

# THE ROLE OF COLLEGIATE BUSINESS SCHOOLS IN THE EDUCATION OF MANAGERS FOR SMALL BUSINESS

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Are the problems of small business significantly different from those of large business, or are they simply a matter of relative size, *i.e.*, the problems are the same while only the financial consequences differ? A related question is: Are collegiate schools of business doing an effective job of presenting the problems of small business to their students?

These questions have been of concern to both academicians and practitioners for some time. The existing literature is void of any comprehensive examination of contemporary collegiate programs in the area of small business management. This investigation is an attempt to answer small business's critical need for empirical data of this nature.

## Approach and Scope of the Study

The study was designed to examine the role of collegiate schools of business in the education of managers for small business. Specifically, its purpose was to answer three major questions:

(1) To what extent are the problems of small business management considered in the curriculum of collegiate business schools?

(2) Are our colleges and universities providing—as part of their public service role—an adequate degree of support to the smaller companies located in their service area?

(3) What is the composite viewpoint

of today's academicians toward education for small business management?

The methodological approach involved a survey of collegiate business schools. The respondents were classified into three major categories: (1) those accredited by the American Association of Collegiate Schools of Business (AACSB), (2) colleges which are members of the AACSB Assembly, but are not accredited by the association, and (3) institutions which are not associated with AACSB. Generally, the accredited members can be considered the established and more prestigious schools, the assembly members might be termed the "emerging" schools, and the non-members are most often institutions whose business programs are relatively small and/or have been recently created. The purpose of this categorical survey was to determine whether a school's classification was related to its attitude toward small business management education.

A census type of approach was used for the first two categories, while a sample of 155 was selected from the third group. This sample was drawn from the non-member institutions listed in Delta Sigma Phi's (professional business fraternity) most recent survey of business education. A mail questionnaire was sent to the Dean of each of the selected institutions.\* A total of 241, or 49.1 per

\*In cases where there was no College or School of Business Administration, the questionnaire was sent to the department head or director of the business administration program.

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cent of the 491 questionnaires was completed and returned. All of these were considered usable for the purposes of this analysis. The corresponding response rates for each of the three survey categories were: accredited members, 56.8 per cent; assembly members, 51.9 per cent; and non-members, 38.7 per cent.

### Extent of Collegiate Education in Small Business Management

Several questions were asked with regard to the existing status of small business education programs. The first of these dealt with whether collegiate business schools were offering specific courses in small business (See Table I). The

**TABLE I**  
**PER CENT OF BUSINESS SCHOOLS OFFERING SPECIFIC COURSES IN SMALL BUSINESS MANAGEMENT**

Classification	Percent <sup>a</sup> of Respondents Indicating That They:	
	Offer a Specific Course	Do Not Offer Specific Course
<b>STATUS OF SCHOOL:</b>		
AACSB Accredited Member	23	19
AACSB Assembly Member	23	23
Non-Member	12	17
<b>SIZE OF SCHOOL:</b>		
Less than 500 students	13	17
500-1500 students	19	25
Over 1500 students	34	20
Unclassified	14	0
<b>GEOGRAPHICAL LOCATION:</b>		
Northeast (New England and Middle Atlantic States)	18	12
South (Southern and Southwestern States)	25	21
Midwest	15	24
Western (Mountain and Pacific Coast States)	30	20
Other (Canada and Mexico)	9	0

<sup>a</sup>These percentages are based on all responses within the classification, *i.e.*, the percentages for the "No Response and/or Unclassified Response" category are not shown.

responses to this question were evenly divided. Forty-nine of the schools indicated that they did offer a specific course, while 48 replied in the negative. One hundred forty-four, or 60 per cent, gave no answer or an unclassified response.

The replies were also cross-classified by: (1) status of the school (their standing with AACSB), (2) size of the business school, and (3) geographical location. This procedure suggests that schools associated with AACSB, larger schools, and those located in western or southern states are somewhat more favorably disposed toward specific courses of this nature. Chi-square contingency table tests, however, indicate that in all cases the principles of classification are independent at the .05 level of significance, *i.e.*, there were no significant relationships between these classifications and the responses to the question.

The deans were also asked to list the titles of their course offerings in the area of small business. Thirty-four separate course titles were used with "Small Business Management (Administration)" being specified by 23 respondents. No other title was used by more than six schools. Other titles included: Small Business Operations, Seminar in Small Business, Venture Management, Management of New Enterprises, and Business Development in Disadvantaged Areas.

