

GRADUATE CURRICULUM PLANNING IN RISK

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The curriculum in risk and insurance cannot be separated in logical analysis from the ideas of the professors teaching in that area. For this reason, it appears desirable to conclude that the content of the curriculum is the same as the material that the professors prefer to teach, since the combination is largely a crystallization of faculty thinking.

Some of the statements to be made here will be largely self-evident, others will be factual in nature, some will be entirely a matter of opinion, and, finally, there will be some conclusions that will follow from reasoning applied to mixtures of the other three. It is hoped to distinguish one type of statement from another so that the reader will be permitted to evaluate the validity or appropriateness of the remarks. He can then arrive at his own conclusions, and be in a position to test the reasonableness of the ideas presented.

In approaching the subject, it is desirable to indicate clearly the student group for whom the curriculum is designed. Therefore my comments have been divided into two sections, one pertaining to an undergraduate curriculum and the other, postgraduate, giving more attention to the typical M.B.A. sequence than to a postgraduate curriculum designed for a Ph.D. candidate.

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Undergraduate Curriculum

The discussion of the undergraduate curriculum starts with the assumption that the student has had good introductory college work that is rather basic. This would include English, mathematics, some work in natural sciences, a full year course in principles of economics, and a full year of accounting, and electives, all of which would be completed by the end of the sophomore year. This assumption is reasonable, since it conforms to a pattern toward which evolution in collegiate education in business has been moving during the past two or more decades. This array makes ample provision for general or liberal education.

Furthermore, the usual offerings in any school that is a member of the American Association of Collegiate Schools of Business will specify a curriculum that includes, in addition to those courses mentioned, business law, finance, management, marketing, and statistics, most of which will be completed by the end of the junior year. Schools that are not members of AACSB are likely to have a recommended list of courses that bears a strong similarity to the pattern established by AACSB schools.

Another reasonable assumption is that most students who are interested in pursuing a career in business and who have completed three years of collegiate work, either in a School of Business, or in a liberal arts college with a business or

economics department, will have had an assortment of courses approximating the curriculum briefly outlined in basic form.

The next question to be considered is the ultimate objective of the student. Some students, at the beginning of their collegiate careers or by the time they complete two years, are firmly settled on their major, and seek some form of adequate specialization based on a broad foundation. Others aim at a broader target and keep specialization to a minimum. Students with this latter type of objective are usually more interested in courses in the general area of economics and business and, to a lesser extent, work in mathematics and the behavioral sciences. Typically, they do not seek to specialize to a great extent beyond one or two courses in fields to which they were introduced in the basic courses.

This reasoning seems to be moderate and correct for a large proportion of the undergraduate business student body. Another tendency that has become prevalent is for undergraduates to use two or three years of engineering as a foundation for the study of business.

It is to be observed that significant proportions of our adult population do not graduate from an institution of higher education with a bachelor's degree. This is true in spite of the fact that educational opportunities and promotional devices have been sharply increased in the past decade or two. It is also true that of those who do graduate with a bachelor's degree, the large number graduating from schools of business is only roughly 10 per cent of the total. This being the case, it follows that a small proportion of the total bachelor's degree recipients in any given year have majored in a subdivision such as risk and insurance, or some similar area, however named.

If one were to examine the statistics of the number graduating each year with an M.B.A. degree, and recognizing that these

totals have increased sharply in the past few years, he would find clear evidence that the annual output of M.B.A.'s is small in relation to the total number of young adults who are seeking to enter relatively permanent walks of occupational life.

If one were to combine statements thus far made, he could conclude that those prepared by specific education in risk-management bear a small percentage relation to those who are about to embark upon adult careers. A further examination would indicate that the number of people who join annually the junior, middle, and senior managerial positions in insurance-related industries and risk-management departments of industrial and commercial concerns is woefully small when compared with the apparent demand for those with specific knowledge and understanding.

The disproportionality indicated so far should not form the basis for the conclusion that people closely tied to the problems of risk-management necessarily seek to employ those who have majored in this field in college at either the undergraduate or postgraduate level. It is also obvious that these majors do not predominate in numbers, either as undergraduates or graduates.

Liberal vs. Specialized Education

Many speakers and authors, during the past ten years, have argued that a liberal education provides a better foundation for entering the business world than does a specialized education in a business school. Unfortunately, for an analysis of this question, in spite of the thousands of pages available, little or no attention has been given to the definition of a liberal education. The historical connotation of this term usually involved some mixture of language, science, history, and philosophy. More recently, mathematics has been designated as an area deserving more attention. English and some foreign lan-

guage, including ones that used to be called unusual, have been urged upon students. The behavioral sciences and certain natural sciences have been emphasized.

