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American management education, which accounts for a fourth of U.S. bachelor's and master's degrees awarded, is in the midst of a sweeping reconsideration of its governing premises. This article examines the criticisms of business schools and argues that the thirty-year dominance of the academic model over the professional model offers a basic explanation for these shortcomings. It further discusses the role of the business schools' accrediting agency, AACSB, in fostering needed change, identifies special opportunities for metropolitan business schools created by this reform environment, and proposes an action agenda for exploiting these opportunities.

Management Education Reform

Opportunities for Metropolitan Business Schools

Management education is in the midst of an exciting renewal period. A remark of Dean Lester Thurow of the Sloan School at the Massachusetts Institute of Technology is frequently quoted: "If our business schools are doing so well, why are our American companies doing so badly?" It forcefully captured the rising tide of discontent during the eighties with American management education. During the last years of the previous decade, business schools began to heed the call for change and the management education reform movement shifted from rhetoric to remediation. It may well be that the new energy and creativity devoted to improving all aspects of business schools will qualify this decade as a time of genuine renaissance in the preparation of future business leaders.

The Criticisms of Management Education

The implications for business schools concerning the numerous management education shortcomings discussed in the popular press may be better understood if the criticisms are classified into three groups:

1. deficiencies in the adaptation to change,
2. structural deficiencies, and
3. philosophical deficiencies.

Failures of business schools' traditional disciplines to keep abreast of the growing complexity of the management task include insufficient emphasis on:

- the global forces influencing business decision making;
- the management of information and technology as organizational assets;
- non-market trends: political, governmental, legal, ethical, and societal forces, including demographic diversity, that are shaping business opportunities and behavior.

Structurally driven failures are the outgrowth of faculty members' principal allegiance to the agendas of their individual disciplines rather than to management challenges embracing several fields. Failure is also due to the relative isolation of business schools from the broader academic community. They include too little attention to:

- problem framing in a truly multidisciplinary context;
- the Total Quality Management (TQM) imperative;
- integration of the baccalaureate business and nonbusiness curricular components to achieve a better **educated** business school graduate.

Business schools' strong philosophical bias in favor of problems and issues amenable to rigorous quantitative treatment have led to neglect of:

- an appreciation of the relevance of general education for professional effectiveness, particularly the potential contribution of the humanities as useful ways of knowing and thinking;
- visionary and creative thinking skills, the ability to see new possibilities and combinations;
- an emphasis on problem identification as much as on problem solving;
- people-oriented action skills and attitudes, including speaking and writing, delegation, influencing and political effectiveness, conflict management, negotiation, team participation, and leadership.

Many of the management education shortcomings identified in recent discussions cut across the several classifications. For example, a strong case can be made that failures to adapt to change are a result of business schools' inability, structurally, to solve problems that do not fall neatly within the so-called "functional silos" such as accounting, finance, marketing, and production. And the strong philosophical preference for analytically based learning creates barriers to thoughtful integration of the business and nonbusiness components of the baccalaureate curriculum, particularly of the humanities. In the final analysis, a growing consensus exists among business school leaders that the management education deficiencies, however classified, reflect a more fundamental problem.

The Paradigm Problem

Although *paradigm* has gained currency as a fashionable buzz word, an understanding of the root cause of the above deficiencies is enhanced by the notion of paradigms. A paradigm has been defined as a set of rules and regulations, written or unwritten, that performs two functions: it establishes or defines boundaries; and it tells one how to behave inside the boundaries in order to be successful. Perhaps nowhere is the paradigm concept better illustrated than in the two contending frameworks governing business school values: 1) the *academic school model* and 2) the *professional school model*.

Excellent descriptions of these models have been provided by the former dean of the business school at the University of California at Berkeley, Earl Cheit. His characterization of the academic business school model includes the following boundaries and behaviors:

- the school regards the field of business as a science;
- its approach is essentially discipline driven, with an emphasis on the theoretical subjects pertaining to business;
- the goal of instruction is, through rigorous intellectual work, to develop the habits of the mind and analytical competence that will be useful to the solution of problems unknown today;
- the school trains specialists;
- overall, the curriculum gives priority to disciplines and techniques;
- advanced graduate instruction is oriented toward research;
- the Ph.D. program is the "flagship" and the faculty most enjoys working with advanced graduate students;
- the school values the pursuit of knowledge for its own sake;
- faculty are rewarded for publication, especially for creative work that demonstrates theoretical treatment of issues;
- the faculty is productive, and its published scholarship has academic standing and commands respect among peers.