Since earlier field tests had indicated that many schools preferred to integrate small business concepts into their regular

class offerings, the questionnaire solicited information concerning the extent of this practice (See Table II). This tabulation shows that 123, or 51 per cent, of the respondents did, in fact, attempt to follow this approach toward their functional courses. Only 16, or seven per cent, of the institutions stated that they made no effort in this area. The remaining 42 per cent gave no answer, or their responses were not clearly delineated, and, therefore, were listed as "unclassified." The data were sub-classified using the same categories as in Table I, *i.e.*, status, size, and geographical location. Chi-square analysis indicates no significant association at the .05 level. A significant relationship between the geographical location and responses to the question does exist at the .10 level. The same statistical test applied to the numerical totals in Table I classified by the responses presented in Table II shows no significant relationship at the .05 level.

The respondents were also asked: "If material on small business problems is integrated in regular courses, how is it done?" A summary of the replies is shown below:

While case studies were listed as the single most popular method, the response pattern implies that in most schools several approaches are used concurrently. It should be pointed out that the writers have purposely avoided the temptation to speculate as to the extensiveness and quality of the case material that is used in

**TABLE II**  
**PER CENT OF COLLEGES WHICH INTEGRATE MATERIAL ON**  
**SMALL BUSINESS PROBLEMS INTO REGULAR COURSES**

Classification	Per Cent <sup>a</sup> of Respondents Indicating That They:	
	Integrate Small Business Material	Do Not Integrate Small Business Material
<b>STATUS OF SCHOOL:</b>		
AACSB Accredited Member	51	8
AACSB Assembly Member	61	8
Non-Member	33	4
<b>SIZE OF SCHOOL:</b>		
Less than 500 students	42	6
500-1500 students	58	4
Over 1500 students	57	10
Unclassified	29	14
<b>GEOGRAPHICAL LOCATION:</b>		
Northeast (New England and Middle Atlantic States)	40	13
South (Southern and Southwestern States)	55	1
Midwest	52	10
Western (Mountain and Pacific Coast States)	52	8
Other (Canada and Mexico)	42	0

<sup>a</sup>These percentages are based on all responses within the classification, *i.e.*, the percentages for the "No Response and/or Unclassified Response" Category are not shown.

such a large percentage of business schools.

In summary, the survey shows that a relatively small proportion of our colleges and universities offer a separate course dealing with small business. When such classes are offered, the typical course title

is "Small Business Management (Administration)." A much larger number of schools make a conscious effort to integrate the subject of small business problems into the regular curriculum. Several approaches are usually used to accomplish this objective.

**TABLE III**  
**METHODS USED TO INTEGRATE SMALL BUSINESS PROBLEMS INTO TRADITIONAL BUSINESS COURSES**

Method of Instruction	Respondents Indicating:	
	Number <sup>a</sup>	Per. Cent <sup>b</sup>
Case studies	121	98
Lecture material	101	82
Term papers or projects; independent study	82	66
Field trips	59	48
Miscellaneous	10	8

<sup>a</sup>This column does not sum to 123 because of multiple answers by most respondents.

<sup>b</sup>These percentages are based on 123 respondents who said that they did attempt to integrate this material.

#### Public Service Activities

Any investigation of the role of collegiate business schools in the education for small business management must include an assessment of their efforts in providing educational support for current practitioners. The deans were asked several questions related to this evaluation. The first of these requested that the respondents specify the types of services offered to small business in the college's service area. It was found that 185 schools, or 77 per cent of the respondents, offered some type of support service to small businessmen. Table IV shows that "seminars and conferences" and "individual problem referral, e.g., consulting service" were by a substantial margin the most popular types of service.

The respondents were then asked to rate the degree of success of these programs in terms of attendance and accom-

plishment of objectives. Table V shows that almost all of the deans believed these programs met with some degree of success.

The survey also found that these services were administered in a variety of ways with the "departmental level" being mentioned most often (See Table VI). Analysis of these responses suggests that the school's AACSB status is not related to the methods used to administer service projects.

A summary evaluation of the educational support given to small business is much more encouraging than an assessment of business school courses. A substantial majority of our colleges and universities (77 per cent) are providing this type of service support with "seminars and conferences" being the most widely used medium. The respondents to this survey gave relatively high "success

**TABLE IV**  
**TYPES OF SERVICES OFFERED TO THE**  
**SMALL BUSINESS COMMUNITY**

Service	Respondents Indicating:	
	Number <sup>a</sup>	Per Cent <sup>b</sup>
Seminars and conferences	162	88
Individual problem referral, e.g., consulting services	121	65
Research and Publications on the problems of small business	31	17
Miscellaneous	6	3

<sup>a</sup>This column does not sum to 185 because of multiple answers by respondents.