This being the case, one wonders whether there would be any credits available in a typical four-year program for specialization. To a large extent, it is reasoning of this type that has led many people to the conclusion that education for business in which courses in business are specifically emphasized, should come only at the postgraduate level, partly because of the unavailability of time in a crowded four-year undergraduate curriculum.

It is easy to agree with this type of conclusion, but only upon the assumption that a high, instead of a low, proportion of the people hoping to enter business as a career will have the time, money, and intellectual curiosity to spend five or six years beyond high school instead of the customary four that is still by far the most prevalent length of exposure in the post high school period. Stated more positively, because many people who complete the bachelor's degree consider that achievement as terminal for their formal education, preparation for business by specific study devoted to the field of specialization during their adult lives would be minimal.

If this statement is true, one could then conclude either that education for business, with moderate specialization in the four years between high school graduation and entrance into an occupational category, is either unnecessary or ineffective. But such a conclusion would appear to be inaccurate, judged by the strong demand coming from business for graduates of four year courses with some speciality.

Demands for night school classes, company programs, conferences and institutes, correspondence courses, and other attempts at both initial and continuing

education in the field of business support the idea that some undergraduate specialization should be provided.

During the past decade, a few educational institutions have announced an intention to provide education for business only at the postgraduate level and have, therefore, sought to remove the undergraduate courses. Not many have taken this step, but there is increasing evidence that other segments in the undergraduate sphere have sharply expanded course offerings in business related subjects for prospective bachelor's degree recipients. These tendencies would, therefore, appear to justify a conclusion that the failure of schools or departments of business to offer undergraduate work has led to shifting or creation of such work to departments of economics, political science, engineering, industrial arts, industrial administration, and others.

Attention should be given to the wisdom of alteration in the area of assigned responsibility for such an educational endeavor. For example, should accounting be taught by faculty members specifically prepared to teach such a course or would it be desirable to have it taught by those whose preparation and interests in the subject at hand are incidental or secondary. A similar question could be raised for courses such as finance, marketing, risk, insurance, management, and a host of others.

There have been a few studies that have indicated that some programs in the broad category of liberal education have provided for unreasonable specialization and narrowness rather than breadth and analysis. Where tendencies of this type have been in evidence, it would appear to be desirable that a concept of liberal education should embody one of breadth of exposure and depth in analysis, rather than extreme concentration in any single field and especially an overemphasis on description as a method of approach. This

seems to be a sound conclusion regardless of the field of the undergraduate major.

This line of thinking, if valid, would imply that any type of education at the bachelor's degree level, if the objective is non-professional in nature, should emphasize breadth of exposure rather than to be composed exclusively of traditional areas that a century or two ago were considered to be the prime ingredients of a liberal education. Stated in a more positive manner, a person with a bachelor's degree should have had many studies, as part of his educational experiences, concerned with tools and methods of analysis of the current and likely future problems of the day than to be confined narrowly to certain traditional areas that avoid much of the difficulties with which one must contend as an adult.

In view of the fact that increasing numbers of our young adult population are entering the business world, or fields of administration closely related to it, they should have had an educational foundation that will accelerate and enrich the opportunity to benefit from experience and continuing educational programs.

Risk and Risk Management Undergraduate Study

With the previous statements considered as a foundation, and centering attention on the bachelor's degree curriculum, one may conclude that the bachelor's degree, for one who is thinking of the possibility of a career in business, should include at least some introduction to the problems that will be faced hundreds of times during the adult life. Problems of risk-management and uncertainty, have become more complex and more persistent during the past few years in spite of both private and social attempts at their solution.

More time and thought should be devoted to a careful analysis of these problems and methods of dealing with them by whatever means. Some of the proposals

will, of course, involve private insurance. The professors of insurance should devote more time to a study of principles, theories and philosophies of risk-management and relatively less time to specific content of forms, internal procedures, and similar results that flow naturally from developments of new and fundamental ideas.

Procedures will be changed with time and are relatively easily taught on the job. Matters of more fundamental concern are less likely to be analyzed by business firms and are not likely to receive thorough treatment in a program of company training. Many executives chronically complain that they have inadequate time for reflection. Educational programs should recognize this urge toward a division of labor.

