicated in that a significant minority of 30 percent of the schools mentioned above reported that their system was designed to evaluate a student's "non-academic experience, personal strengths or weaknesses, and especially his motivation."[24] Interviews for this study revealed other criteria such as the probability of the candidate's bringing prestige to the school after completion of the program or the probability of his helping to obtain material assistance to the school through his position.

Graduate education generally has been soundly criticized for allowing almost anyone with a bachelor's degree to enter the program despite the stated high standards for admission.[25] In many schools of

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[23]George P. Baker and David B. Tyack, "Doctoral Programs in Business and Business Administration," Chapter 4 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 86.

[24]Ibid.

[25]Glenn A. Reed, "Fifty Years of Conflict in the Graduate School,: Educational Record XXXIII (January, 1952), pp. 7-9.

business loose admission practices have largely disappeared. One of the factors causing its disappearance has been this high cost in terms of faculty and student time for doctoral programs as well as the financial cost to both the institution and the student. Unless there is a high probability that the prospective candidate will complete his program, the thought is that he should not enter the program and to that end admissions procedures are being tightened. The method of establishing scholarly ability has purposefully been left very flexible, but the criteria are primary.[26]

Financial Assistance Policies

Educators have generally agreed that, since the chief aim of graduate education is to benefit society, the major part of its expense should be borne by society.[27] This basic premise has led to the extensive development of graduate assistantships, fellowships, and scholarships for financial assistance to graduate students.

Until the establishment of Johns Hopkins University scholarships and fellowships had been awarded largely as honors and prizes for past achievement. President Daniel C. Gilman changed this policy and made them helps for further progress and stepping-stones to further achievements in intellectual careers.[28] These policies have been further developed with the use of graduate assistantships which call for some

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[26]Weimer, op. cit., p. 109.

[27]Laurence Foster, The Functions of a Graduate School in a Democratic Society (New York: Huxley House Publishers, 1936), p. 55.

[28]Horton, op. cit., p. 64.

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[28]Horton, op. cit., p. 64.

Harvard, and the University of Pennsylvania very early in the development of graduate education for business. They viewed business education as professional education. Others agreed with this view. For example, the organizational relationship of the School of Business to the University of Chicago was as follows in 1913:

> . . . In the organization of the University the work is regarded as professional or technical training and as a consequence it is classed in the same group with the College of Education, the Law School, or the Divinity School.[29]

A comparable view may be found in this 1925 statement:

> . . . Business education, on the other hand, must be regarded as grounding in the principles and laws that underlie business as a whole, with little reference to a specific commercial occupation, in which respect it is comparable to legal, medical, or engineering education, as they have come to be conceived.[30]

A more current view and one widely held as shown by interviews with leaders in the field is illustrated by the following:

> A professional doctor's degree has every argument in its favor that there is for a Bachelor's degree in Business Administration. It is utter nonsense to recruit staff who have been trained in a discipline with a viewpoint which is wholly different. If there is a profession of business then there

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[29]Leon C. Marshall, "The College of Commerce and Administration of the University of Chicago," The Journal of Political Economy XXI (February, 1913), pp. 109-110. (Copyright 1913 by the University of Chicago.)

[30]Joseph Mayer, "Modern Business Education and Research," Scientific Monthly XX (March, 1925), p. 257. (Reprinted from Scientific Monthly.)

> is justification for professional graduate training for those who are to prepare the next generation.[31]

The professional nature of this form of education seems to be clear from these quotations.

Requisite to an understanding of professional education is an understanding of what is meant by a profession. There is no universally accepted statement of the concept of a profession; however, a number of attributes of a profession appear in almost all statements of the term. Writers have used varying criteria, and yet almost all have agreed in content. Henry S. Dennison used the following: use of trained intelligence, an activity successfully undertaken only after practice and study; free and open application of the methods and fruits of science; patient impersonal study of problems; service motive to mankind greater than motive of service to one's self; fealty to a code of ethics, a standard of behavior.[32] Harlow Person visualized a profession as embodying the following: an occupation demanding attainments in special knowledge as opposed to mere skill, knowledge classified and on record and requiring continuous study as it expands; dealing with affairs as distinguished from mere study or investigation for its own cause; a technique of utilization or application of the knowledge of affairs; an

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[31]Excerpt from a letter from Professor L. L. Waters, School of Business, Indiana University to Professor Stanley Bryan, University of Washington, Seattle, Washington, December 24, 1953.

[32]Henry S. Dennison, "The Essentials of a Profession," in Henry C. Metcalf, Business Management as a Profession (Chicago: A. W. Shaw Company, 1927), pp. 24-25.

implied motive of service to fellow men; a code of ethics.[33] In the older professions of medicine, law, and the ministry an additional criterion in the form of a barrier to entrance based on certain competencies has been set up. A partial standard for entrance into the profession--not a complete barrier--may be found in other professions not as old as those mentioned such as the license for a professional engineer, or the certificate for a public accountant. Such attributes of a profession become very important in the development of education for the profession. As graduate education for business has been included in this category of professional education, it has been influenced by instruction in professional education for other areas. An enumeration of these influences and an analysis of their effects follows.

Training in Fundamentals

Characteristic of the training for almost all professions has been a distinct and prominent emphasis on fundamentals. Although fundamentals were considered in apprenticeship training, the early form of training for the professions, the real emphasis was on techniques and practice. History of professional education indicates that the balance has sometimes shifted precariously toward fundamentals and then back toward practice with the goal being a proper combination of the two. However, as education for the professions has been assumed by universities, the emphasis has moved from techniques and practice to

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[33]Harlow S. Person, "Is Business a Profession?" in Henry C. Metcalf, Business Management as a Profession (Chicago: A. W. Shaw Company, 1927), pp. 103-105.

fundamentals. It was the hope of early leaders and thinkers in the field of education for business that education for business might start at the level of fundamentals.[34,35] Early leaders in graduate education for business felt that as engineering rested on the physical sciences, so education for business should rest on underlying disciplines, i.e., some of the social sciences. Originally, fundamentals probably meant certain basic understandings or principles which were believed to guide behavior and action in business activity and which should be understood by all studying the field of business administration. Fundamentals have come to include, however, not only these basic principles but also certain basic concepts from the underlying disciplines of the social sciences as well as mathematical and statistical concepts.

Educators, however, have never agreed fully on exactly what constitutes fundamentals or what are the underlying disciplines of business education. Early thought held that economics was the underlying discipline. Other expressions of thought indicated that business rested on a much broader base than economics. For example, Joseph Mayer stated in 1925:

> Viewing the business school curriculum in relation to other work in a university, it is, of course, obvious that the course in business must be grounded in the work of the liberal arts department of economics. Furthermore liberal arts requirements in the fundamentals of language, exact

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[34]Ray L. Wilbur, "Opening Address," Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 2.

[35]Mayer, op. cit., p. 257.

> science and other social sciences besides economics must be maintained to provide broadness of outlook.[36]

He also considered the fundamentals to be general to business rather than a particular business. This belief is shown in the following:

> Such a course of study, covering both liberal arts and technical business subjects and providing a broad training rather than a detailed knowledge of some particular business, is the ideal to which collegiate business education is endeavoring to measure up.[37]

Leon C. Marshall viewed the problem as follows:

> Important as economics is, it falls far short of being all that is needed in business training. The economist can claim no monopoly on the field. His is not the "master-science" of business.[38]

A more recent expression of this same viewpoint by Dean Neil H. Jacoby of the Graduate School of Business Administration, University of California, Los Angeles, is:

> . . . It becomes apparent that, while economics is an important discipline in analyzing and solving business problems, it is only one such discipline. It would be a grave error to hold that economics is the "master" science of business management; or that management is simply a kind of applied or institutional economics.[39]

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[36] Ibid., p. 264. (Reprinted from Scientific Monthly.)

[37] Ibid.

[38] Leon C. Marshall, "A Balanced Curriculum in Business Education," Journal of Political Economy XXV (January, 1917), p. 93. (Copyright 1917 by the University of Chicago.)

[39] Jacoby, op. cit., p. 555.

What then are the fundamentals, the underlying disciplines to be included in graduate programs of education for business? Dean Jacoby, in his paper, suggests that the university school of business should draw upon the theories, concepts, and methods of the following: political science, psychology, sociology, natural science, industrial engineering, law, statistics, and mathematics, the level of study in each to be determined by the degree to which the individual will need it in his own career objective.[40] Peter Drucker has said that "the basic curriculum of the business school should be reduced to basic and fundamental subjects in which principles and concepts can be systematically taught.[41] This curriculum would include a course in the basic structure and dynamics of the American economy and society; courses in management organization, business economics, the basic scientific methodology with its application to business and the moral sciences; and courses in business principles.[42] From their study George P. Baker and David B. Tyack concluded that the predominant disciplines considered essential in training doctoral candidates were law, psychology, history, and economics.[43] Another view of fundamentals includes foundations in "the administrative process and organizational behavior," "economic

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[40] Ibid., p. 554.

[41] Peter F. Drucker, Critique of a paper by John F. Mee and Robert C. Turner entitled "Potential Changes in the American Economy and Their Impact on the Educational Development of Teachers of Business," Chapter 6 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 160.

[42] Ibid., pp. 160-161.

[43] Baker and Tyack, op. cit., p. 87.

analysis," "quantitative method," and "functional fields" of business.[44] Robert E. Gordon and James E. Howell have written that the graduate core should include administration and organization, functional fields, information and control systems, advanced economics, the legal framework of business, and business policy.[45] Business policy is not a fundamental by any means, but it does represent an application of the basic fundamentals in dealing with affairs as opposed to mere study and investigation for its own sake. Some schools have taken as their concept of fundamentals the courses suggested as a foundation for training in administration in the American Association of Collegiate Schools of Business Standards for Admission which are economics, accounting, statistics, business law, finance, marketing, and production or industrial management. Other schools have chosen some variation of this list as their concept of fundamentals.

From time to time educators have experimented with nonfundamental courses in the graduate business education program. These experiments have usually taken the form of providing courses designed to educate men for work in specific industries. Examples of this practice are to be found in the development of many schools. The origins of this practice usually were to be found in the belief that opportunities existed in a specific industry, in pressure from industries through an offer

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[44]George L. Bach, "Some Observations on the Business School of Tomorrow," A talk presented at the closing session of a Seminar on New Developments in Business Administration at Williamstown, Massachusetts, August 28, 1957.

[45]Robert A. Gordon and James E. Howell, Higher Education for Business (New York: Columbia University Press, 1959), p. 178.

of full or partial support, in the transfer of courses in a particular area from the department of economics, or in the specialized interests of faculty members. Marshall in his mythical school of Erewhon held that the school should give instruction in only one or two specific industries where the faculty members felt a high degree of capability.[46] Melvin Copeland, in reporting that the work of the Harvard Business School had tended from the first to center around a hard core of courses dealing with the elements of administration, pointed out that the students had shown by enrollment and by comments that this was in accord with their interests. Experiments in offering a deep concentration of courses in lumbering, insurance, and printing had been largely a failure.[47] Person reporting on curriculum development at the Amos Tuck School has written:

> . . . Our Master's degrees are granted to students who meet creditably the test of an oral faculty examination on the whole field of their Tuck School work. We soon observed that those students who had taken a certain grouping of courses (fundamentals) showed the largest grasp of general fundamental business problems. They entered into discussion more like businessmen of experience and insight. It was an easy step to advising all men to choose such a group of courses, and an easy step from that to prescribing the group and discontinuing any extensive announcement of electives.[48]

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[46]Leon C. Marshall, The Collegiate School of Business. Its Status at the Close of the First Quarter of the Twentieth Century (Chicago: The University of Chicago Press, 1928), p. 181.

[47]Melvin T. Copeland, And Mark an Era. The Story of the Harvard Business School (Boston: Little Brown and Company, 1958), p. 152.

[48]Harlow S. Person, "The Amos Tuck School of Dartmouth College." Journal of Political Economy, XXI (February, 1913), p. 118. (Copyright 1913 by the University of Chicago.)

It is clear that graduate education for business has accepted the professional education feature of providing education in fundamentals. The thinking of some business educators seems to have evolved from an initial belief in economics as the basic discipline with some ideas about other subject areas as part of the fundamentals to the point where business administration could be referred to as becoming the applied branch of the social sciences.[49] Colonel R. I. Rees, then assistant vice-president, American Telephone and Telegraph Company, made it clear to the American Association of Collegiate Schools of Business Meeting in 1930 that business needs the application of the social sciences for the solution of human and economic problems as engineering has applied the physical sciences to technical problems.[50] Twenty-five years later Dean Stanley F. Teele of the Harvard Graduate School of Business Administration commented that academically the biggest task ahead is, "adapting research done in social studies--sociology, psychology, and anthropology--to business administration."[51] Educators in the field of graduate education for business clearly realize the need for fundamentals and basic understandings from the social sciences, but they are not

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[49]Clark Kerr, "Business Leadership and Economic Development," An address presented before the 38th Annual Meeting of the American Association of Collegiate Schools of Business, Berkeley, California, April 26, 1956, mim., p. 3.

[50]R. I. Rees, "What Business Expects of Graduates of Schools of Business," A speech made before the 12th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Journal of Business III (October, 1930), p. 33.

[51]"New Look for B-School," Business Week, June 25, 1955, p. 66. (Special permission to quote has been obtained.)

yet clear as to what is available and what is properly applicable to business administration.

Research and Inductive Reasoning

A common characteristic of professional schools has been the accumulation of empirical data for the purpose of being able to generalize about a specific action or form of behavior. In the law schools this accumulation of data has taken the form of maintenance of records of decisions in legal cases, particularly pertinent and essential due to the doctrine of "stare decisis" in the courts. In the medical profession it has taken the form of clinical case histories which have been compiled and studied for the purpose of generalizing. In professional education generally this characteristic has been demonstrated by the extensive empirical research and statistical treatment of the data collected for purposes of generalizing.

Graduate education for business has likewise been concerned with the accumulation of data for the purpose of generalizing about the basic behavior of the firm in the solution of problems of resource allocation and particularly the management of people. From the history of the Harvard Graduate School of Business Administration comes this observation:

> That the founders and early workers at the School truly believed business to be a proper subject of academic study was shown in action through the research program. Rather than setting up, for instruction, rules and principles as to how businessmen should behave, these early workers went into

> the field to find out about business and how it was being run, what its problems were.[52]

Further evidence that educators in this field of professional education recognized a responsibility in this area is to be found in this comment from the Stanford Conference:

> Research, especially in a graduate school of business, is essential not only if education is to be effective, but also if the graduate school of business is to contribute to the professionalizing of business management as the medical schools, the engineering schools, and the law schools have contributed to the professional spirit of their respective vocations.[53]

Speaking at the same conference, Wallace B. Donham elaborated on the same theme:

> That breadth of point of view is the foundation . . . the foundation upon which business schools must rest. But the only approach--the fundamental approach, from my standpoint--to the building up of every science: the patient gathering of specific data about many situations until one can begin to generalize about the whole. This all requires time. After five years of active study of material of that kind, we are only recently getting to the point where we are really seeing extensions of economic theory, extensions of business theory, resulting from the study of this accumulation of individual cases.[54]

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[52]Stanley F. Teele, Foreword to Melvin T. Copeland, And Mark an Era. The Story of the Harvard Business School (Boston: Little Brown and Company, 1958), p. vii.