<sup>b</sup>The percentages are based on 185 respondents who said that they did offer educational services to the small business community.

ratings" to these programs. On the other hand, there seems to be a wide division of opinion as to how these projects should be administered within the organizational framework of the business school.

#### **A Synopsis of Academic Viewpoints**

Perhaps, the most important objective of this study has been an attempt to

develop a composite of the viewpoints held by the academic community toward small business management education. Specifically, how do the deans surveyed answer two important questions:

(1) Is the "typical" business school class oriented toward dealing with the problems of large corporations?

**TABLE V**  
**DEANS' RATINGS OF THE SUCCESS**  
**OF SMALL BUSINESS SERVICE PROGRAMS**

Rating	Respondents Indicating:	
	Number	Per Cent
Very successful	73	40
Mixed success	97	52
Not very successful	9	5
No answer	6	3
<b>TOTALS</b>	<b>185</b>	<b>100</b>

**TABLE VI**  
**METHODS OF ADMINISTERING SMALL**  
**BUSINESS SERVICE PROJECTS**

Method	Respondents Indicating:	
	Number	Per Cent
Departmental level	39	22
Dean's office	25	13
Extension office	22	12
Service or research bureau	18	10
Miscellaneous and/or a combination of the above methods	56	30
No Answer	25	13
<b>TOTALS</b>	<b>185</b>	<b>100</b>

(2) Should academic managerial preparation differentiate between "small" and "large" business, or should it concentrate on accepted functional concepts and principles applicable to both situations?

The replies to this first question show that a large majority of the deans (61 per cent) believe that most courses in their schools are oriented toward the problems encountered in the large firm, rather than in the small firm (See Table VII). It also indicates that higher percentages of positive answers to this question were offered by deans from schools which: (1) are associated with AACSB, and (2) have enrollments in excess of 500 majors. Chi-square tests applied to responses stating a definite opinion confirm this observation. The principles of classification were found to be dependent at the .05 level of significance for the first two classification categories, *i.e.*, they were

related to the responses to this question. Furthermore, this procedure shows that there was no significant association between the respondent's geographical location and his reply at the .05 level.

The questionnaire also solicited further comments on this matter. The following statements are representative of the comments received:

"We do not intentionally orient the course materials towards large firms. Nevertheless, many of the kinds of topics treated in our courses naturally apply to large firms or large organizations."

"I rather suspect that they are. Small firms cannot afford the degree of specialization we assume to exist."

"Yes—in the sense that large firms offer more complete vehicles for illustrative applications."

"No. Our approach is one that revolves about business situation

analysis and as such, covers both large and small operations."

"We hope that they are applicable to all firms, but I believe the students interpret their subjects in the 'big business' frame of reference."

The final question asked: "From an educational standpoint, do you believe

that the problems of 'small' business should be differentiated from those of 'big' business?" The responses were mixed, and imply that there is no clear consensus among the deans studied (See Table VIII). It should also be pointed out that the responses suggested varying degrees of agreement and disagreement.

**TABLE VII**  
**SUMMARY OF OPINIONS AS TO WHETHER TRADITIONAL BUSINESS COURSES ARE ORIENTED TOWARD LARGE BUSINESS**

Classification	Per Cent of Respondents Indicating That Their Classes:			
	Are Oriented Toward "Large" Business	Are Not Oriented Toward "Large" Business	No Response	Unclassified Remarks
<b>STATUS OF SCHOOL:</b>				
AACSB Accredited Member	69	13	9	9
AACSB Assembly Member	63	18	6	13
Non-Member	49	28	5	18
<b>SIZE OF SCHOOL:</b>				
Less than 500 students	45	28	7	20
500-1500 students	66	19	3	12
Over 1500 students	77	9	7	7
Unclassified	43	14	43	0
<b>GEOGRAPHICAL LOCATION:</b>				
Northeast (New England and Middle Atlantic States)	62	12	16	10
South (Southern and South-western States)	56	23	6	15
Midwest	67	12	5	16
Western (Mountain and Pacific Coast States)	59	29	5	7
Other (Canada and Mexico)	58	25	0	17
<b>TOTALS: ALL RESPONDENTS</b>	<b>61</b>	<b>19</b>	<b>7</b>	<b>13</b>



**TABLE VIII**  
**SUMMARY OF OPINIONS AS TO WHETHER "SMALL" AND "BIG"**  
**BUSINESS SHOULD BE DIFFERENTIATED**  
**IN THE BUSINESS CURRICULUM**

Response	Respondents Indicating:	
	Number	Per Cent
Yes	105	44
No	102	42
No response, or an unclassified response	34	14
<b>TOTALS</b>	<b>241</b>	<b>100</b>

Some deans, for instance, believed that the differentiation would be appropriate in a functional area like marketing, but not appropriate in others.