By contrast, a business school in Cheit's professional model has the following characteristic boundaries and behaviors:

- the school will give primary emphasis to the functional fields of business and to the application of pertinent techniques;
- its approach is essentially practice driven;
- because management is considered more art than science, the object of instruction is to develop judgment and encourage students to exercise it in dealing with complex, unstructured problems;
- the curriculum emphasizes general management responsibility, leadership, and decision making;
- business strategy and entrepreneurship are important courses;
- the school's "flagship" program is the M.B.A.;

- the school maintains many contacts with the business community and engages in joint projects with companies in research and management development;
- published research is an element in faculty advancement, but it is not the most important one;
- the focus of research is on applied problems of current or evolving concern to managers;
- publication is mainly in journals of interest to practitioners, not those with prestige in academic disciplines.

Clearly, the academic school model, both in its established boundary and described behaviors within the boundary, allows scant opportunity for efforts that synthesize business theory and practice. However, Cheit is quick to point out that "In practice, every business school employs aspects of both [models] and, consciously or not, develops its own approach in primarily following one of the two models described here." Nevertheless, there is little argument among most observers of the management education scene that the prevailing paradigm for the past thirty years has been the academic model.

The dominance of the academic model during the past three decades may be traced back to the generally dismal state of management education as documented by the two milestone reports, one by Gordon and Howell commissioned by the Ford Foundation, and the second, by Pierson, for the Carnegie Corporation. Both were issued in 1959. On the basis of surveys of existing business schools, both reports concluded that the curriculum was largely devoid of a sound theoretical foundation, faculty were generally weak in their analytical methodology, and students, by and large, were not comparable in ability to their nonbusiness counterparts. Reacting to these findings, business schools for the next thirty years set about the task of achieving academic respectability. The next major assessment of business schools, the Porter-McKibbin report commissioned by the business schools' accrediting agency, the American Assembly of Collegiate Schools of Business (AACSB) and issued in 1988, demonstrated that the quest had largely succeeded.

Fortunately for management education, the comparatively simpler challenges and slower pace of change confronting business leaders during the sixties and seventies made it possible for business schools to pursue their inward agenda without incurring external constituency concerns. However, the inward posture became increasingly problematic during the eighties as dissatisfaction with the product of business schools mounted. What had seemed to be a successful academic model was found to lead to many shortcomings because of its isolation from management practice. The emphasis on analysis and rigorous problem solving let the scientific methodology drive problem identification. As a result, the problems chosen were increasingly separated from those faced in actual practice.

It is also difficult to imagine that the seemingly universal complaint about business schools' failure to develop students' skills in people management could have prevailed so long if a strong professional school orientation had been maintained during the last three decades. The same can be said for business schools' tardiness in acknowledging the

practitioner-led TQM movement, a concept that could also have stimulated earlier attention to business schools' structural defects. Even the concern for a broadly educated business school graduate had its most forceful advocates in external constituencies among those occupying business leadership positions. Recently AACSB has changed its accreditation standards to move the minimum requirement for non-business subjects from 40 percent to at least 50 percent of the baccalaureate curriculum.

This step is part of an emerging reform movement for which two events may have served as the principal wake-up calls. One was the warning in the Porter-McKibbin report about a dangerous complacency in most business schools, not a surprising result in the face of many apparent successes, such as continuing enrollment growth and increasing demand for graduates. The second was a change in the way prominently published rankings of the best business schools were conducted. For example, in 1988 *Business Week* changed the basis of its ranking of business schools from the evaluation by business school deans to a survey of the opinions of recent graduates and recruiters. The results, which could not be easily dismissed as ill-informed, were shocking to some schools that had traditionally been at the top of the deans' rankings, and triggered an almost headlong rush to implement corrective measures. Some of these appear to be influenced by two predictions made by a number of leaders in management education: 1) the M.B.A. credential will become less important and business schools will go through the classic shake-out of a mature industry; 2) management education will become more of a collaborative effort with industry.

The newly emerging management education paradigm represents a rediscovery of the long-neglected professional model in a number of important respects. However, the new paradigm also reflects two defining management education realities, which were not nearly so apparent in the fifties:

1. the dramatically increasing rate of change and growing complexity that characterize the management task are such that no school can hope to assemble the resources needed for excellence in all preparation areas—schools must concentrate on what they can do best; and
2. these same dimensions of change and complexity suggest that no school can predict the best preparation formula for future management success. Prudence lies in diversity of approach and energetic experimentation.