[53]Joseph H. Willitts, "Research in a Graduate School of Business," Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 102.

[54]Wallace B. Donham, "Research in the Harvard Business School," Proceedings of the Stanford Conference on Business Education (Stanford University, California: Stanford University Press, 1926), p. 109.

The development of bureaus of business research was a manifestation of this desire to perform research and to look for the basics of the institution of business. Not all of the research performed by the bureaus of business research has contributed to this objective. The orientation of the bureaus has been toward business, and much of the work done has added little to the basic principles in the subject matter of education for business. Research should be about business if it is to contribute to the determination of the fundamental principles underlying business.

Much other research has been accomplished within the normal confines of graduate programs of education for business, i.e., through research by students and faculty. Current thinking holds that little contribution can be expected from the research of students at either the master's or doctoral level. The research experience at this level has a primarily educational objective and therefore cannot be depended upon heavily to accomplish the objectives of professionalizing the field, extending the borders of knowledge, or enhancing understanding of the basic principles of business. Neither has faculty research been altogether successful. The limited attention given to research by many administrators both in the encouragement of a research environment and in the provision of adequate time, either through leaves of absence or through reduction of load and adequate funds for the carrying out of research projects, has been a contributing factor to this deficiency in research. As a result of these factors, research in graduate programs of education for business has been widely criticized as lacking in depth, in use of strong analytical tools, and in general value.

Analysis of Historical Development

In addition to the use of inductive reasoning to develop generalizations, the professions have also been characterized by close study and analysis of the history of the profession. Usually included is an analysis of the historical development for purposes of generalizing about the development of the profession and for discerning the proper role of the professor in relation to the needs of the people to be served. The graduate schools of business have also assumed this obligation. An early reference to the need for study in the "history and evolution of business" is to be found in a report of the Stanford Conference on Business Education.[55] Studies in business history have grown more numerous and this field has become an acceptable subject area for doctoral study. This function of providing business executives with a better understanding of the setting of business has been assumed by the graduate schools of business administration.

Provision of Graduate Work beyond the Professional Level

Educators in almost all areas of professional education have found it necessary to provide graduate education beyond the level of professional preparation even when the program is given at the graduate (beyond the baccalaureate) level. These programs have provided opportunities for more advanced and specialized study both for the practitioner and for teachers in the professional program. Research has also been a major objective of such programs. Programs of education for

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[55]"Principles of Business Education," A report by a committee appointed to summarize the views of The Stanford Conference on Business Education, The Management Review XV (September, 1926), p. 266.

business have been no exception in this regard. In the absence of any such educational program in their early history, schools of business turned to holders of Ph.D.'s in economics for teachers. Anyone completing a professional degree and desiring to go into teaching was advised to take that route also. This form of graduate education, however, proved inadequate as reported in Chapter II. The pressure of enrollment and the consequent need for teachers led to the development of advanced graduate work in business at the doctoral level. In some schools this took the form of cooperating with the department of economics and the graduate school of arts and sciences in the granting of the Ph.D. degree. In others it took the form of the development of professional degree. As was noted earlier, the Doctor of Commercial Science was originated by the Harvard Graduate School of Business Administration in the early 1920's. By 1956 the following schools were offering a professional graduate degree: Harvard University, Indiana University, and the University of Washington.[56] The name of this degree has been changed by agreement of the schools involved to Doctor of Business Administration from Doctor of Commercial Science. This change, to some extent, reflected the success of programs titled Master of Business Administration, a success which was not assured in the early 1920's when the other degree name was chosen. Likewise, the change indicated recognition of the fact that there is no "commercial science."

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[56]Alva L. Prickett, "The Master's Degree with Courses in Business, Yesterday, Today, and Tomorrow," The Accounting Review XXXIII (January, 1958), pp. 76-77.

Graduate education beyond the professional (master's) level is still given in institutions granting the Ph.D. degree either through the graduate school of arts and sciences or independently. Whether these programs are functional, i.e., designed in terms of the needs of the recipients, or follow the pattern of the classical Ph.D. program in economics is likely to depend upon the influence of the parent educational institution. (The influences of parent educational institutions on graduate programs in business are discussed in Chapter VI.)

Another aspect of graduate education beyond the professional level is its emphasis on research. In schools of engineering, medicine, and law, the organization providing this form of education is likely to be one of the main instrumentalities for performance of research in the applicable professional area. Business is not yet looking to the graduate schools of business for fundamental discovery as is the case in those other fields. Although the problems of research in business are not altogether comparable to the problems in these other fields, from the beginning this objective (professional research) has been basic to doctoral programs in business.

These twin objectives (graduate work and research) for graduate work in business beyond the level of purely professional training still exist. For example, the conference on Faculty Requirements and Standards in Collegiate Schools of Business concluded that the responsibilities of graduate schools of business may be discharged by:

1. encouraging and expanding the application of scholarly methods to the study of business problems
2. recognizing the paramount responsibility of making significant and creative contribution to fundamental business knowledge

3. preparing doctoral candidates for the responsibilities of business teaching in America's colleges and universities.[57]

Acceptance of the Service Objective

In the earlier discussion of the attributes of a profession, it was pointed out that one of the essential motives of those participating in a profession must be service to society. Many have professed to find difficulty in recognizing any service objective in business, although realizing that management may use certain clearly professional groups such as accountants or industrial engineers. So long as business concerned itself primarily with trade and speculation this point of view was perhaps easy to accept. However, as business has moved into manufacturing and with the growth of the service occupations as a major segment of our economy, a new view is ascending.

A clear interpretation of service reveals that the term or the concept as an objective of a profession is far more inclusive than the so-called personal service concept held earlier. Most manufactured goods are purchased not for their inherent value but for the service implicit in the item. It is clearer to think of service as function. For example, the function of an appliance is to give service, so that when a particular good is manufactured and sold the objective in selling it is to supply a service. R. C. Davis in his widely used book Fundamentals of Top Management points out that the primary objective of

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[57] Education for Tomorrow's Business Leaders. Findings of the Conference on Professional Education for Business: Faculty Requirements and Standards (St. Louis: American Association of Collegiate Schools of Business, 1955), p. 5.

the firm must be its service objective, i.e., the creation of form, place, or time utility.[58]

Another difficulty involved in the concept of service is the absoluteness or relative positions of different motives in the behavior of individuals. It is clear that in any of the earlier professions the giver of the personal service expected some reward for it. The issue is clearly what is the predominant motive.

Although there is no oath of service as may be taken in other professions in connection with the educational program, it is evident that business has assumed service as one of its objectives. Exceptions to this statement may be found in the short run, but generally the statement is true. Particularly is this objective present in the larger corporations. Graduate education for business has had a part in the further development of this concept.

Development of a Code of Ethics

Also characteristic of professions is the development and maintenance of a code of ethics which places limits upon the actions of its members in the accomplishment of their objectives. Ordinarily the development of such a code has been in part accomplished through the appropriate professional school. Certainly the professional schools have assumed a large portion of the responsibility for the inculcating of this code of ethics in future members of the profession.

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[58]Ralph C. Davis, The Fundamentals of Top Management (New York: Harper and Brothers, 1951), p. 5.

No uniform code of ethics for the businessman has been developed, although attempts have been made at developing codes of ethics for application in specific industries through the applicable trade association. Perhaps the broadest approach to this aspect of professional development was the code of ethics drawn up by the U. S. Chamber of Commerce in the 1920's and placed before its members for ratification.

Despite the fact that no uniform approach has been taken to this problem, traces of thought in the literature indicate that schools of business providing professional education for business at the graduate level have felt some responsibility in this area. For example, at the 1927 meeting of the American Association of Collegiate Schools of Business, Dean Donham of the Harvard Business School advised that research in business ethics should be undertaken. He based this view on the fact that a tremendous percentage of the things created by pure and applied science was under the control of businessmen. Thus, the executive group must develop the answers to the problems posed by these developments.[59] In 1929 Professor Carl F. Taeusch of the Harvard Graduate School of Business Administration observed that whether control over business is "relatively extrinsic or intrinsic rests in large part with businessmen themselves and the educational processes to which they are subjected in the formative periods of their lives.[60]

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[59]Wallace B. Donham, "Investigation and Teaching of Social Aspects of Business," A paper presented at the 9th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, November, 1927, pp. 4, 8.

[60]Carl F. Taeusch, "Business and Education," An address delivered at the Annual Meeting of the Harvard Teachers' Association and published in School and Society XXIX (June 8, 1929), p. 729.

Various experiments have been made in the treatment of this problem of teaching ethics. Courses in business ethics at the graduate level have been developed, but they have largely been discontinued. Present thought holds that ethical considerations should permeate all the course offerings of the graduate program as applicable. Educators in graduate programs of business education have partially recognized their responsibilities in this area and have approached them from a somewhat different viewpoint than in the older established professions.

Raising of Standards

Professional schools have typically assumed one of their obligations to be the raising of the standards of performance in the profession. Two aspects of this problem may be visualized: the first is the raising of standards for entry into the profession and the second, the raising of standards for entry into the professional school. In some countries the professional school has controlled entry into the profession. Where entry into a profession has been controlled in this country, and it has not in business, the controlling agency has been a public body. This, however, has not retarded professional schools from setting higher standards to be achieved by their graduates. In this respect the schools of business with graduate programs at the professional level have been typical. The other aspect of the problem of raising standards has been the raising of standards for entrance into the professional school. While business education generally has been criticized for the quality of its students, expressions of thought are to be found indicating that some institutions have considered this problem. These two aspects of the problem are considered further below.

With respect to entrance into the business world, educators have been concerned about the level of achievement of their product. An early and perhaps premature expression of this concern is to be found in the proceedings of the first meeting of the American Association of Collegiate Schools of Business:

> . . . The graduate course, however, should be on a different plane, and to that end we are justified in holding both the research and the practice features of the graduate course up to a standard which would bring the student into an entirely different class with respect to his readiness for responsibility. If in order to satisfy this requirement it becomes necessary to postpone the awarding of the degree until the student has actually qualified in a responsible position, it would be wise to provide for such postponement.[61]

These ideas are further reflected in this statement by Robert D. Calkins:

> . . . As other professional schools have participated in raising professional standards of proficiency and conduct, so too must schools devoted to business and economic affairs to the end that higher educational objectives and more rigorous intellectual discipline are necessary. They are necessary for future conditions regardless of the career level toward which the education is directed. Most important would be the unifying objective which this educational objective implies.[62]

Attempts to raise standards for entry into the profession have been made by setting grade standards and by using comprehensive examinations. Although some programs of graduate education for business have not moved

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[61]Willard E. Hotchkiss, "The Basic Elements and Their Proper Balance in the Curriculum of a Collegiate Business School," A paper presented at the 1st Meeting of the American Association of Collegiate Schools of Business and published in the Journal of Political Economy XXVIII (February, 1920), p. 106. (Copyright 1920 by the University of Chicago.)

[62]Robert D. Calkins, "A Challenge to Business Education," Harvard Business Review XXIII (January, 1945), p. 182.

beyond the use of grades, this is generally regarded as an inadequate measure. The fact that a student has passed all of his courses in a piecemeal fashion is thought to be no guarantee that he can apply the fundamental concepts in the solution of problems of a professional nature. The oral or written or combination examination required by some institutions as a condition for completing the professional program is illustrative of the attempts of the institutions to raise standards for admission into business. (This examination also illustrates the purposive approach to be discussed later.) Such an examination, when administered in accordance with the stated objective for the examination, is designed to test the capability of the candidate to apply the fundamentals learned in his graduate program to a very real problem which might be encountered by him in the field. Coincidental with this exercise in problem solving, however, is a test of the level of his learning in terms of knowledge and methodology. Some schools have included such testing as a part of a course or courses in policy formulation. Many faculty members have expressed their dissatisfaction with the examination procedures particularly in the case of the oral examination. The setting and maintenance of standards when examinations are given by different groups of faculty to different students has been a difficult problem not satisfactorily resolved.

The second aspect of this problem of raising standards of the profession has been concerned with restricting entry into the professional school to people of high caliber. First attempts at critical selection of students were built on the assumption that high grades were an evidence of scholarship and the potential to do well in a graduate program.

A later approach and one more fully developed in recent years with the Admission Test for Graduate Study in Business has been the use of tests to determine potential for progress in the field of graduate studies in business.

With respect to the use of grades as an indicator of ability and scholarly intent, two difficulties have presented themselves. Perhaps the minor of the two is the possibility that a student may have high grades and yet not have real intellectual ability. The other side of this aspect is the possibility that a student may have ability but may not have used it as a candidate for the baccalaureate degree, so that it does not show in his grades. Admission procedures have generally been designed to consider evidences of increased use of ability in the latter stages of the student's undergraduate program. Little sympathy, it is thought, should be shown to the student who has ability but has not seen fit to use it.

The second difficulty incurred in the use of grades has involved the wide variations in the meaning of grades between institutions. In practically all admissions procedures some consideration is given to the institutions from which the grades originated. Usually it is informal and subjective, but at least one attempt has been made to develop a percentage factor for each school to apply to the grades of students coming with a baccalaureate degree from that school thus reducing all grades to a comparable basis. The problems involved are almost insurmountable, but that such an approach has been considered indicates the magnitude of the problem. Admissions directors interviewed report little correlation between undergraduate grades and graduate grades.

Due to the lack of correlation between undergraduate grades and the performance of students at the graduate level, attempts have been made to use some form of test as an indicator of performance at the graduate level. An early attempt at the use of tests was made by the Harvard Graduate School of Business Administration in 1921.[63] The results of the program were reported as inconclusive.[64] A more recent and seemingly more successful attempt at measuring the ability to do successful graduate work in business has been the use of the Admission Test for Graduate Study in Business developed by the Educational Testing Service, Princeton, New Jersey, under the direction of a policy committee made up of representatives from graduate schools of business. For some years it was used on an experimental basis; however, many schools are requiring it of all applicants for admission to graduate study in business and in some cases minimum scores for consideration have been chosen. Confidence in it has not yet developed to the point where it is used as the only consideration, but for most schools it has become another important consideration. There are some attributes of the potential student which it cannot measure such as motivation and determination which are also regarded as highly important for successful graduate study in business. The reason for its widespread adoption, however, is the reported high correlation between performance on the test and performance in graduate programs. Particularly has this been true with the quantitative section

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[63]Wallace B. Donham, "Report of the Dean of the Graduate School of Business Administration," in the Report of the President of Harvard University 1920-21, p. 14.

[64]Copeland, op. cit., p. 274.

of the test. Results of the tests and undergraduate grades have shown little correlation according to admissions directors interviewed.

Another aspect of the entrance programs about which there are differing ideas is the characteristics which a school should look for in the prospective candidate. Is the school looking for ability to perform well in its program, or is it looking for a student who beyond performing well in the program will also perform well in business? The two are not necessarily the same, and practices differ. This reflects the partial influence of both professional schools and the academic graduate schools.