Fortunately, the past decade has been characterized by an alteration in emphasis in the content of many courses in the field of risk and risk-management, although some of the critics are still describing situations that were prevalent years ago. It should be an intellectual challenge for those concerned with the risk problem, both in educational institutions and in companies, to examine constantly the basic theories, methods of approach, quantitative ideas, traditional practices and procedures, and especially the relation of the total field to economic and social well-being.

The M.B.A. Program

In spite of the fact that undergraduate education is still the mode in higher education, increasing attention, as indicated earlier, has been given to the Master of Business Administration degree as a foundation for embarking upon a business career. It is likely that this tendency will continue for a variety of reasons, including the earning value of the education, the more complex world in which we live and the increasing resources on the part

of both society and individuals that provide such an education.

Dozens of people in educational institutional institutions have devoted the greater part of conferences and conventions to a study of uncertainty, risk, and risk-management in such a structure. Should this area be included at all, or in the core portion, or in the specialized section common to all, or in an area only if that is the field selected for specialization? Some may argue that the subject area should not be included in any of these because provision is made for the study of risk in core courses. More specifically, it may be argued that accounting, management, finance, marketing, or other areas must necessarily include elements of uncertainty, risk, and their analysis.

There seems to be no systematic treatment of these topics in any of the more traditional fields. Unfortunately, many of the traditional fields are too widely separated intellectually, and do not seem to be sufficiently closely interwoven so that each can build on the analytical framework of the others. It is suggested, therefore, that professors who are most concerned with the problem of risk and risk-management concentrate their attention relatively more on principles and ideas that seem to persist in presenting problems, and on which basic theories and conclusions have emerged or are likely to develop. The problems faced by this branch of business enterprise are among the most complex, varied, and challenging. They present opportunities to apply all of the newly developing methods and ideas where successful innovation will pay-off appropriately.

Maximum time in educational institutions should be devoted to an examination of problems that would be less likely to compose the literature that an intellectually curious adult would find in his recreational reading. If developments of this type were to mature more fully than

at the present time, course content in risk and risk-management fields, as well as others, would reflect the enrichment. One could hope that the result would be more appropriate for a foundation on which an individual, educated through the M.B.A. degree, would benefit by his experience in business.

This is not to assume that developments of the type mentioned will readily take place. The study of risk and its treatment is not in the intellectual experience of the great majority of our university colleagues and, therefore, it is less likely to be appreciated than is an area that has more frequently been analyzed. Most individuals can judge more accurately those areas that are included in their experience, but they seem too inclined to judge freely, broadly, and firmly the areas outside of their specialization. The study of risk suffers from features that include it in this latter category. Professors in this area ought to attempt a solution less by propagandistic approaches and more by an analytical intertwining with the broader problems of management that permeate the total institution.

Conclusion

In preparing this paper, there was a strong temptation to suggest in rather concrete form the design of three curricula; one for the typical undergraduate school, another for the M.B.A. section of postgraduate work, and possibly still a third for one who wishes more specialization. However, recognition was given to the fact that the curriculum planner must think of the desires of the students, and the needs and demands of the market both in the near and more distant future. One must recognize also that large schools can, by the nature of their organization and resources, provide a greater variety than small schools should supply or attempt.

No one, with any experiences in educa-

tional circles, would deny that course content and a combination of courses will inevitably reflect the background of those who do the teaching. The traditions of the school definitely are not without influence on course content, the curriculum, and the tone of the institution.

There will apparently always be employers who appreciate and sincerely seek the person with imagination, ingenuity, and the ability to innovate. Most employers realize the extreme value of even one brilliant idea even if not fully developed. At the same time there are those who seek employees who can, with a very limited amount of experience in a new position, become immediately valuable and productive.

A curriculum that is patterned after the suggestions contained in this paper will conform closely to the desires of the former type of employer, whereas, a course

of study that emphasizes skills and techniques will produce graduates who will more readily fit into the day-to-day operations of the typical enterprise. They may, however, not add greatly to the supply of managerial talent from which positions of responsibility will be filled.

If the preceding lines of reasoning are correct, it would appear that educational planners concerned with the problem can analyze their objectives compared with resources available, and the varieties of demands to which they wish to give attention. Those in the role of future likely employers, should then analyze the role of the company in supplying educational experiences that will permit the college graduate to mature in a most fruitful way, whether his formal education was terminated at either the bachelor's or master's level.