The Role of AACSB in Breaking the Prevailing Paradigm

During the eighties, AACSB leaders began to realize that accreditation had become a significant part of the problem. Accreditation standards were essentially static and inwardly oriented. Instead of being responsive to the mounting challenges confronting business leaders, the standards had become the easy and familiar benchmark of excellence for too many business schools. This insight led to a *de novo* reconstruction of the AACSB accreditation standards overwhelmingly adopted by the AACSB

membership in April, 1991. They contain a provision that reflects the new thinking about the requirements for business education excellence:

“Development, promotion, retention, and renewal of business school faculty should reflect both the mission of the school and the demanding competitive and technological challenges faced by businesses. To gain understanding of these challenges, faculty should interact with people in organizations on subjects related to the phenomena about which they teach, perform research, and publish. Business schools need mechanisms through which faculty observe business practices in action so they may learn the applicability and relevance of the ideas and concepts developed through their intellectual activities. Moreover, this improves the content of instructional development and teaching. Faculty whose primary emphasis is theory development can benefit by efforts to integrate theory with practice.” (AACSB, Standard FD 3, p. 12)

From this statement it is clear AACSB has thrown down the gauntlet: it is declaring that **quality** business education and an isolationist posture are fundamentally incompatible. Stated alternatively, a business school mission for mediocrity is one which has the effect of distancing faculty from the practitioner world.

The new accreditation standards also include two overarching expectations that echo the defining realities of management education: 1) the requirement to achieve a rigorously developed mission identity that focuses attention on comparative institutional strengths, and 2) the requirement to institutionalize change and continuous improvement. These expectations are expressed as follows in the new standards document:

“The school should articulate its mission as a guide to its view of the future, its planned evolution, and its infrastructure and use of resources. The accreditation evaluation process for a school is linked to its mission. Each school of business is faced with choices as a result of a wide range of opportunities and inevitable resource limitations. The development of a mission requires decisions regarding these alternatives, and the mission embodies these choices....To satisfy the Mission and Objectives Standards, **these choices must be documented.**” (Emphasis added) (AACSB, Standard M, p. 8)

“Just as managers face rising expectations for their performance and the performance of their organizations, programs in management education also should anticipate rising expectations, even within a given mission....The processes used to strengthen curricula, develop faculty, improve instruction, and enhance intellectual activity determine the direction and rate of improvement. Thus, these processes play an important role in accreditation, along with the necessary review of inputs and assessment of outcomes.” (AACSB, Preamble, p. 2.)

The revised AACSB accreditation standards establish a new conception of business schools by calling for an emphasis on diverse missions and continuous improvement and adaptation instead of the traditional approach with its common mission orientation and single threshold of quality.

A Metropolitan Business School Action Agenda for the 1990s

Metropolitan universities have advantages that closely parallel the requirements of the new paradigms for management education and the accreditation of business schools. As a result, these institutions, as a class, may well move into a dominant position by the dawn of the new century. However, this will require leadership that can recognize and exploit these opportunities. The following two sets of action initiatives illustrate the steps to be taken by metropolitan business schools in order to leverage their special advantage of proximity to management practice. Each initiative's key premises are identified along with metropolitan school opportunities.

I. Action Initiatives to Develop Niche Advantages

Each metropolitan school should...

- **Identify its unique core competencies and educational values-added (the mission niche) upon which a reputation will be built that leads to sustainable competitive advantage.**

These distinctive core competencies and educational values-added should be focused and limited. They should vividly demonstrate a deliberate rejection of an "all things to all persons" thinking, which is in conflict with the new management education realities. These core competencies and values-added should be selected with a view towards exploiting metropolitan proximity advantages in so far as possible.

- **Examine the potential of strategic alliances with other schools with similar niches and with other campus units.**

Leveraging of core strengths is increasingly important in a constrained resource environment, which includes the resource of time, made even more precious because of the imperative for rapid change. As schools generally move toward more clearly defined niches, it will become easier to identify likely partners that can mutually accelerate each other's learning curve. Certain similarities in core strengths among metropolitan schools serve as an excellent starting point. In addition, many mutually beneficial partnership opportunities exist with other campus units, which may have learned how to exploit their metropolitan advantages. Benefits of these campus partnerships may include ways to facilitate students' understanding of the relevance of general, nonbusiness education for professional competence and lifelong learning.