That serious consideration is being given to the selection of students seems evident. In his report Alva L. Prickett has written:

> . . . To the best of our knowledge in almost forty years of experience in teaching there never has been a time when admission to the graduate programs was being considered in a more discriminating fashion.[65]

Despite this very serious consideration, however, there are few who would limit entrance into business to those going through professional programs of graduate education for business. Chancellor Clark Kerr has expressed the opinion that business management should not become a profession if that would imply entry after a period of controlled training since "business pursuits have historically been open to the energetic and the able regardless of their educational background, and we would do well to keep this channel for upward social mobility as open as we

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[65]Prickett, op. cit., p. 77.

possibly can.[66] This viewpoint appears to be held generally. Despite little movement toward the strict entry limitations of the older professions, graduate schools of business have placed some limitations on entry into business as standards have been raised in master's professional programs. More critical selection of persons for education and establishment of higher levels of performance for graduation exemplify these limitations.

Purposive Approach

The purposive approach as a characteristic of professional education has previously been suggested. This approach is to be found in graduate programs of professional education for business. Discussing this Melvin G. de Chazeau has said that the crucial distinction of the professional business course is

> . . . found in the purposive approach, and consequently the method of analysis and not the subject matter. With a focus on the need for action in a complex situation--for investment planning, policy formulation, decision-making--the critical objective is to perceive the issue in the light of alternatives available, to marshall relevant considerations, and to weigh these considerations in a reasoned course of action. This calls for more maturity and experience than the average undergraduate possesses. It is a process not of supplying a substantive body of knowledge, but of applying relevant aspects of such knowledge, previously acquired, to a situation. Of course substantive knowledge cannot be assumed (and for the student with an inadequate background, intensive supplementary reading will be needed) but the primary stress in graduate instruction in business (and

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[66]Clark Kerr, "The Schools of Business Administration," in New Dimensions of Learning in a Free Society (Pittsburgh: University of Pittsburgh Press, 1958), p. 73.

public) administration, in my opinion, must be in this area of "situational thinking."[67]

On the same subject Calkins has also commented:

> Administration is fundamentally the direction of affairs. It is purposive action and to an increasing degree it is informed, rational and deliberate action.
>
> The process requires the use of knowledge and understanding, but the ultimate objective is not explanation and understanding as it is in science. . . . The end of administration is the achievement of purpose; that purpose is action which yields desired results.[68]

In addition to the expressions of thought on this matter there are other manifestations of this purposive approach in graduate education for business. Almost from the inception of such educational programs the instructional methods used have been of a problem nature--the posing of a situation requiring the choice and defense of some course of action. This is not to say that all instruction has been of this nature. Much of it has been concerned with the giving of substantive knowledge, and some graduate programs have not reached beyond this level, but others have and would try to extend it further. The widespread use of the case method represents a further development of the

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[67]Melvin G. de Chazeau, Discussion of a paper by Neil Jacoby, "Economics in the Curricula of Schools of Business Administration," The American Economic Review XLVI (May, 1956), p. 569.

[68]Robert D. Calkins, In a speech before the 37th Annual Meeting of the American Association of Collegiate Schools of Business, April, 1955, and quoted in John F. Mee and Robert C. Turner, "Potential Changes in the American Economy and Their Import on the Educational Development of Teachers of Business," Chapter 6 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 151.

problem approach, a more complex situation requiring perhaps the analysis and rational solution of a number of problems with a synthesis of these results before the final choice is made. Those schools, however, not using cases as such still rely largely on problem situations for the accomplishment of this purposive approach. Some of the newer modifications of these approaches such as linear programming for the finding of an optimum (maximum or minimum) solution represent a further development in this direction. The purposive approach is thought to be a vital component of graduate professional training for business.

High Degree of Funcionalization and Compartmentation

Graduate education for business has been through the cycle of excessive compartmentation necessitating careful sequences of courses with prerequisites and the very narrow specialization involved. In describing this cycle of compartmentation H. E. Hoagland has characterized it as passing through the following four stages:

1. The point-of-view era in which, for the most part, we looked to the closet philosopher more than to the observer of business and economic relationships for our classroom material.
2. The broad functional era in which we attempted to match our courses, our conceptions of the demands of business for trained students.
3. The narrow functional era in which our enthusiasm for our subject matter has, at times, blinded us to both the needs of business and the best interest of our students.
4. The college competitive era in which other colleges in

> our universities are insisting upon following the same pathway to the same mistakes we have made.[69]

In attempting to pinpoint the cause of (2) and (3) above James H. S. Bossard and J. Frederic Dewhurst have written:

> Business schools came into the system of higher education at a time when specialization of professional study was at its height. It was natural therefore for the scientific study of business to be directed largely toward the functional divisions of business--accounting, production, finance, marketing, advertising--rather than management as a whole.[70]

Reflecting the thought of that day, Marshall in his imaginary school of Erewhon had the faculty build its graduate curriculum on the basis of the pervasive and distinguishable business functions.[71] The functional approach taken in the teaching of other professional work apparently influenced graduate education for business also.

Current Trend toward the Teaching of Fundamentals

Reference has already been made to the practice of emphasizing fundamentals in professional education and the recognition of the need for and value of this practice in professional business education at the

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[69]H. E. Hoagland, "An Era of Water-Tight Compartment Instruction in Business Subjects," A paper presented at the 10th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, November, 1928, p. 22.

[70]James H. S. Bossard and J. Frederic Dewhurst, University Education for Business. A Study of Existing Needs and Practices (Philadelphia: University of Pennsylvania Press, 1931), p. 431.

[71]Leon C. Marshall, The Collegiate School of Business. Its Status at the Close of the First Quarter of the Twentieth Century, op. cit., p. 181.

graduate level. Thomas H. Carroll pointed out an emerging trend of emphasizing fundamentals in engineering which is having its effect on graduate education for business when he said:

> The traditional compartmentalization of engineering training into mechanical, civil, electrical, aeronautical, and other, even more specialized areas is undergoing searching restudy. Increasing momentum is being gained by the movement to broaden engineering education through more attention to the underlying physical sciences as well as to the social sciences and the humanities.[72]

The continuance of this trend in the field of engineering education seems to be indicated by the report of the meeting of engineering educators at Purdue University in 1957.[73]

Recent curricular trends in graduate programs of business have been in this direction, decreasing the attention given to study in the functional areas and increasing the amount on underlying disciplines and tools of research. This practice is based on the thought that regardless of whether the product of the school becomes a business expert or a business executive, whether he resides at or near the top of the executive structure or at some intermediate point, the training in fundamentals is basic and relatively more important than a high degree of specialization.

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[72]Thomas H. Carroll, "Business Education for Competence and Responsibility: A Forward Look," A speech presented before the 38th Annual Meeting of the American Association of Collegiate Schools of Business at Berkeley, California, April, 1956, and published in Business Education for Competence and Responsibility, American Association of Collegiate Schools of Business, 1956, p. 5.

[73]J. B. Ball, "Education in Engineering," Report of a meeting at Purdue University, West Lafayette, Indiana, Science CXXVI (December 20, 1957), p. 1300.

Competition between Schools of Business and Schools of Engineering

The competition between schools of business and schools of engineering in the development of professional business people has taken two forms. Prior to the beginning of education for business, schools of engineering had indirectly been supplying managerial and administrative personnel as engineers moved up into managerial positions. This trend has been further emphasized by a reduction in the amount of time spent in specialized engineering courses and an increase in the amount of time spent on the humanistic stem, the social studies group. But a new development began to occur in the late 1940's and early 1950's. Schools of engineering and technology have organized programs in industrial management or industrial administration. Some of these programs have been highly endowed. They have chosen their students with great care. They have placed strong emphasis on the teaching of fundamentals of physical sciences, social sciences, and mathematics and statistics. Their courses have been characterized as very rigorous, and their research as deeper and more original than that of schools of business. The success and prestige of these schools have influenced graduate programs of business to follow some of the patterns which they originated or at least gave new emphasis. Dean Arthur M. Weimer of the Indiana University School of Business recently stated that one of the reasons for the improvement of educational programs in business was the competition between engineering schools and the business schools.[74]

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[74] "Interview with Dean Weimer," Nation's Business, March, 1960, p. 36.

Summary

As a part of the broad field of higher education, graduate education for business has been influenced by various aspects of higher education. The roots of the development of graduate education for business may be traced to both academic and professional programs of graduate education. And, these two types of higher education have most heavily influenced graduate education for business.

The influences of academic programs of graduate education have been most prominent at the doctoral level. A major influence of academic programs of graduate education on graduate education for business has to do with the effect of the traditional Ph.D. requirements on the requirements for doctoral degrees in business. A continuing difficulty has resulted from the sometimes arbitrary imposition of these requirements on doctoral study in business. The classical viewpoint that graduate work should be directed toward broad social and economic problems has sometimes permeated business education at the doctoral level. Also, the teaching methods, admissions policies, and financial assistance policies of programs of graduate education for business show the influence of academic programs of graduate education.

Although not exclusively so, the influences of professional programs of graduate education have been most prominent at the master's level in business education. At this level much graduate education for business is regarded as professional in nature. Use of the purposive approach based on education in fundamentals of the discipline involved has characterized graduate education for business and represents one of the influences derived from the field of professional education. In the

development of fundamentals graduate education for business has exhibited two other characteristics of professional education: research and inductive reasoning applied both to current matters and historical development to establish fundamental principles and study in the basic sciences which are thought to underlie the professional study of business. Further, business has to some extent accepted the service objective and attempts have been made to develop a code of ethics. These actions have influenced business educators at the graduate level, and these attitudes have permeated graduate professional work in business. This is at least parallel to activities in other fields of professional education. Also, some attempts have been made to raise the standards of the profession by setting higher standards for admission to and accomplishment in programs of professional education for business. These too represent the effect of influences from the field of professional education. Finally, the recognition of a need for graduate work beyond the professional level in business indicates at least a parallel development if not a result of direct influence from the general area of professional education.

CHAPTER VI

OTHER INFLUENCES ON THE DEVELOPMENT OF GRADUATE EDUCATION FOR BUSINESS

Chapters III, IV, and V include an analysis and classification of the influences on graduate education for business resulting from the major forces of government, business, and higher education respectively. Numerous other forces have also influenced the development of graduate education for business. The influences of these forces are analyzed and classified in this chapter.

Although the influences analyzed in this chapter may be derived initially from one or more of the major forces previously analyzed, still these influences and the sources from which they spring are important. Some of these influences have stimulated the development of graduate education for business in a particular direction. Other influences have restricted its development from moving in a particular direction. Some of the influences analyzed are those resulting from forces generated within a particular school's program and forces applied from a parent educational institution. Other influences result from the effect of developments in programs at individual schools, forces stemming from the growth of student interest in graduate education for business, forces exerted by the American Association of Collegiate Schools of Business, and forces resulting from the philanthropic foundations.

Influences Resulting from Forces Internal to the Individual School Program

Just as the characteristics of a business organization are determined largely by the people within it, so are the characteristics of graduate programs of business education determined in part by the faculty in such programs. Since little has been written on this topic, the data on which this section is based were obtained through interviews and analyses of faculty meeting minutes and committee reports of the various programs. Unless otherwise indicated the generalizations apply only to the schools studied. These influences seem to result from the varying scholastic strengths in faculties, dominant members of the faculty, and the background experiences of members of the faculty.

Emphasis Resulting from Scholastic Strengths of the Faculty

Evidence indicates that the various programs of graduate education for business were influenced significantly by the varying subject areas of scholastic strength in the faculties of these programs. Leverett S. Lyon commented on the difficulties inherent in building a curriculum around a unified management concept when the faculty had differing academic and experience backgrounds in the following:

> . . . it is easy enough to build up a curriculum around this concept, but it is not so easy, as we all know, to have a curriculum taught so that it fully carries out the concept. On the one hand, there is always the difficulty that part of the instructing force will be highly competent in their own special fields and only moderately intelligent about the plan as a whole, or about what others are doing with the plan. On the other hand, there is the difficulty that, if a man thoroughly understands the relation of his subject to the field as a whole, he will, merely in the effort to do a

> thorough job, overlap seriously on what his colleagues are doing.[1]

Lyon's statement reveals the difficulty of effecting a curriculum in view of the different areas of scholastic strength resident in the faculty.

The very nature of the program may be determined by the area or areas of scholastic strength in the faculty. A faculty strong in an area whether it is economics, management, or one of the functional areas is likely to orient the program in that direction. More work in an area of strength is likely to be called for in the degree requirements. Thus, the influences resulting from varying areas of scholastic strength in faculties can and do exist.

Dominant Members of the Faculty

Certain faculty members may exercise a disproportionate amount of influence either because of a superior intellectual background or because of their personality characteristics. Evidence indicates that it is possible for one or more dominant members to influence a graduate program of business education in a certain direction. These influences may be exercised through persuading the faculty and administration to accept courses or programs of a particular type. In some programs, changes in the status and prestige of a particular subject area may be

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[1]Leverett S. Lyon, in a discussion of a paper by Willard E. Hotchkiss, "A Unified Management Concept as a Basis of Business Teaching," and a paper by H. E. Hoagland, "An Era of Water-Tight Compartment Instruction in Business Subjects," in proceedings of the 10th Annual Meeting of the American Association of Collegiate Schools of Business, Chicago, Illinois, May, 1928, and published in The Ronald Forum, The Ronald Press, November, 1928, p. 36.

traced directly to changes in the leadership of that area. Also, "empire building" by a particularly aggressive faculty member is not unknown.

The influence of a dominant member or group of members may also be demonstrated in the research philosophy of the program. A strong-minded faculty member or group of members may cause the requirements for the master's degree to include or not include the thesis requirement, whichever they advocate. Also, the attitude of one or more members may influence the area in which the research is accomplished. Students doing research will probably be influenced to do or not do research in an area by the faculty members. For example, where the research-minded faculty member or group of faculty members is interested in a particular area, their students are more likely to be doing research in this area.

The growth and decline of certain instructional methods also illustrates the influence of a dominant member or group of members of a faculty. Study of teaching methods in the various schools reveals that to a large degree, emphasis on a particular method in that school may be traced to a particular individual. Perhaps this individual's background was such that he was extremely adept in a particular method, and this plus his dominant nature led to its adoption either formally or informally.

Background Experiences of the Faculty

The influence of a particular background through a dominant faculty member was noted in the previous section, but there are other evidences of influences resulting from particular backgrounds of faculty members either individually or in a group. Certain courses have grown out of

background experiences, not necessarily academic, of faculty members. In at least one graduate program in business, a course in practices of administration resulted from faculty background experiences in administrative work. Certain research programs have led to significant findings which were integrated into a course or courses. Illustrative of this are courses in human relations which grew from the research of faculty members in this area. Also previous experiences in business, military organizations, government, or other professions have affected graduate business education. An example of this is the development of courses in management science on the basis of material obtained from close and continuing relationships with a military organization and which were established while the individual was a member of that organization.

Current thought would not suggest that such internal influences as might result from the scholastic strengths, dominant members of the faculty, or background experiences should necessarily be overruled but rather that they should be subordinated to the objective of the program based on the needs of the students.

Influences Stemming from Parent Educational Institutions

Mere proximity of programs of graduate education for business to other and perhaps older programs of graduate education would suggest some influences of each upon the other. However, when there is not only proximity of programs but also administrative relationships between graduate education for business and other programs of graduate education,

graduate programs of business education seem to be influenced in a very sizeable way by their parent institutions.