The following comments from the deans are an indication of the differences of opinion which exist:

"Yes, there is a significant difference in the degree of managerial specialization. Also, finance, production and marketing problems are different. Conversely, there must be some integration because the problems are fundamentally related."

"No. On the assumption that the teaching of business is not descriptive and deals with basic principles and concepts, there is little need to differentiate between the problems of small business and those of large business enterprises. It is my personal opinion that little can be learned in any theoretical way by observing small business practice. . . The teaching of any subject at the undergraduate level ought to be educationally significant and I

fail to see what it is that small business enterprises, their practices, or their management might contribute to academic thought. Large enterprises have taken much interest in the management, marketing, accounting, and finance areas and they do appreciate the educational growth of students. This I have not detected among small businessmen."

"There are some real advantages, *i.e.*, gets the problems down to a personal level of experience and avoid the 'cog' feeling among students."

"Absolutely not! To do so, would indicate that we are engaged in 'vocational training' not education. Further, to do so would indicate that each business school would have to decide which orientation it preferred to follow and list it, specifically, in the catalog. This is ridiculous! If one 'educates' rather than trains, and the student has a normal ability to think, then size of organization is relatively immaterial."

"Yes. The small businessman does not have the 'in-house' staff help that is available in larger organization. There are real differences in managerial scale depending upon the size of the firm and its hierarchy."

"Not completely differentiated; most problem areas of business apply equally to small and large firms, and this can be discussed jointly. However, the differences in the degree of significance and the differences in the approach of handling or solving the problems need, I think, to be treated separately."

Probably the only viewpoint with which a substantial majority of the respondents would agree is the one expressed by the dean of a large business school located in a southwestern state:

"It depends perhaps upon the geography (rural or urban) and the environment of the particular institution. However, in any environment, business administration students should be made aware of the option of going into small business or starting a business versus the large corporation route to a business career."

In summary, this survey shows that a majority of respondents believe that most business school courses are indeed oriented toward "Big Business." There, however, is no clear consensus as to whether the problems of large and smaller enterprises should be differentiated in the curriculum.

### A Future Course of Action

This study has attempted to provide at least partial answers to questions that have existed concerning collegiate education for small business managers. It has presented empirical data on several debated issues, and can offer the following basic conclusions:

(1) Specific courses in small business administration are relatively rare in collegiate schools of business. The institutions surveyed also clearly stated that their traditional courses are usually oriented toward "Big Business." In this regard, it would seem that the business schools have failed to respond to the need for professionally trained managers in small business. This need, of course, is evident from the "high" failure rates which exist in several types of small firms. No concrete set of principles, concepts, and/or theories has been developed that is exclusively the domain of smaller enterprises. This failure is a retarding factor to the future growth and development of small business management.

(2) Our colleges and universities have apparently done an acceptable job of integrating the study of small business problems into their traditional coursework. Unfortunately, however, this integration is often geared in the direction of specific examples which do not have a carry-over value to small business in total.

(3) The public service record of collegiate business schools is favorable toward smaller firms. A significant number

of institutions are offering special services to this part of the business community. Any failure in this respect has probably been the fault of small businessmen. Many deans, for instance, have commented that there is considerable neglect of the availability of these services. The writers can remember one professor, who is actively involved in this field, remarking that the attendance at small business conferences usually consists of the "best businessmen in town." In other words, the effective manager sees the need for educational involvement, while the inefficient manager overlooks this need, and, thus, continues to suffer the consequences of relying on ineffective managerial policies and procedures.

(4) Our final conclusion is obvious. Academia lacks a sense of agreement as to whether it should differentiate between small and large businesses in the curriculum. This lack of consensus is not a failure on the part of business educators. It is, in fact, a searching for the best

approach to solving a recognizable problem. Regardless of whether their financial support comes from private or public funds, it must be realized that colleges are the creation of the public's needs and desires. In this sense, all colleges are "public" institutions! As such, our business educators are seeking a public mandate on which course of action to follow.

For the most part, collegiate business schools are responsive to the needs of their customers—the business practitioner. Therefore, it is necessary for business to determine a future course of action. This survey implies that there is substantial potential for improvement in the educating of small business managers. What is needed is a clear mandate from the business community. If it is decided that an increased educational effort is needed in this area, then business should make this fact known to the business schools serving their particular area. To do otherwise is a clear endorsement for the mediocrity which currently exists.