- **Fundamentally reconsider current faculty "portfolio" premises and strategies, with a view to achieving rapid implementation of the new management education paradigm and identified mission niche.**

No longer can there be only one path to professorial competence. The pace of change and complex realities of management require multiple

sourcing of professorial talent. Schools must seriously consider as regular faculty—not just lecturers—those who can bring to their assignments records of successful business leadership and a reflective capacity, the ability to acquire the knowledge, skills, and attitudes necessary for effective scholarship. The need for such appointments is particularly great in those areas of reform where traditional faculty are at a comparative disadvantage. Metropolitan business schools are likely to have particularly rich resources of such rare individuals in their vicinities.

- **Fundamentally restructure support and reward systems for traditional faculty so as to place increasing emphasis on “knowledge of the intricacies and challenges of business practice” as a criterion for advancement in rank.**

This outward focus requires different skills in the interpretation of findings, but it should **not** be misunderstood as a call for reduced emphasis on scholarly rigor nor be limited to those with an applied research bent. Even an agenda emphasizing theory development can benefit from a mind informed by managerial realities. Decisions will be required, however, on how far the school’s posture should go in implementing this initiative. At the least aggressive end of the continuum is the expectation for meaningful exposure to practitioners and their world. At the other boundary is the expectation that scholarly output must meet the test of acceptance by practitioners as well as academic peers.

The success of this redirection of performance expectations will depend on unprecedented external *and* internal leadership by academic administrators with respect to both **support** and **rewards**. Administrators must develop multiple avenues of clinical exposure that address the differing needs of faculty in various career stages. For example, corporate residencies for junior faculty would likely reflect a more hands-on operational improvement orientation, whereas senior faculty may function at a more policy development level. Metropolitan schools’ proximity to a broad array of clinical opportunities gives added feasibility to this reorientation. Academic administrators must also be prepared to act as mentors in assisting faculty in building their case for knowledge of the intricacies and challenges of business practice. This help certainly should include assistance in the formulation of annual development plans, which lead to up-front agreement on the activities to be engaged in and the bases for judging results. It is important to overcome the faculty member’s reasonable fear that an investment in this departure from conventional wisdom may not count after the fact when it comes to promotion and tenure, and may also impair marketability, at least in the near term. This attitude underscores that academic leaders must artfully utilize *all* the reward systems at their disposal to overcome deeply entrenched disciplinary/marketplace forces.

- **Achieve growing racial and ethnic diversity in both faculty and student ranks, and incorporate diversity issues within the curriculum.**

Such diversity mirrors the emerging reality of the workplace. Students will be increasingly well served for long-term career effectiveness when they have experienced real diversity in their learning and problem solving environment. The initiative to broaden the profile of business school faculty can facilitate racial and ethnic diversity as well. Metropolitan schools often are advantageously positioned to pursue this goal.

- **Achieve a better mix of traditional- and nontraditional-age students who can assume increasingly meaningful roles as “managers of their own learning.”**

Metropolitan schools frequently are distinguished by their nontraditional student population. Their diverse learning environments can also be attractive to talented full-time traditional-age students drawn from a broader geographic region. Together, both groups can learn from each other, particularly in an experientially oriented learning environment that emphasizes the “self-managed work team” philosophy gaining currency in business.

- **Aggressively seek out foreign exchange students and faculty as a means for further enrichment of the school’s diverse environment.**

Metropolitan schools should exploit their attractiveness to foreign students in order to create a richer cultural diversity deeply embedded within the learning environment. Students as managers of their own learning will find opportunities for firsthand insights gained from fellow students and faculty from other countries.

- **Pursue learning partnerships with technology and information-driven organizations in the area so as to facilitate systematic understanding of visionary and innovative leadership and of the concept of technology and information as strategic organizational assets.**

Learning partnerships are mutually beneficial problem-solving arrangements, which reflect the distinctive and complementary insights of both partners. On the school side, such partnerships can enhance teaching, research, and service and include students, faculty, and administrators. Continuous strategic renewal and an embedded entrepreneurial mind-set represent performance expectations in an increasing number of organizations. Students and faculty in metropolitan schools may have the opportunity to gain firsthand exposure to organizations working to implement these paradigms for renewal. Often organizations that have operationalized the notion of technology and information as strategic assets are also excellent learning partners in the development of a student’s understanding of the influences that global market and nonmarket forces have on decision making.