Evidence suggests that programs of graduate business education have been influenced by the parent institutions. These influences were noted in the very early days of graduate education for business. Leon C. Marshall in the following statement suggested two ways in which parent institutions exerted influence:

> . . . There are many institutions of different types giving business training--engineering schools, colleges of commerce, business colleges, high schools, correspondence schools, corporation schools, night schools, and others: the curriculum of a given institution must take account of this and join in the division of labor. There is ignorance and prejudice among our academic brethren; they may force the business curriculum to take a certain trend.[2]

This articulation of education for business with other programs in parent educational institutions is reflected in Thurman Van Metre's history of the Columbia University School of Business. At the time of the creation of the school, the faculties of Columbia College and Barnard College were prevailed upon to drop any hostility felt toward another degree-granting school.[3] These illustrations indicate in general the early influence of parent institutions on graduate education for business.

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[2]Leon C. Marshall, "A Balanced Curriculum in Business Education," The Journal of Political Economy XXV (January, 1917), p. 92. (Copyright 1917 by the University of Chicago.)

[3]Thurman W. Van Metre, A History of the Graduate School of Business, Columbia University (New York: Columbia University Press, 1954), p. 24.

In later years there have been other evidences of influences by parent institutions on graduate programs of education for business. In 1945 Hollis in his study of Ph.D. programs reported that, through the "processes of compromise common in a democracy," faculties of most institutions had found a way to admit into the usual graduate faculty certain professional schools, although he noted that not all had done so.[4] In describing the development of graduate schools of business administration, Dean G. Rowland Collins observed that graduate work in most instances had developed out of organized business curricula. He also noted that it had been organized either in cooperation with established schools of arts and sciences or separately depending upon whether the two could accommodate each other.[5] A still more current viewpoint is as follows:

> But few schools can make their own completely free choice, important as the wishes of their faculty members may be, among the alternatives; their environments usually bend them to one or another broad solution.[6]

In their study, George P. Baker and David B. Tyack determined that "practically all business schools have some kind of cooperative

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[4]Ernest V. Hollis, Toward Improving Ph.D. Programs (Washington, D. C.: Commission on Teacher Education of American Council on Education, 1945), p. 96.

[5]G. Rowland Collins, "The Graduate School of Business Administration," Chapter 28 in Education for Business Beyond High School, published jointly by The Eastern Business Teachers Association and The National Business Teachers Association (Somerville, New Jersey: Somerset Press, 1957), p. 238.

[6]Clark Kerr, "The Schools of Business Administration," in New Dimensions of Learning in a Free Society (Pittsburgh: University of Pittsburgh Press, 1958), p. 72.

arrangements with graduate schools of arts and sciences."[7] They further found that patterns of course prescription and recommendation depended among other things on the regulations of the graduate school.[8]

From these evidences it may be inferred generally that graduate education for business is influenced by the parent educational institutions. Discussions of objectives, curriculum, student selection, and resource influences of parent educational institutions on graduate education for business are presented below.

Objectives

Probably there is evidenced no more important influence from a parent educational institution than the effect of its objectives upon the objectives of the graduate program of education for business within it. The literature on which much of this study is based refers to the objectives of programs in private schools more frequently than to the objectives of programs in state schools. Certainly, however, the evidence obtained from visitations and interviews reveals that the objectives of the parent institutions in the latter case have been just as important in influencing its development. Several aspects of the objectives of parent institutions have been important to graduate programs of business. These are objectives with respect to characteristics of students served, geographic area served, and emphasis on research.

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[7]George P. Baker and David B. Tyack, "Doctoral Programs in Business and Business Administration," Chapter 4 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 85.

[8]Ibid., p. 87.

Students served. Whether the institution has as its objective service to a broad spectrum of students with varying needs or service to a very restricted group of students with similar needs is likely to be a factor influencing graduate education for business. Where the parent institution has the overriding objective of serving a group of students who have been selected either directly or indirectly on the basis of money and academic ability, then the program of graduate business education will be influenced to serve the needs of this group. For example, in one institution where students selected are largely from families of wealth and influence, the program of graduate education for business is oriented strongly toward management. On the other hand, an institution serving students of varied backgrounds and interests and selected largely on the basis of a certain level of academic achievement will have to develop a program to serve their varied needs. Several state schools exemplify this category of program. Such programs may have the objective of providing both education for management as well as education for specialized activity in certain industries, or tool, or functional areas.

Geographic area served. A graduate program for business in an institution having as its objective service to an immediate geographical area as opposed to a state or even to a nation is likely to have different objectives from the program having an objective of service to the state or to the nation. One extreme example of this is the program existing in a large city university oriented toward the restricted metropolitan area served by it. Another extreme example is a private school which visualizes its area of service as being the whole nation or

world. The school which is oriented toward the metropolitan area is influenced to serve the needs of this community. The conclusion is not that it is thought necessary to set up programs specifically for the industry or industries located in that area, although this objective has been achieved in certain cases. Rather, some provision for meeting the needs of these groups should be made either through special courses or through providing opportunities for student orientation in that area. For example, the presence of a large banking organization in an area has influenced one school to organize courses in banking which it would not have done otherwise. In almost every case the publicly supported institution has felt some obligation to meet the needs of its public; and although it may have programs designed to meet other broader needs, there must certainly be opportunities for study in the area of its public's needs. Again, the privately financed school is more likely to take a broader view of the area to be served, although there are exceptions to this. The principle, however, is that graduate education for business will be influenced by the objective of the parent institution with respect to geographic area served.

Research emphasis. Whether a parent educational institution accepts the accomplishment of much research as one of its objectives will be determined by many factors, but such an objective will surely influence the graduate program in business. This objective may help determine, for example, whether a thesis is required at the master's level. This objective may determine whether faculty hired are research-oriented as opposed to being concerned more with classroom teaching and perhaps public service. The objective with respect to research may

affect the selection of students. For example, in a school where students are selected for a strictly professional management program, one criterion for student selection is the expectation of the student's success in business and industry. On the other hand, one school oriented toward research examines the prospective student in terms of his potential research ability. The actual curriculum may also be affected by this because the research-oriented program will provide opportunities for instruction in research methods as well as opportunities to do research, whereas the so-called "action" oriented program will be providing opportunities for problem analysis to determine and recommend a course of action which may be based on little, if any, research.

Several observations indicate the importance of the influences of the parent educational institution on research. In 1924 Dean C. O. Ruggles noted that extensive organization for research was not essential. Although state-supported institutions may have to make official recognition of research, the important idea is that "a faculty be given time to discover the research projects and then be given time and adequate funds to "prosecute" their research."[9] In an earlier paper he had pointed out the following:

> . . . The frequency of assignment to research, the length of time devoted to research, or the extent to which teaching schedules would be reduced to provide for carrying on research simultaneously with teaching are all matters

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[9]C. O. Ruggles, "Improving the Teaching Personnel of Collegiate Schools of Business," in proceedings of the 10th Annual Meeting of the American Association of Collegiate Schools of Business published in The Ronald Forum, The Ronald Press, November, 1928, p. 53.

> of detail of administration for each institution to settle on the merits of the case.[10]

Commenting on the role of the graduate school in providing the conditions essential for research, Harold Stoke pointed out that

> . . . a good graduate school must provide an atmosphere which is suffused with a belief in, a respect for, and time for, basic scholarship. Such an atmosphere is indispensable. A faculty overloaded with undergraduate teaching or administration or starved for encouragement for basic scholarship can hardly be expected to create an atmosphere in which scholarship can flourish. Good graduate work is done only where there is a sense of its importance and the time and opportunity to carry it on.[11]

Dean Arthur M. Weimer has commented on the role of the school of business with a graduate program in the following statement:

> To be effective, a school must provide an atmosphere that stimulates intellectual curiosity, interest in topics of basic importance, and creates a desire to add to the store of knowledge in the field plus the capacity to use such knowledge effectively.[12]

The degree to which such programs can be developed seem largely to be determined by the influences of the parent educational institution.

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[10] C. O. Ruggles, "The Significance of Research in Business Education," in proceedings of the 6th Annual Meeting of the American Association of Collegiate Schools of Business and published in The Ronald Forum, The Ronald Press, 1924, p. 13.

[11] Harold Stoke, "Some Observations on Graduate Study," The Journal of Higher Education XXV (October, 1954), p. 291.

[12] Arthur M. Weimer, Critique of George P. Baker and David B. Tyack, "Doctoral Programs of Business and Business Administration," Chapter 4 in Faculty Requirements and Standards in Collegiate Schools of Business (St. Louis: American Association of Collegiate Schools of Business, 1956), p. 109.

Curriculum

Within the scope of this report it is impossible to analyze all of the various influences on curriculum in graduate education for business which have resulted from parent educational institutions. Some general examples suggest, however, that the orientation of the parent educational institution is likely to affect the orientation of the graduate program of education for business existing within it.

Some institutions are quantitatively oriented. The graduate program of business found in such a school is likely to be quantitatively oriented also. Thus, the graduate program in business is likely to have courses in mathematics included in the curriculum. Courses in computer and programming logic are likely to be found in such programs as electives if not as required courses. For example, in one school a mathematically oriented psychology department has influenced the program of graduate business education to be quantitatively oriented. The thought in these cases seems to be, first, that the graduate program in business must conform in some degree to the over-all orientation of the school. Second, the thought is that the graduate program in business should make use of the resources of the parent institution. These resources thus cause the program to be directed toward quantitative analysis.

The policy of the parent institution toward the basis for granting graduate credit may also affect the graduate program in business. Where the institution bases the fulfillment of graduation requirements on extensive classroom attendance and performance, the graduate program in business is most likely to follow the same philosophy. Where the institutional philosophy is such that graduation requirements may be met

largely by completion of examinations, the orientation of the graduate program in business is likely to follow the practice of the parent institution. In one case, although classes were available, the degree was granted wholly on examination results. Again, the practice has been imposed by the parent institution or has resulted from the permeating effect of parent institutional thought and ideas on the faculty in the graduate program in business.

To cite yet another example of how the curriculum philosophy of the parent institution affects graduate education for business, the program may be influenced by whether the philosophy of the parent institution is in the direction of liberal arts or professional preparation. Programs in a school which is oriented toward preparation for specific pursuits in fields usually regarded as professional are far more likely to be oriented toward preparation of graduate students for professional performance. Programs in schools which are oriented toward liberal arts are likely to be oriented toward the study of business from a liberal arts viewpoint or at least from a stated liberal arts viewpoint. These practices again illustrate the permeating effect of the thought in a parent educational institution on the thought underlying a graduate program of education for business within that institution.

Framework of course requirements. Determination of the exact course requirements for any degree has traditionally been left to the appropriate faculty. However, the traditions and requirements of the parent institution as to degrees offered and requirements for these degrees frequently influence the framework of course requirements for all graduate programs within a given institution. Reference has already

been made to the findings of Baker and Tyack on this matter.[13] Professor C. H. McGregor has also commented on this particularly with reference to its effect on the graduate program in marketing.

> The framework or structure of graduate schools--by which is meant the different degree programs and the requirements specified for these degrees--conditions to a very large extent the type and amount of graduate marketing study which might be offered. These structures, for the most part, were established before business study was introduced at the graduate level, and American universities, with the exception of Harvard and Stanford, attempted or were compelled to fit their programs into these structures. Many times the professional program failed to fit and various kinds of adjustments became necessary. In some instances professional degrees were established; in others, requirements for other types of degrees were altered; and in a few, no modifications of any kind were made.[14]

In contrast, opposite points of view have been expressed. For example, Dean Henry E. Bent has said,

> . . . the professional schools have had little patience with scholarly tradition. Schools of business administration have been particularly ready to break away and form their own programs for advanced degrees. Several large universities have eliminated the graduate school and turned over the administration of advanced work to the professional schools. One can only guess at the concessions made in other institutions which may have seemed expedient in order to maintain an uneasy truce.[15]

Dean Collins has further discussed the reaction of the graduate school of business administration to an unrealistic framework imposed by an

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[13]Baker and Tyack, op. cit., p. 87.

[14]C. H. McGregor, "The Graduate Program in Marketing," A speech delivered at the Southern Economic Association Convention, Memphis, Tennessee, November 8, 1957, mim., p. 4.

[15]Henry E. Bent, "Professionalization of the Ph.D. Degree," The Journal of Higher Education XXX (March, 1959), p. 144.

independent graduate school. He observed that where institutional organization and academic convention prevent the award of the Ph.D. in business by the faculty of the independent graduate school, the school of business is likely to seek institutional permission to offer a professional degree.[16] Recent evidence from field research and from literature indicates that many business educators generally prefer a graduate program in business to be organized within the framework of the Ph.D. as imposed by the independent graduate school. This viewpoint is held only if the needs of graduate students in business can be met within the framework of the independent graduate school. Where these needs cannot be met, then current thought holds that the next best thing would be to receive permission to grant the Ph.D. degree by the school of business. Where this is not practical, business educators generally believe that an independent degree should be sought and offered.

The discussion above has been centered around developments at the doctoral level. The same type of conflict is present but to a much smaller degree at the master's level. Although the disagreement is not nearly so great at the master's level as at the doctoral level, there is perhaps a wider variation in tradition and practice. In 1929 Ralph Power pointed out the wide variation in degrees by noting that students completing a master's program might receive a wide variety of degrees depending upon the parent institution. The variety of degrees included M.A. (Master of Arts), M.S. (Master of Science), and M.C.S. (Master of Commercial Science). He concluded that business educators should strive

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[16]Collins, op. cit., p. 354.

for simplicity in degrees and degree requirements.[17] In a later study A. L. Prickett determined that although an M.B.A. is the title preferred by most schools, other names do exist.

> . . . Because of the development from other backgrounds and other degree titles we often find the Master of Science Degree and occasionally the Master of Arts designation. There are also various special titles such as Master of Business, Master of Commerce, Master of Arts in Business, and Master of Public Administration. . . . These designations are of particular significance to the individual school.[18]

Influences from the parent institution have affected the framework of course requirements at the master's level, but adjustments have been made much more easily than at the doctoral level. For example, where the master's degree is offered through an independent graduate school, the degree is likely to be the M.A. or the M.S. Early degrees granted by almost all institutions were either Master of Arts or Master of Science. Prevailing thought is that since programs at this level are likely to be professional programs, then the graduates of such programs should have a professional degree, in most cases the M.B.A.

Language requirements. Although language requirements are a transfer from the liberal arts college, the degree to which such requirements have been effected in graduate programs of business is related to the influence of the parent educational institution. This

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[17]Ralph L. Power, "Degrees in Commerce and Business Administration," Education XLI (June, 1921), pp. 632-635.

[18]Alva L. Prickett, "The Master's Degree with Courses in Business, Yesterday, Today, and Tomorrow," The Accounting Review XXXIII (January, 1958), p. 76.

is demonstrated in the following finding:

> Programs dominated by the classical concept of the Ph.D. usually require candidates to pass examinations in foreign languages, a traditional prescription of most graduate schools of arts and science.[19]

> Eighty-nine percent of schools with doctoral programs do require at least one foreign language. It is likely that if these institutions desire to continue to offer the doctorate under, or in conjunction with a Graduate School of Arts and Sciences they will continue to do so.[20]

These findings were substantiated in the field research for this report. At least four of the schools studied in this report had language requirements due to the influence of the graduate school with which they were affiliated. Many educators spoke of this restriction on curriculum development as resulting directly from the parent educational institution.

Where this restriction has been placed upon graduate programs of business education by the parent institution, the thought about the appropriate reaction to it has followed two channels. First, educators have sought to make the selection of languages as relevant as possible by suggesting that the student select a language from a country in proximity to this one or with which there is much commercial intercourse by this country. The second reaction has been to dilute the language requirement by obtaining, where possible, a relaxation of the standards for its completion. An example is having the student translate only

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[19]Baker and Tyack, op. cit., p. 92.

[20]Ibid., p. 95.

one or a limited number of pages of manuscript in the language. In some cases a dictionary may be used in the test also.

In other situations business educators have obtained permission from the parent institution to grant another degree--typically the Doctor of Business Administration. The new degree, far from reducing the amount of work in total, has usually included another field of study far more relevant to the student's needs than the language.

The success of these reactions has been determined by the degree of restriction of the parent institution upon the graduate program of business education. From their responses, however, business educators seem to think that a mandatory language requirement makes little contribution to the student's objective and that other work more closely related to the student's objective should be substituted for it.

Relationship of business and economics. Previous discussion has already indicated that at one time economics was thought to be the basic science underlying business. Because current thought still holds that economics is one of the basic sciences underlying graduate education for business, the relationship between the discipline of economics and the discipline of business has been a definite factor influencing graduate education for business. The problems resulting from the varying relationships have been a matter of concern to educators in both fields since the beginning of graduate education for business.

The relationships between the two have varied from attempted integration by making the program in business a program in applied ecomics, to complete isolation of the programs in two separate departments with no interchange or cooperation. Dean Collins has outlined the

reactions which may result from isolation in the following:

> . . . In those cases where arbitrary and rigid organizational traditions limit the availability of work in economics to graduate students in business, or where co-ordination is lacking between the instruction in economics--wherever that instruction is placed in the institutional structure--and the graduate instruction in business, the independent graduate school of business administration faces a very real problem. In the case of such difficulties it often seeks to develop and to offer a kind of managerial economics or to develop a direct relationship of graduate offerings in business to a core of so-called behavioral sciences.[21]

Today, business educators substantially agree that business and economics should be independent with neither being subordinated to the other since both have basically different objectives. Rather there should be the spirit of cooperation between the two which will enable each to profit from the association with the other. This condition is suggested by Dean Neil H. Jacoby in the following:

> A high order of cooperation between the faculties of the business school and the department of economics should be brought about. An effort should be made to design courses which, so far as possible, will serve the interests of both economics and business students. A joint committee of faculty members from both units should meet frequently to consider common problems, and to infuse into the instruction of the other unit new ideas and points of view. Faculty members of both units can often usefully engage in joint research projects. In many instances, members of both faculties are needed to compose a committee for a candidate for an advanced degree.[22]

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[21]Collins, op. cit., pp. 352-353.

[22]Neil H. Jacoby, "Economics in the Curricula of Schools of Business Administration," The American Economic Review XLVI (May, 1956), pp. 560-561.

Influences on Selection of Students

A reference has previously been made in this chapter to the influence of the objectives of the parent institution on the group of students served by the graduate program in business. Nevertheless, there is a more direct manner by which this influence on student selection is exercised. Where the graduate program in business operates as an arm of the independent graduate school, admissions are likely to be influenced considerably by the graduate school. The practices vary. The admissions department of the graduate school may actually make the decision as to whether a given student will be allowed to enter a graduate program of business. Such an admissions department may merely operate as a clearinghouse for such applications, perhaps checking compliance with minimal academic and character standards for graduate students. In still other cases the graduate program in business may have its own admissions procedures to supplement, or in place of, those of the graduate school. Chancellor Clark Kerr has outlined the issue involved in this statement:

> . . . Traditionally the university selects its students and its faculty on the basis of their intellectual capacity alone; . . . .
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> Service to business pulls in different directions. Students should have "aptitude" for business careers and good prospects to enter such careers.[23]

Evidence obtained from interviews indicates that business educators feel that the final decision on admission to the program should be under

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[23]Kerr, op. cit., p. 66.

the direction of the faculty of the graduate program. Administrative procedures may be varied from place to place, but the thought is that the final decision on criteria for admission should be established by the faculty of that program. To do otherwise risks the chance that students may not be selected in accordance with the objectives of the program.

Influences Resulting from the Allocation of Resources

Existence of graduate programs of business in any form is dependent upon the resources of the parent educational institution. This principle is indicative of the influences which the resources of the parent institution make on the business program. Since graduate programs are relatively more costly in terms of resources than undergraduate programs, it is safe to conclude that the existence or direction of a graduate program in business will be determined by the resources which can be made available to the program by the parent institution. These resources consist in the main of faculty, library, and supporting services. Since neither faculty nor library facilities can be built up in a short period, much advanced planning and resource accumulation must take place before an effective program can be offered. The subject areas in which these strengths are built will certainly influence the program of graduate education for business. Thus, the influence of the parent institution's resources both as to amount possible and amount that will be made available to the graduate program in business will influence its development.

Of particular concern to graduate programs of business is the attitude of the parent institution on the use by the graduate program of

graduate assistants to teach undergraduate courses. Twin forces point toward the use of graduate assistants for teaching purposes where circumstances permit. Graduate students' needs for financial assistance to complete graduate programs, particularly at the doctoral level, have become almost axiomatic. One method for providing such support is through the use of graduate assistants where student abilities, policies, and needs of the department permit. Also, teaching loads of the graduate faculty in business must be reduced for graduate instruction. If instructional costs are not to increase beyond reason for both the graduate and undergraduate levels, some reduction must be achieved. The use of graduate assistants is thought to be the best device for achieving this goal. Thus, the attitude of the parent educational institution toward this practice is likely to be critical to the success of the graduate program in business unless there is little regard for instructional costs on the one hand and/or tuition costs on the other.

Influences Stemming from Graduate Programs of Business Education in Other Schools

Little is to be found in the literature about the influence of one school on another for perhaps obvious reasons, yet evidence from visitations and interviews indicates that the influences among schools have been rather important in the development of graduate education for business. It would be expected that leading schools would exercise influences over other schools, but there are also influences among the schools generally. The influence of one school upon another has not always followed a meaningful pattern. Course names have been adopted

with little understanding of the content. Instructional methods have been adopted without a full understanding of either purposes or procedures. These influences center around the orientation of the graduate program in business, degrees offered, and the requirements of programs of other schools.

Orientation of the Program

The early success of some of the programs oriented toward management and administration has led other schools to attempt to follow such programs. The more recent success of programs of industrial management with their quantitative orientation has influenced other business programs at the graduate level to attempt adoption of some approaches, ideas, and concepts included in these programs. The degree to which the programs have been duplicated has varied depending probably upon the business educators' degree of understanding of these programs in other institutions. Also, the resources available to implement such programs in terms of faculty, instructional materials, and student capability have been a critical factor. Current thought of business educators indicates that such attempts should not be made unless students and their needs, faculty, and other resources are substantially the same as in the schools initiating and developing the programs.

Changes in Degree Names

Changes in degree names at both the master's and doctoral levels have occurred as a result of the influence of leading graduate programs in business and business administration. The success of some graduate programs titled Master of Business Administration has encouraged other

schools to adopt the same degree title. At the doctoral level, the initial use and success of the Doctor of Commercial Science degree by first one school and then others has led to its adoption by other schools as the degree for a professional program at the doctoral level in business administration. Ultimately the success of the various Master of Business Administration programs led to the adoption of the Doctor of Business Administration degree by the schools previously granting the Doctor of Commercial Science. Choice of this name reflected a desire to profit from the prestige of the M.B.A. The D.B.A. was thought to be more descriptive of such programs than the D.C.S.

Requirements of the Program

Many forces have influenced the requirements of the programs of graduate education for business and have already been discussed in this report. In addition, however, indications are that the interchange of information between graduate business educators in different institutions has led to an interchange of influences among the various programs. Evidence indicates that the fields of study required for some degree programs have been chosen after extensive study of the programs at other institutions. Also, competitive pressures have been influential. For example, one school that outlined a particularly heavy work load--six fields as opposed to the typical four or five--was forced to reduce this load by the competitive influences of other programs. Most educators would agree that in the development of a graduate program in business certainly programs in other universities should be taken into consideration. The final determination of degree requirements, however, should be based on the objective of the degree program.

Instructional Materials and Methods

Schools which have taken the lead in preparing instructional materials because of their faculty and research resources have made these materials available to other schools. Schools using these materials have thus been influenced due to the particular viewpoint expressed. Further, since these materials were prepared to be used with a specific instructional method, the schools using these materials have been influenced to use this method of instruction. While almost all educators would agree that good instructional materials should be made available to other graduate programs in business, the thought is that more materials should be prepared in more different institutions. Evidence indicates that this is the trend as the resources of the schools increase. Thomas H. Carroll has described one example of this development in the following statement:

> . . . there is a recent movement toward a decentralization of case gathering activity. At more and more institutions, faculty are going out into the field, developing their own cases, and absorbing at first hand the flavor of actual business operations.
>
> This development has been aided by a summer seminar at the Harvard Business School to which faculty members of schools of business throughout the country are selected for intensive training under fellowship appointments in case research, case writing, case teaching, and grading . . . . It is axiomatic that the professor who is involved in this field work and in the writing of a case based upon it is a better teacher of cases than he was when he used only the case products of others.[24]

Business educators agree that irrespective of school influences,

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[24]Thomas H. Carroll, "Education for Business: A Dynamic Concept and Process," The Accounting Review XXXIII (January, 1958), p. 6.

materials and instructional methods should be chosen on the basis of the objective to be achieved in a given program.

Influences Stemming from Growing Student Interest in Graduate Education for Business

While many forces have contributed to the growth of student interest in graduate education for business, the influences which resulted from this growing interest are also important. (While it is important to note and study the reasons why business educators have developed graduate programs in business, it is also important to note that the reasons for student interest are not necessarily the same as those of the faculty. For example, faculty members may have developed programs in response to felt needs from business and government. Yet individual student reasons for attending may vary from a desire for more depth of understanding to the feeling that graduate study will offer more employment security.) As the number of students desiring graduate work in business has increased, programs have responded to the demand. Also, as the number of students engaging in graduate work in business has increased, programs have had to be adapted to handle the various types of students and their objectives. These influences are discussed below.

Formalization and Professionalization of Graduate Programs in Business

Graduate work in business has grown continually since its beginning in 1900, but the two greatest periods of growth have occurred as a result of the government assisted return of veterans of World Wars I and II and the Korean War to educational pursuits. After both of the major

wars, the facilities of graduate programs of business education were strained, and certain steps were taken to handle the influx of students. One major effect of this increase in enrollment related to the formalization of graduate programs in business. In 1926 Dean A. Wellington Taylor remarked before the American Association of Collegiate Schools of Business that no uniform pattern of graduate program had developed. Programs had previously developed in response to the needs of mature students and thus were individually fitted to the student, but he also noted that more formal plans were beginning to develop.[25] Some institutions developed orientation lectures to simplify the beginning of graduate work and to help students understand the nature of the graduate program. Dean Weimer has stated that World War II veterans stimulated the growth of graduate programs.[26] And, with respect to the group of veterans who entered these graduate programs of business after World War II, the same pressures were noted in all of the schools. The trends toward formalization and separate administration of the graduate program in business were evident, and the numbers of students were sufficient to support organizations for the administration of the graduate program.

With respect to the qualitative effects of the veterans of World War II, evidence seems to indicate that their presence increased the professionalization of programs both at the master's and the doctoral

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[25]A. Wellington Taylor, "What Constitutes Graduate Work in Business Administration?" in proceedings of the 8th Annual Meeting of the American Association of Collegiate Schools of Business, Hanover, New Hampshire, April-May, 1926, and published in The Ronald Forum, The Ronald Press, 1926, pp. 12-13.

[26]"Interview with Dean Weimer," Nation's Business, March, 1960, p. 36.

levels. This group of students had fairly definite objectives in mind and wanted a program to meet those objectives. Also, experience with this group of students showed that with a mature student, extensive prerequisite work could be discarded. On the basis of this finding, some survey courses were developed in certain programs to provide for accomplishing background work but at a graduate level. The general feeling of business educators about the World War II group of veterans is that they stimulated graduate work in business by providing enough students to justify an appropriate administrative organization for graduate work in business. They also indicated the accomplishments possible from a group of mature, highly motivated students.

Adaptation of Graduate Programs to Various Types of Students

Reference has already been made to the reorganization of graduate programs to handle the increased numbers of students. Other developments have occurred which called for an adaptation of graduate programs in a more restricted sense. In at least one case, the growth in the number of graduate students and the seemingly greater effectiveness and usefulness of working with graduate students caused an institution to shift its whole resources to graduate work.[27] In other cases the peculiar source of students has resulted in a particular orientation for the graduate program. To cite one example, a large school which caters almost exclusively to men and women actively engaged in business regards its objective as providing professional rather than theoretical education. This objective was determined on the basis of the needs of its

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[27]Van Metre, op. cit., p. 84.

students. The school does not utilize the Admission Test for Graduate Study in Business. The thought is that to use this examination would be presumptive in view of the fact that applicants for admission are typically working in business. A more recent adaptation of some programs has resulted from the growing number of students entering graduate programs from professional schools such as engineering and agriculture. Melvin de Chazeau has commented on the effects of this trend on curriculum in the following:

> . . . The trend reflects the multiple requirements of the business world and is almost certain to grow. For the curriculum, it underlines a diversity of background that must be built to a minimum level of competence before effective work in management can be realized . . . .[28]

The thought demonstrated in each of these cases is that programs of graduate education for business should be adapted to the needs of the group of students to be served by the institution.

Influences Stemming from the American Association of Collegiate Schools of Business

As the professional and accrediting association for collegiate schools of business, the American Association of Collegiate Schools of Business has exercised some influences on graduate programs of education for business. The demand for faculty with doctoral degrees is an example of an influence of the association. Other influences stemming

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[28]Melvin de Chazeau, Comments on a paper by Neil H. Jacoby, "Economics in the Curricula of Schools of Business Administration," The American Economic Review XLVI (May, 1956), p. 568.

from the association are standardization of degrees and improvement in graduate business programs due to association activities. These influences are discussed below.

Demand for Faculty with Doctoral Degrees

Since standards for membership in the AACSB are, with one exception, concerned with undergraduate work, only the derived effects of these standards influence graduate programs of business. The principal influence is through the demand for doctoral degrees. The standards affecting the demand for doctoral degrees are those having to do with required subject areas, percentage of teaching hours taught by those having doctorate or terminal degrees appropriate to their teaching field, and teaching loads.

The AACSB requires that instruction be offered in the areas of economics, accounting, statistics, business law, finance, marketing, and management.[29] Since most teachers at the collegiate level are expected to earn the doctorate, logically there will at least be some demand for doctoral education in these areas. Thus the demand for undergraduate instruction in business has a derived demand on graduate instruction in these same areas. An incidental influence resulting from requiring instruction in these areas is that study in these areas is sometimes suggested as proper prerequisite work for graduate study. Also, some

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[29]"Standards for Membership in the American Association of Collegiate Schools of Business," A brochure published by the American Association of Collegiate Schools of Business, Washington University, St. Louis, Missouri, 1956.

institutions have built their master's programs around these areas. There seems to be little agreement on this matter.