- **Develop learning partnerships with area firms that serve as exemplars with respect to clearly articulated organizational values and corporate citizenship behavior.**

Metropolitan schools can often observe first hand the achievements of organizations that function within a framework of enlightened corporate citizenship, clearly articulated values, and penetrated understanding of nonmarketplace forces. These behaviors can provide tangible insight into the very conceptual foundations and philosophy of the business enterprise. Schools that also create opportunities for students to become involved in community betterment projects demonstrate the adage that preferred behaviors must be *modeled*, not taught.

- **Explore learning partnerships with area organizations possessing experience in the development and assessment of action skills.**

Such organizations often are considerably more advanced than business schools in techniques for identifying and developing individuals with creativity and vision and with skills in communication, delegation, influence, conflict management, team work, and leadership. Because these qualities are increasingly important to employers, such partnerships may have important payoffs for student placement.

- **More fully utilize noncredit management development programs as a way of testing clinically based curricular and pedagogic change in degree programs.**

The much higher expectation for applications to management practice held by those enrolled in noncredit continuing education encourage development of more clinically based teaching materials. Such materials can accelerate implementation of a synthesis of academic and practitioner insights within degree programs. Accordingly, when these noncredit offerings emphasize a rigorous clinical orientation, they provide opportunities for the reorientation of more senior faculty to the realities of the practitioner's world. Metropolitan schools often have a competitive edge with regard to both breadth and depth of continuing education markets. This provides many opportunities for customer partnerships in the development of practice-focused learning materials. Successful implementation of such initiatives presupposes the existence of systems that facilitate close integration of the noncredit service activity with the school's degree programs and research activities.

II. Initiatives to Institutionalize Change

Each metropolitan school should...

- **Develop an overall management plan that ensures all systems and subsystems are 1) mutually consistent and 2) supportive of the school's distinctive mission identity.**

For example, the new faculty "portfolio" thinking should be directed by the chosen mission niche and, in turn, should be supported by appropriate strategies for faculty recruitment, orientation, and development. Metropolitan schools have proximity to business organizations—especially those that have implemented a TQM

philosophy—that are more accustomed to thinking operationally in a systems-subsystems context.

- **Institutionalize continuing conversation among faculty, administrators, and key stakeholder groups, especially students, graduates, and employers, concerning all aspects of program and process.**

External stakeholder groups, when drawn from the metropolitan vicinity, can, as a practical manner, become full partners in a **continuing** dialogue about program *and* process improvements. Often such partner organizations have implemented TQM systems that achieve a profound customer focus and involvement in many operational aspects. An important outcome of this thinking is the development of broad ownership in the school's "product." This result also helps overcome the constrained resource environment through greater success in raising contributions of both time and dollars.

- **Emulate business models for achieving "short cycle times."**

The typically slow response of business schools to changing external circumstances—some would call it glacial—will become increasingly problematic for management education. Metropolitan schools exist within a venue of firms that live or die by short cycle time performance. Key to response in the academic setting is the rethinking of prevailing school organizational structures. Currently, these are increasingly out of phase with business work patterns that emphasize boundary spanning and parallel processing to achieve rapid new product development. Responsive businesses provide learning partnership opportunities for contributing to a better understanding of cross-functional integration and problem solving.

- **Measure results systematically.**

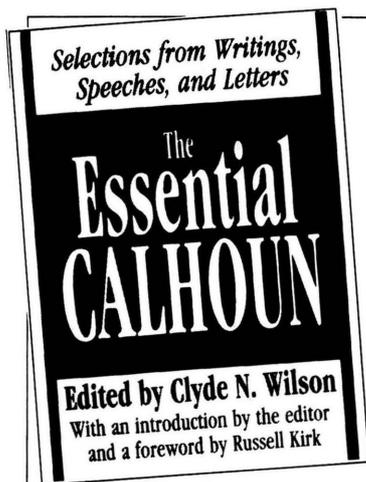
Outcomes assessment—qualitative as well as quantitative—of all programs and processes must become a standard operating procedure if change and continuing improvement are to be institutionalized. Such information stimulates "what if" thinking, which encourages further change. Metropolitan schools have access to organizations that are far ahead of academe in functioning on the basis of the adage "In God we trust, all others must bring information."

Note

The authors wish to acknowledge the insights of William R. Dill, former president of Babson College, as contained in his unpublished working paper entitled: "Management Education: Is Success Breeding Failure?"

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