Another standard affecting the demand for terminal degrees is that which states that at least 50 per cent of the teaching hours either in junior-senior work or overall shall be taught by full time faculty members with terminal degrees.[30] This requirement applied to the areas of instruction suggested above has certainly influenced the demand for terminal degrees and thus influenced doctoral programs of business both with respect to demand for doctoral study and areas of study.

Demand for doctoral work may have been affected slightly by yet another standard of the AACSB. The AACSB specifies that work loads for the instructional staff should not exceed 12 credit hours per week of undergraduate courses or 10 hours per week of graduate courses.[31] Since thought on the latter restriction suggests that not more than six credit hours should be taught by a faculty member, this aspect of the teaching load requirement would have little influence on doctoral education. On the other hand, the requirement of no more than 12 hours of work at the undergraduate level may have some small influence on the demand for doctoral work. Current thought indicates that this is a maximum which should be reduced as resources permit. Neither aspect of this requirement appears to have much influence on graduate programs of business.

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[30] Ibid.

[31] Ibid.

Standardization of Degrees

Attempts to standardize degrees have been made from time to time by the association. A committee under the chairmanship of Dean C. E. Griffith offered a report on standardization of degrees at the 1932 meeting of the association. Included in the report was this recommendation:

> It, nevertheless, would be desirable to set up standard degrees, certificates or other evidences of completion of a set program of study, as recommendations for the following situtations; where new schools of business administration are being formed, new curricula in this subject are being established or where revision of practice as to degrees is under consideration by member schools or others.[32]

This report was adopted.[33] At a later meeting the following recommendations were presented, and it was voted to present the report to member schools for their consideration:

> Your committee wishes to submit the following recommendations for your consideration:
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> 1. That the Association urge each member school to bring about the recognition of business as a suitable field for a Ph.D. major in lieu of the establishment of specialized doctorates.
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> 2. That the Association recognize as the most suitable second degrees the Master of Arts, the Master of Business Administration, and the Master of Science, which are now used by about two-thirds of the member schools. Where the first

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[32]"Standardization of Degrees," A committee report presented at the Business Meeting of the 14th Annual Meeting of The American Association of Collegiate Schools of Business, Buffalo, New York, April, 1932, and bound in Minutes of the American Association of Collegiate Schools of Business III (1931-35).

[33]Ibid.

> and third degrees are offered, it is suggested that such qualifying phrases as "in Commerce" or "in Business" be omitted.[34]

That direction was being given to problems of determining appropriate degrees can be seen from these findings. The extent of this influence on graduate programs of business cannot be fully determined from the evidence available.

Improvement in Graduate Programs Resulting from Association Activities

The activities of the association would seem to provide many opportunities to encourage general improvements in many, if not all, of the graduate programs represented. Opportunities provided for the interchange of ideas and information should have helped to raise the quality of graduate programs represented. Committees appointed to work on certain problems have made recommendations which would lead to improvement. For example, development of the Admission Test for Graduate Study in Business by a committee of business educators and the Educational Testing Service of Princeton, New Jersey, resulted from the study and recommendations of a committee of the association. Also, the papers and speeches presented to the association would seem to have stimulated professional thought, although not always providing firm direction.

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[34]"Report of Committee on Standardization of Degrees," presented at the Business Session of the 16th Annual Meeting of the American Association of Collegiate Schools of Business, St. Louis, Missouri, April, 1934, and bound in Minutes of the American Association of Collegiate Schools of Business III (1931-35).

Influences Stemming from Philanthropic Foundations

Philanthropic foundations such as the Carnegie, Ford, and Rockefeller Foundations have, particularly in recent years, influenced graduate education for business more than perhaps any other single force. Although their influences in recent years have increased, their influences may be traced back many years. Foundation influences pertain to pressure for doctoral degrees, development of examinations for admission to graduate study in business, development of disciplines of education for business, development of faculty for education in business, and recommendations about objectives and curricula. These are discussed below.

Pressure for Doctoral Degrees

As noted in Chapter V, the Ph.D. degree was not originally intended as a degree for teachers. Circumstances led, however, to its being considered as an essential qualification for college teaching. Activity by the foundations was one influence leading to this change in thought. Hollis has explained this influence as follows:

> In order to make sure that they were pensioning college professors and making grants to bona fide colleges rather than to secondary schools, the philanthropic foundations--especially the General Education Board and the Carnegie Foundation for the Advancement of Teaching--began to require, among other standards, that institutions employ six (later eight) professors who held an earned doctor's degree.[35]

This foundation requirement helped to create an immense new market for

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[35]Hollis, op. cit., p. 23.

faculty members with doctoral degrees. Graduate programs generally, including graduate programs in business, have been influenced by this new market. This statement is true since by far the largest portion of graduates of doctoral programs in business go into teaching.

Examination for Admission to Graduate Study

A major problem which has faced graduate education generally results from difficulties in determining what students should be admitted. Currently, the two examinations most often used to assist in making admissions decisions are the Graduate Record Examination and the Admission Test for Graduate Study in Business. The first resulted from the support of the Carnegie Foundation. Glenn Reed has written that the use of the Graduate Record Examination has improved student selection.[36] The second resulted indirectly from the success of the first. Business educators using the Graduate Record Examination were pleased with the results but wondered if perhaps a similar test specifically designed to examine prospective graduate students in business might be more effective. Through the coordinating activities of the AACSB and with the assistance of the Educational Testing Service, Princeton, New Jersey, the Admission Test for Graduate Study in Business was developed. Thus, a foundation stimulated an important development in admissions procedures.

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[36]Glenn A. Reed, "Fifty Years of Conflict in the Graduate School," Educational Record XXXIII (January, 1952), p. 9.

Development of the Disciplines of Graduate Business Education

A major area of activity of the foundations has involved research into basic disciplines underlying business education. Particular attention has been directed toward developments in economics, behavioral sciences, mathematics as it relates to business, and business organization theory and decision making.

Development in economics. While not a recent development, the assistance of the Rockefeller Foundation in the establishment of the National Bureau of Economic Research has contributed to the development of subject matter for graduate education in business. The economic studies of the National Bureau have been most important in the development of some subject matter in graduate business education. The studies by the bureau on forecasting have been particularly important as they relate to the influences of business on graduate education for business.

Development of the behavioral sciences. The improvement of the content and teaching of the behavioral science areas has been one of the major goals of the Ford Foundation. For example, in its 1953 report the objectives for this area were stated as follows:

1. to increase scientific knowledge of human behavior
2. to facilitate the application of such knowledge to human affairs
3. supporting the technical development of the behavioral sciences.[37]

To achieve these objectives grants were made for the following:

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[37]The Ford Foundation Annual Report 1953 (New York: The Ford Foundation, 1953), p. 64.

1. Improving the competence of behavioral scientists
2. Improving the content of the behavioral sciences
3. Improving methods in the behavioral sciences
4. Developing institutional resources.[38]

Probably of most importance to graduate education for business were the grants made to support the Center for Advanced Study in the Behavioral Sciences which began operation on September 20, 1954.[39] This program is important due to its effect on business educators who studied at the center and the resulting effect on the thought underlying graduate education for business. The effect seems to have been an exploration of the role of behavioral sciences in education for business with the application of at least some concepts from the behavioral sciences to the study of business administration.

Development of mathematics. To assist in the application of basic mathematics to business, the Ford Foundation sponsored the Institute of Basic Mathematics for Application to Business at Harvard and Massachusetts Institute of Technology. Enrolled were 41 teachers from 32 universities.[40] These teachers then returned to their respective schools to develop the use of basic mathematics in business as possible. The full results of this program cannot yet be determined.

Development of business organization theory and decision making. To further develop the business disciplines, grants for research into

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[38]Ibid., pp. 65-70.

[39]The Ford Foundation Annual Report 1954 (New York: The Ford Foundation, 1954), p. 51.

[40]The Ford Foundation Annual Report 1959 (New York: The Ford Foundation, 1959), p. 51.

organization theory and the development of the decision-making process have been made. Grants were made to selected schools to support these objectives.[41] Some of the materials developed as a result of these grants are now being used for instructional purposes at the graduate level.

Improvement of Teaching in Business Administration

While other areas of activity as discussed above may have been important to the foundations, perhaps more interest and support have been given to the development of teaching in the field of education for business. Much of this developmental effort has been closely related to or has affected graduate education for business. For example, the Annual Report for 1955 indicated the emphasis of the Ford Foundation "on increasing the supply of first-rate teachers of administration in the United States."[42] To achieve this objective much of its assistance has been directed toward graduate programs. Grants were made to endow graduate professorships.[43] Aid has been increased for pre-doctoral fellowship assistance at selected schools.[44] During that same year the the foundation also made a grant for the support of the Arden House Conference on improving and expanding doctoral training.[45] In later

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[41]The Ford Foundation Annual Report 1957 (New York: The Ford Foundation, 1957), P. 25.

[42]The Ford Foundation Annual Report 1955 (New York: The Ford Foundation, 1955), p. 42.

[43]Ibid., p. 45.

[44]Ibid., p. 43.

[45]Ibid., p. 48.

years other programs have been initiated. In the 1956 Annual Report grants for doctoral dissertation fellowships were reported. The purpose of these grants was to permit graduate students to devote a full year to their doctoral dissertations. The planned result was the acceleration of degree completion thus increasing the number of persons becoming fully productive in teaching and research careers.[46] In 1958 a grant was made for visiting professorships for social scientists, mathematicians, and statisticians at business schools.[47] Also, grants have been made for post-doctoral fellowships to allow teachers to take additional graduate work in their fields.[48] The program to support the training of foreign teachers of business administration in this country is another reflection of this desire to improve the teaching of business administration.[49]

Recommendations about Objectives and Curriculum

The philanthropic foundations have initiated studies which resulted in recommendations about objectives and curriculum. To assist in its programs for economic development and administration, the Ford Foundation initiated a study of higher education for business which

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[46] The Ford Foundation Annual Report 1956 (New York: The Ford Foundation, 1956), p. 75.

[47] The Ford Foundation Annual Report 1958 (New York: The Ford Foundation, 1958), p. 59.

[48] Ibid., p. 60.

[49] The Ford Foundation Annual Report 1960 (New York: The Ford Foundation, 1960), p. 63.

touched on graduate programs in business.[50] Also, as a part of its over-all study of higher education, another study of education for business was initiated by the Carnegie Corporation.[51] This study also touched on graduate education for business. In 1957 the Carnegie Corporation initiated a study of the major problems plaguing graduate schools.[52]

From these studies recommendations about objectives and curriculum of graduate programs and graduate programs in business have been made. Although these studies continue to be influential, the extent of their lasting significance is not yet clear.

This illustrative presentation of the activities of the foundations in the area of graduate business education suggests the tremendous efforts of the foundations to improve graduate business education.

Summary

Although perhaps not basically as important to the development of graduate education for business as the major forces which were discussed in Chapters III, IV, and V, certain other forces have exercised very sharp influences on the development of graduate education for business. To some extent these forces have been the major channels through which

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[50]"Are B-Schools on Right Track?" Business Week, April 13, 1957, p. 51.

[51]Ibid.

[52]Carnegie Corporation of New York, 1957 Annual Report (New York: Carnegie Corporation, 1957), pp. 45-46.

the basic forces operated, but they have also exercised influences of their own.

The character of a graduate program is to a very large extent determined by the faculty in such a program. Members of the faculty have exerted major influences on the direction taken by individual programs. Programs have been influenced toward the traditional arts and sciences concept of a graduate program or toward the professional type of program, depending upon the nature of the faculty. It is not possible for each program to treat every area of education for business with equal emphasis and resources. The exact areas, therefore, to be emphasized or the approach to be taken in teaching are likely to be determined by the scholastic strengths and interests of the faculty. This will be true whether action results from the group as a whole or in accordance with the wishes of some dominant individual in the faculty.

The parent educational institution as it chooses its own broad objectives and allocates the resources available to it has also influenced graduate education for business. Some channels by which such influences are exercised are in the effect of the objectives of the parent educational institution upon the objectives of the graduate program of education for business and in the approach of parent institutions to curriculum development. Parent educational institutions have also affected graduate education for business through their policies on selection of students and their attitudes in the allocation of resources available for faculty, library, and supporting services.

Since all graduate programs of education for business exist in the final analysis only for the students who learn in such programs,

students have influenced these programs both across the field and in specific programs. The growing interest of students in graduate education for business has led to both of these developments. This growth in student interest supported the creation of an adequate administrative organization for graduate business education programs in many schools. This growth in student interest in business education also stimulated business educators to develop the content and instruction in such programs to a much higher level than would otherwise have been the case. Further, particular needs of students unique to individual schools have also affected the development of graduate programs in those schools.

Various programs of graduate education for business have also affected the development of the field. An apparent outstanding success of one type of approach to the development of a curriculum or to teaching has often led to emulation by business educators in other programs. Where emulation has occurred, the outstanding success of the original program has not always been repeated due to a lack of understanding of the approach or a lack of resources to carry out adequately such an approach. Competition for students between programs has also caused some programs to be influenced by others.

The American Association of Collegiate Schools of Business as the professional association for schools of business and the recognized accrediting agency for such programs has also influenced graduate education for business. Its influences, however, have been mostly indirect. These influences have been exercised through the requirements placed by it on undergraduate programs in member schools and the derived effect of these requirements on graduate programs of education for business.

In addition the association has provided numerous opportunities for the stimulation of thought about graduate education for business and has exercised some small influences on the standardization of degrees.

The last outside institutional force affecting graduate education for business seems to be the philanthropic foundations. These foundations have increased the demand for faculty with advanced degrees, have helped to improve admission procedures through their aid to the development of tests for admission, have stimulated the development of instructional content and teaching capability, and have attempted to give positive guidance to graduate programs in business. The influence of this attempt to provide positive guidance to graduate education for business is not yet clear.

CHAPTER VII

CONCLUSIONS

The thought underlying graduate education for business is the product of various forces and the reactions of business educators to these forces. These forces with their resulting influences on graduate education for business derive from the reactions of various groups to problems--problems believed to have a partial solution in or related to graduate education for business. The forces resulting from numerous problem situations have influenced business educators in the planning and direction of graduate business education programs. Many developments in the field of graduate education for business may be traced directly to these problems. Some of these problems have been solved. Others persist. Still others have developed more recently. The most important of these currently existing problems are those having to do with the graduate business curriculum, expansion of graduate education for business, and relationships between graduate education for business and those forces which have influenced and may continue to influence it.

Problems Related to the Graduate Business Curriculum

Since the success of any program is determined in large measure by its curricular offerings, many problems have centered around curriculum. Findings from this study indicate that the most important curriculum problems are those pertaining to the needs to be served by graduate programs, role of research, specialization, analytical tools, teaching competence, and the basic underlying sciences of graduate education for

business. Also, the problem of determining the effectiveness of graduate programs in business has been and is one of much concern to business educators.

Needs to be Served

Determining the needs to be served by graduate programs of education for business has been a continuing problem for business educators. In spite of the fact that graduate education for business developed in response to needs of business, business educators have not yet satisfactorily identified the competencies which can most effectively be developed by graduate education for business. Yet, this is a question which must be answered by business educators themselves and not by following blindly the action of educators in some other field of education.

Early thought indicated that graduate education for business should be concerned with developing competency to apply economic analysis to business problems. Also, early thought indicated that preparation for specific industries might be an appropriate objective for graduate education for business. Next, educators examined the functions of the business enterprise and reasoned that to develop competencies in these various functions was a defensible objective. These objectives applied principally to programs at the master's level. At the doctoral level the initial and still important need to be served was that of supplying the need for teachers in programs of higher education for business. Later, businessmen began to utilize the services of holders of doctoral degrees from graduate programs in business to do research work and high-level staff work requiring much research.

Today, the extreme points of view about needs to be met at the master's level are as follows. Some business educators feel that a program at the master's (professional) level should be concerned with developing competence in general management. All of the student's work should be directed toward the development of competence in decision making. At the other extreme is the group of business educators who think that a professional program should develop a student's competence in a tool subject, such as accounting or statistics; in a functional area, such as marketing or production; or in a specific industry, such as transportation or insurance. The intermediate and perhaps more logical point of view is that both objectives may be combined in programs which offer an opportunity for emphasis on general management or emphasis on a narrow tool or functional specialty but with work in the other subject area.

Today the points of view about needs to be met at the doctoral level include teaching and research in educational institutions as well as research and staff work in business. In addition the use of holders of doctoral degrees in business in the professional business consulting field is thought to be a need which can be met by the same general preparation as the other two needs.

While a satisfactory resolution of the issues about needs to be met has not yet evolved, there are certain factors which are basic. Educators are agreed that any type of program should place great emphasis on analysis both at the master's and doctoral levels. This means that emphasis must also be placed on the development of an underlying philosophy and competence in the use of analytical tools. Many of the activities of professional people in a business organization seem to be related to

decision making, whether by merely generating and supplying information for decision making or by actually making the decisions. Therefore, the need for some orientation toward decision making--the purposive approach--whether the program is directed toward general management or specialized study in a limited area seems obvious. Programs offered at either the master's or the doctoral level should be worthy of university level study and application. Further, consideration of the needs of students and of the resources of the graduate program is essential to the determination of the needs to be served by an individual graduate program.

Role of Research

Although business educators agree that programs of education for business may be of graduate caliber at the master's level either with or without a thesis, determining the exact role of research at this level as well as at the doctoral level is an important issue.

At the master's level one extreme point of view is that a thesis should be included in any program to develop competence in research and analysis. At the other extreme are those business educators who think that only in rare cases is a thesis an appropriate part of a graduate program in business since few graduates will be doing formal research work. The thought is that for many objectives, additional course work in lieu of the thesis would be more valuable. The intermediate point of view is that the development of research competence is important but that it can be accomplished just as efficiently and effectively through a shorter research project or multiple shorter research projects.

At the doctoral level the viewpoints about the role of research vary from the traditional opinion that the doctoral degree should be exclusively

a research degree to the belief that the study and analysis essential to obtain and write a case problem is sufficient. The intermediate position is that the needs to be met at the doctoral level--teaching and research, staff positions demanding research competence, or high-level consulting work--all demand research competence, but that these needs do not imply that only research is needed in a doctoral degree program.

In the final resolution of the issue about the role of research in graduate programs at the master's level, the following considerations are basic: While business educators agree that the development of competence in research and analysis is essential in a professional program, this type of competence may also be developed by shorter but just as rigorous research projects not absorbing so much of the time in a degree program. Also, the student's objective in his professional program is a factor in determining whether a thesis is needed. A student preparing for entrance into basic line management might find additional course work relatively more valuable than doing a master's thesis. A student, however, who is pursuing a more specialized program or who plans to study for a doctorate might find the thesis work to be relatively more valuable.

At the doctoral level it is basic to remember that merely because the Ph.D. developed as a degree for those engaging in research, a degree at this level should not necessarily follow the traditional mold of the Ph.D. The needs to be served are the determining factors as to its mold. Research is involved in all of the needs, but other factors such as the need for teaching competence, for consulting other than research, and other competencies for staff work are to be considered.

Specialization

Determining the degree of specialization appropriate in graduate programs of business has been a continuing problem, but it is perhaps closer to resolution than ever before. Early programs included additional course work which might or might not have been in a limited or narrow subject area. Next, in the era of emphasis on business functions, came programs limited to a very narrow subject area of study. The development of the emphasis on decision making and administration brought a lessening emphasis on study in a narrow subject area. The belief grew that the program should be devoted to the development of an understanding of management problems throughout the firm to facilitate over-all management.

Programs presently in existence vary from emphasis on a limited area of subject matter to those devoted to administration and thus attempting to develop some understanding in a number of subject areas of business activity. The intermediate position is that which although emphasizing study in a limited area would provide for some emphasis on the study of general management. Also, a program concentrating on general management would offer some limited opportunity for greater depth of study in perhaps a functional or tool subject area.

Several considerations are basic to the resolution of this issue pertaining to specialization. The question to be answered is what type of program will best serve the needs of students considering both the long-run and short-run phases of the students' careers in business. An analysis of the needs to be met by graduate programs suggests that business utilizes individuals in both managerial and specialist capacities. In fact many individuals serve in specialist capacities while earning a

background for managerial positions. Further, the amount of specialization in a program will be determined in large part by the emphasis on research. Educators are generally agreed that research should be problem-centered, but to be able to recognize problems the student will have to know some limited area thoroughly.

Analytical Tools

Traditional Ph.D. programs in the basic and social sciences ordinarily called for the development of a proficiency in two languages. These were thought of as tools for research. The insistence by some academicians upon maintaining this requirement despite the presence of much of the material likely to be researched in business in the English language has posed a problem for business educators.

Reactions to this problem have varied. Educators in some programs have accepted the language requirement due to administrative rigidities or due to the desire to retain the Ph.D. degree. Leaders in other programs were willing to abandon the Ph.D. name where necessary to include one or two other analytical tools or substitute one or two other subjects in related subject areas.

Since the research requirement at the doctoral level is essential, the development of one or more tools for research seems to be a defensible objective. Analytical tools appropriate to the field of study will be a consideration in the establishment of the degree requirements. This means that statistics, mathematics, or even in special cases languages could be utilized as appropriate. To do otherwise would violate the basic social purpose of the degree.

Development of Teaching Competence

Since such a large percentage of the graduates of doctoral programs in business enter the teaching profession, the problem of whether the graduate program in business should provide for developing the student's teaching proficiency has arisen. Viewpoints vary from the belief that such a feature is unnecessary to the belief that it should be a formal part of the program for those who expect to teach. Practices seem to vary from programs with no preparation for teaching to informal programs such as noncredit courses or seminars in teaching. Also, some students gain teaching experience as teaching graduate assistants or fellows.

The ultimate solution will probably take into account the number or proportion of doctoral graduates who go into teaching. Also, the growing belief that the degree requirements should be designed in view of the social need to be served will be a factor in the solution of this problem.

Basic Underlying Sciences

Traditionally economics has been thought of as the basic underlying science of business. Developments in recent years have led some educators to declare, however, that the study of business might be thought of as the applied branch of the social sciences. Both of these extreme viewpoints are open to question.

An analysis of the problems to be faced in business operations may provide some guidance as to the studies essential for developing an underlying philosophy and basis for analysis. The problem which permeates business operations is that of choosing objectives through the planning process and allocating resources to achieve those objectives; thus, it

seems logical that study of economics as a basic, though inexact, science is appropriate. These problems must be faced at both the undergraduate and graduate levels; therefore, the study of economics at both levels is essential.

The achievement of economic solutions to problems must be accomplished through the management of people. Therefore, the behavioral sciences such as psychology and sociology which have to do with the study of people either individually or in groups would seem to have some contribution to make to the study of business.

The study of higher mathematics presents a somewhat different problem from the study of social sciences. Mathematics in a program of graduate education for business should probably be treated as a tool subject rather than as a basic underlying science. As the science of economics has become more exact, more mathematical tools have been utilized to reach optimum allocation decisions. Some approaches to psychology and sociology have been mathematical, and thus their use demands greater mathematical competence. As more mathematical approaches to economic and administrative problems are developed in the future, however, greater depth in mathematics may be required at either the master's or doctoral level.

Student objectives will be a factor in determining the appropriate basic sciences and the depth of study in each which is essential in a student's program. Since all problems of the firm are in some way related to economics, the study of economics would appear to be essential in all graduate work in business. The fact, however, that the degree of involvement in management is likely to vary among graduates in business, will be a factor in determining the amounts of work in the behavioral sciences

appropriate to a given program. For example, students who are specializing in some functional or tool area may need only so much study in the behavioral sciences as may have been integrated into the basic course in management. Other students concentrating in management at the master's level or doctoral level will probably need additional work in the behavioral sciences.

In building the graduate business education curriculum at either the master's or doctoral level, it is important to recognize that the viewpoints of the economist, the psychologist, and the sociologist are not those of the student of business. For example, the economist is concerned with the study of the allocation of scarce resources from the public policy viewpoint. The psychologist studies the mind of man to further understand and control its operation. The sociologist studies the forms, institutions, and functions of human groups to better understand them. The student in business is concerned with studies in these sciences only insofar as they help him develop a basic underlying philosophy to assist in the solution of business problems. Thus, a group of courses taught by individuals from these basic science subjects does not constitute a satisfactory curriculum for graduate study in business.

Effectiveness of Graduate Programs in Business

Satisfactory standards for evaluating the effectiveness of graduate education for business have yet to be developed. Therefore, a complete evaluation of the effectiveness of graduate education for business is impossible. But evaluation on a continuing basis is essential if the institution is to move consistently forward.

Some evaluation of programs of graduate education for business has been accomplished through informal channels. The communication between business educators and the users of master's and doctoral graduates in business as well as between business educators and their graduates permits a partial evaluation of the effectiveness of programs. One problem consistently noted is that of creating a proper rapport between businessmen and educators in programs of graduate business education.

The success of attempts to evaluate the effectiveness of graduate programs in business will probably be dependent upon two factors. Agreement of business educators and the users of their product about needs to be met is essential before the effectiveness of graduate programs in business can be evaluated. This step must precede the development of standards to evaluate progress toward achieving these objectives. Also, successful communication between these groups will be a factor determining the success of attempts to evaluate the effectiveness of programs in business.

Problems Related to Expansion of Graduate Education for Business

The expansion of business activity, business consulting activity, and higher education for business indicates a need for the expansion of graduate education for business. The problem aspects of expanding graduate education have to do with whether existing programs of graduate education should be expanded or whether new programs should be developed, the development and maintenance of faculty, the development of instructional methods and materials, and the criteria for admission to graduate programs.

Expansion of Existing Programs or Creation of New Programs of Graduate Education for Business

Whether existing programs of graduate education for business should be expanded to handle additional students or whether some schools with existing undergraduate programs should develop master's programs and some schools with existing master's programs develop doctoral programs is an important issue. There is much disagreement among educators within individual graduate business education programs and among educators in different educational institutions.

This issue has largely developed since the completion of most of the research for this study, and thus little contribution can be made to its solution in this report. Two factors are suggested, however, which may be pertinent in resolving this issue. First, the success of any program will be determined in large measure by its resources of faculty, library, and other instructional materials. Second, how big an individual program can grow without becoming unwieldy and losing its efficiency and effectiveness will have to be determined.

Development and Maintenance of Faculty

Another continuing problem is the development and maintenance of faculty for graduate education for business; however, the critical aspects of the problem have changed over the years. Early aspects of the problem were those pertaining to the source of faculty, whether economists or businessmen. Later aspects involved the type of preparation needed for teaching in graduate programs in business. More recently the problem is concerned again with determining qualifications of faculty and increasing the number of doctors in business who wish to remain in teaching. Today

administrators are seeking faculty from holders of doctoral degrees from schools of business as well as holders of doctoral degrees from the basic and related sciences. While many programs include individual faculty members from both sources, educators are not fully agreed as to the proper preparation.

Factors to consider in the resolution of the faculty preparation problem are whether the study of business at the graduate level is viewed as being concerned with the development of a business discipline or disciplines or as an applied branch of the social sciences. If business is visualized as being concerned with the development of a business discipline, then it becomes appropriate to place emphasis on faculty recruitment and development from graduate programs of business. If business is viewed as an applied branch of the social sciences, then it becomes appropriate to utilize scientists from the basic and related sciences. Also, the difference in viewpoints of scientists from the basic and related sciences as opposed to those developed in graduate programs of business is an important and related consideration. It is quite different to study under an outsider to get a viewpoint or basic philosophy than it is to depend upon outsiders for the development of disciplinary understanding.

The most current difficulty in faculty supply is that with the growth and potential growth in numbers of students, the output of graduate programs in business has been insufficient to meet the needs for faculty in business and the needs for doctoral degree holders in high-level staff and consulting positions. The fellowship programs of the Ford Foundation and the National Defense Education Act may be a partial solution to this

problem. Final solution will probably await more adequate salary competition between educational institutions and business.

Development of Instructional Methods

The development of instructional methods continues to be a fundamental problem facing graduate education for business. The methods of both academic and professional graduate education have been utilized. Also, business educators have developed instructional methods unique to the field of graduate education for business.

In the development and use of instructional methods certain factors are pertinent. More effective and efficient methods are a constant goal for business educators. The users of any method must fully understand the process and objective for which the method was developed. And any particular method should be carefully evaluated as to its validity for any particular concept to be taught. Also, methods for providing students with opportunities for rigorous analysis, and particularly at the professional level, opportunities for getting the feel of a real business situation are needed.

Development of Instructional Materials

Obtaining appropriate materials for graduate instruction in business has posed a continuing problem for business educators. The lack of these instructional materials was a major problem at the inception of graduate education for business, and this lack has at times inhibited the growth of graduate education for business. Volume of materials is not lacking, but determining and obtaining the most appropriate materials is a problem.

Some business educators look with distaste upon textbook materials for use at the graduate level. They feel that reliance upon textbook materials does not provide sufficient opportunity for analysis and thus is too restrictive for both students and faculty. Some would demand that the materials be developed by the instructor. Others would accept primary reference materials along with textbooks. Probably few business educators would wish to rely only upon textbook materials.

In the selection and development of these materials it is basic to remember that the context within which materials are used will be a critical factor. Materials appropriate with one type of faculty may be inappropriate with another type. The teaching methods being used will determine to a large extent the materials to be used. Also, the objective to be accomplished in any given part of the program will be a consideration.

Another factor to consider in the development of materials is the need to provide opportunities for helping students to grasp the feel of authority and responsibility and other situational aspects of business operations. The exercise of authority with its consequent responsibility is basic to professional performance in business. Yet, no method has been developed which is particularly efficient in providing for student exercise of authority and responsibility.

Criteria for Admission

Determination of the criteria for admission to graduate programs is a problem of current importance in view of continued and growing student interest in graduate education for business. The amount and cost of the

resources, both faculty and student, tied up in graduate education for business makes this a most important problem.

A major issue in the solution of this problem involves the selection of an objective for choosing criteria for admission. One viewpoint is that students should be selected on the basis of criteria indicating their ability to complete a graduate program creditably. The other viewpoint is that selection criteria should be developed to indicate the probable success of the student in business teaching or research as appropriate. The intermediate point of view is that if students are selected on the basis of the first type of criteria, then a sufficiently large proportion will be successful in business or teaching.

The importance of good criteria and a clear objective is indicated by the cost of graduate education in terms of faculty time and effort and the financial and time cost to the individual. This factor is, of course, more critical at the doctoral level than at the master's level. Also, it would seem important to develop and choose criteria which are designed to insure that the prospective student has well-defined and defensible objectives which can be accommodated by a program of graduate study at the master's or doctoral level. The tremendous cost of the programs also implies that selection of criteria to predict the probability of the student's success in achieving his goal, while a highly risky process, is essential for a sound admissions program.

Relationship of Graduate Business Education to Various Forces

Many forces have influenced graduate education for business in the past, and many forces, although not necessarily those of the past, will be active in relation to graduate education for business in the future. It is important that graduate education for business be responsive to its environment, but a clear statement of objectives for graduate programs in business is needed. Such a statement of objectives would allow research and instruction to be directed toward the objectives to be achieved. Such a statement would provide a basis for response to the needs of business, the needs of government, and the philosophy of education prevailing. It is important that the institution of graduate education for business not become the uncritical servant of any institution in society.

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APPENDIX A

(Guide for Collection of Data From
Collegiate Schools of Business)

APPENDIX A

Guide for Collection of Data From Collegiate Schools of Business

The topics presented below were used as a framework for studying existing practices in graduate programs of business education, the thought underlying these practices, and the evolution of practices and thought to the present. On the basis of prior study of bulletins, separate guides including pertinent data in the bulletin were prepared for each school. This partially completed guide was used for further study of older bulletins, other published materials, faculty meeting minutes, and interviews of faculty members. Occasionally separate guides were prepared for different faculty members in each school. The procedure involved recording past developments and present practice and attempting to establish the thought underlying a development or practice.

I. Philosophy Underlying Graduate Programs

- A. General philosophy underlying the graduate program
- B. Philosophy underlying the individual degree programs

II. Objectives of Graduate Programs

- A. General objectives for the graduate program
- B. Specific objectives for the various degree programs

III. Degrees Offered for Courses of Study

- A. Degrees offered and the distinguishing objective or feature of each where there is another on the same level
- B. Degree programs in connection with other colleges or schools
- C. Administration of the various degree programs
  - 1. Responsibility for continued development of the program
  - 2. Procedure for approving or rejecting a candidate
- D. Degree recommending unit
  - 1. Graduate division of school of business
  - 2. Graduate school of university

IV. Degree Requirements

A. Degree A

1. Admission requirements

a. Specific coursework requirements and how they may be satisfied

b. Competency requirements and how they may be satisfied

c. Minimum grade requirements

d. Examination requirements

(1) Graduate entrance examination administered by Educational Testing Service of Princeton, New Jersey

(2) Others

e. Experience requirements

f. Personal interview

g. Time of admission

2. Basic requirements

a. Hours of coursework in business and economics

b. Hours of coursework outside of business and economics

c. Specific course requirements

d. Research requirements

e. Minimum grade requirements

f. Specialization requirements

g. Examination requirements

h. Others

3. Residence requirements

a. Amount of work required to be done in residence

b. Work which may be transferred from other institutions

(1) Amount

(2) Type of course

(3) Minimum grade requirements

c. Limitation on amount of time taken to complete the degree

d. Others

B. Degree B, etc.

V. Students

A. Type of students for whom the various degree programs are designed

1. Degree A

2. Degree B

3. Degree C

B. Special students and the conditions under which they are accepted

C. Capacity of each degree program

1. Number of students

2. Basis for determining capacity

D. Sources of students for each degree program

E. Quality of students

F. Programs of financial assistance to students

1. Nature of present plans for student assistance

a. Sources of funds

b. Types of assistance

(1) Scholarships

(2) Graduate assistantships

(a) Teaching

(b) Research

(c) Administrative assistants

(3) Fellowships

(4) Faculty lectureships

(5) Teaching associates

(6) Others

2. Selection of students for financial assistance

a. Basis

b. Responsibility for selection

G. Student participation in publications of the school or other publications edited by personnel of the school

H. Special facilities for graduate students

1. Library

2. Study or office rooms

3. Other

I. Social activities for graduate students

J. Placement of graduates

K. Services to graduates

VI. Instructional Methods

A. Types of instruction utilized in the various degree programs and the conditions under which each is most effective

1. Lecture

2. Small discussion group or conference

3. Seminar

4. Case study

5. Problem

6. Project

7. Incident

8. Operations research

9. Others

B. Work experience programs

1. Interships

2. Others

VII. Coursework

A. Nature of the program

1. Additional undergraduate courses

2. Some undergraduate and some graduate courses

3. Graduate survey courses

4. Exclusively graduate courses

B. Distinguishing characteristics of graduate courses as opposed to undergraduate courses

C. Evolution of graduate courses

1. Changes in names

2. Additions or deletions from the curriculum

3. Character of courses

VIII. Faculty

A. Regular faculty

1. Qualifications of graduate faculty

a. Academic qualifications

b. Experience as an educator

c. Business experience

d. Scholarly productivity

e. Professional activities

f. Others

2. Sources of faculty

B. Faculty associates or like group

1. Function as related to the graduate program

2. Source

C. Use of graduate students for instruction

1. Qualifications necessary

2. Level of instruction assigned to graduate students

3. Supervision of instruction given by graduate students

IX. Research

A. Research at the master's level

1. Nature of requirements

2. Credit granted

3. Evaluation of research

4. Nature of acceptable research on this level

5. Administration of research at this level

B. Research at the doctoral level

1. Nature of requirements

2. Credit granted

3. Evaluation of research

4. Nature of acceptable research on this level

5. Administration of research at this level

C. Faculty research

1. Relationship of faculty research to the graduate program

2. Nature of faculty research

3. Administration of faculty research

D. Research by a Bureau of Business Research

1. Relationship of bureau to graduate program

2. Other

X. Examinations*

A. Examinations at the master's level

1. Written

a. Comprehensive

(1) Objective of the examination

(2) Nature of the examination

(3) Administration of the examination

(4) Number of times exam may be repeated in event of failure

b. Any other written examination

2. Oral

a. Objective of the examination

b. Nature of the examination

c. Administration of the examination

d. Number of times exam may be repeated in event of failure

B. Examinations at the doctoral level

1. Written

a. Examinations in majors and minors or fields

(1) Objective of the examination

(2) Nature of the examination

*Other than examinations given in courses and in fulfilment of admission requirements.

(3) Administration of the examination

(4) Number of times exam may be repeated in event of failure

b. Any other written examinations

2. Oral

a. General oral

(1) Objective of the examination

(2) Nature of the examination

(3) Administration of the examination

(4) Number of times exam may be repeated in event of failure

b. Oral defense of dissertation

(1) Objective of the examination

(2) Nature of the examination

(3) Administration of the examination

(4) Number of times exam may be repeated in event of failure

XI. Problem Areas in Graduate Business Education

APPENDIX B

(Schools Visited in the Collection of Data for the Study)

APPENDIX B

Schools Visited in the Collection of Data for the Study

The names and locations of the various schools visited in the collection of data for this study are presented below. The College of Business Administration of the University of Tennessee and the School of Business Administration of the University of North Carolina were visited in the Spring of 1960. Others were visited in the Summer of 1957.

Name	Location
College of Business Administration	University of Tennessee Knoxville, Tennessee
College of Commerce and Administration	The Ohio State University Columbus, Ohio
Graduate School of Business Administration	Harvard University Soldiers Field Boston, Massachusetts
Graduate School of Business Administration	New York University 90 Trinity Place New York, New York
School of Business	Indiana University Bloomington, Indiana
School of Business Administration	University of North Carolina Chapel Hill, North Carolina
The School of Business	The University of Chicago Chicago, Illinois
Wharton School of Finance and Commerce	University of Pennsylvania Philadelphia, Pennsylvania

APPENDIX C

(Persons Interviewed in the Collection of Data for the Study)

APPENDIX C

Persons Interviewed in the Collection of Data for the Study

The names and positions of persons interviewed in the collection of data for this study are presented below. The names of the institutions and the positions listed are those in effect at the time of the visit and interview and are not necessarily those currently in effect.

Name	Position	Institution
Baker, George P.	Professor of Transportation	Graduate School of Business Administration, Harvard University
Barrett, Gerald A.	Professor of Business Administration	School of Business Administration, University of North Carolina
Beckman, Theodore N.	Professor of Business Organization	College of Commerce and Administration, The Ohio State University
Blankertz, Donald F.	Professor of Marketing, and Director of the Graduate Division	Wharton School of Finance and Commerce, University of Pennsylvania
Charlesworth, James C.	Professor of Political Science	Wharton School of Finance and Commerce, University of Pennsylvania
Collins, G. Rowland	Professor of Marketing and Dean, Graduate School of Business Administration	Graduate School of Business Administration, New York University
Dvorak, Earl A.	Associate Professor of Business Education	School of Business, Indiana University
Eyster, Elvin S.	Chairman, Department of Business Education and Office Management; Professor of Business Administration	School of Business, Indiana University

Name	Position	Institution
George, Claude S.	Professor of Industrial Management and Assistant Dean	School of Business Administration, University of North Carolina
Hassett, George E., Jr.	Associate Professor of Finance and Assistant to the Dean	Graduate School of Business Administration, New York University
Hockenberry, William R.	Associate Professor of Industry, and Director of Evening and Extension Schools	Wharton School of Finance and Commerce, University of Pennsylvania
Keally, Allen H.	Professor of Industrial Management	College of Business Administration, University of Tennessee
Krooss, Herman Edward	Professor of Economics	Graduate School of Business Administration, New York University
Lee, Maurice W.	Professor and Dean	School of Business Administration, University of North Carolina
Ley, J. Wayne	Associate Dean of the College of Commerce and Administration, and Professor of Business Organization	College of Commerce and Administration, The Ohio State University
Loll, Leo M.	Director of Admissions	Graduate School of Business Administration, New York University
Loman, Harry J.	Professor of Insurance	Wharton School of Finance and Commerce, University of Pennsylvania
Lorie, James H.	Professor of Business Administration and Associate Dean of the School of Business	The School of Business, University of Chicago

Name	Position	Institution
Louhi, Kullervo	Associate Professor of Accounting and Director of Doctoral Programs	The School of Business, University of Chicago
McCoy, James R.	Professor and Chairman of Accounting	College of Commerce and Administration, The Ohio State University
Merry, Robert W.	Professor of Business Administration	Graduate School of Business Administration, Harvard University
Miner, Robert B.	Chairman, Department of Business Organization, and Associate Professor Business Organization	College of Commerce and Administration, The Ohio State University
Otteson, Schuyler F.	Director, Bureau of Business Research	School of Business, Indiana University
Pfahl, John K.	Assistant Professor of Business Organization	College of Commerce and Administration, The Ohio State University
Pfouts, Ralph W.	Professor of Economics	School of Business Administration, University of North Carolina
Prickett, Alva L.	Professor of Accounting	School of Business, Indiana University
Sapienza, Samuel R.	Assistant Professor of Accounting and Chairman of Graduate Admissions	Wharton School of Finance and Commerce, University of Pennsylvania
Sauvain, Harry C.	Chairman and Professor of Finance	School of Business, Indiana University
Starr, George W.	Professor of Utilities and Transportation	School of Business, Indiana University

Name	Position	Institution
Van de Woestyne, Royal S.	Professor of Business Administration	The School of Business, University of Chicago
Walden, Robert E.	Professor of Accounting	School of Business, Indiana University
Walker, Ross G.	Professor of Business Administration	Graduate School of Business Administration, Harvard University
Ward, Frank B.	Dean of the College of Business Administration	University of Tennessee
Wasson, Hilda C.	Associate Professor of Marketing	College of Business Administration, University of Tennessee
Waters, Lawrence L.	Professor of Transportation and Business History	School of Business, Indiana University
Weaver, W. Wallace	Vice-Dean, Graduate School of Arts and Sciences	University of Pennsylvania
Weintraub, Sidney	Professor of Economics	The Graduate School of Arts and Sciences, University of Pennsylvania
White, Charles P.	Professor of Finance and Director of Bureau of Business Research	College of Business Administration, University of Tennessee
Whitlock, Gerald H.	Professor of Industrial Management	College of Business Administration University of Tennessee
Wixon, Rufus	Professor of Accounting	Wharton School of Finance and Commerce University of Pennsylvania

Name	Position	Institution
Louhi, Kullervo	Associate Professor of Accounting and Director of Doctoral Programs	The School of Business, University of Chicago
McCoy, James R.	Professor and Chairman of Accounting	College of Commerce and Administration, The Ohio State University
Merry, Robert W.	Professor of Business Administration	Graduate School of Business Administration, Harvard University
Miner, Robert B.	Chairman, Department of Business Organization, and Associate Professor of Business Organization	College of Commerce and Administration, The Ohio State University
Otteson, Schuyler F.	Director, Bureau of Business Research	School of Business, Indiana University
Pfahl, John K.	Assistant Professor of Business Organization	College of Commerce and Administration, The Ohio State University
Pfouts, Ralph W.	Professor of Economics	School of Business Administration, University of North Carolina
Prickett, Alva L.	Professor of Accounting	School of Business, Indiana University
Sapienza, Samuel R.	Assistant Professor of Accounting and Chairman of Graduate Admissions	Wharton School of Finance and Commerce, University of Pennsylvania
Sauvain, Harry C.	Chairman and Professor of Finance	School of Business, Indiana University
Starr, George W.	Professor of Utilities and Transportation	School of Business, Indiana University

Name	Position	Institution
Van de Woestyne, Royal S.	Professor of Business Administration	The School of Business, University of Chicago
Walden, Robert E.	Professor of Accounting	School of Business, Indiana University
Walker, Ross G.	Professor of Business Administration	Graduate School of Business Administration, Harvard University
Ward, Frank B.	Dean of the College of Business Administration	University of Tennessee
Wasson, Hilda C.	Associate Professor of Marketing	College of Business Administration, University of Tennessee
Waters, Lawrence L.	Professor of Transportation and Business History	School of Business, Indiana University
Weaver, W. Wallace	Vice-Dean, Graduate School of Arts and Sciences	University of Pennsylvania
Weintraub, Sidney	Professor of Economics	The Graduate School of Arts and Sciences, University of Pennsylvania
White, Charles P.	Professor of Finance and Director of Bureau of Business Research	College of Business Administration, University of Tennessee
Whitlock, Gerald H.	Professor of Industrial Management	College of Business Administration University of Tennessee
Wixon, Rufus	Professor of Accounting	Wharton School of Finance and Commerce University of Pennsylvania

VITA

Name:	Robert Earl Green
Born:	Graves County, Kentucky, January 18, 1929
Degrees:	B.S., Murray State College, 1950
	M.B.A., Indiana University, 1951
	D.B.A., Indiana University, 1962
Teaching Experience:	Indiana University (Graduate Assistant), 1950-53
	U. S. Navy, 1954-56
	Jacksonville State College, Jacksonville, Alabama (Night School while in U. S. Navy), 1954-56
	School of Industrial Management, Georgia Institute of Technology, Atlanta, Georgia, 1957--
Membership in Honorary Fraternities:	Delta Pi Epsilon Phi Delta Kappa Kappa Delta Pi
Membership in Professional Societies:	Academy of Management Society for Advancement of Management American Economic Association Southern Economic Association