

The Managerial Ideology in Collegiate Business Education

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Collegiate business education is an American innovation and remains a field of higher education cultivated far more extensively in the United States than elsewhere. Indeed, prior to their transplantation to the New World, European businessmen and academicians had for centuries gone about their affairs quite independently. But in the American institutional wilderness -- a world without royalty, aristocracy, or established religion -- businessmen and academicians soon occupied critical leadership positions in state, society, and economy, and they came to see each other as allies. With the rise of the modern corporation and the research university at the end of the nineteenth century, they became close collaborators in scientific research, economic policymaking, and vocational training. It was within this symbiosis that collegiate business education took root. And from the beginning, the program aimed at preparing students to direct the new giant enterprises, to create a capacity for general business leadership summed up in the concept of "management."

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Joseph Wharton organized the world's first collegiate school of business to assist the nation's "young men of inherited intellect, means, and refinement" to assume effective control of America's industrial empire. He and the other great entrepreneurs of the era were drawing the central productive activities of society, for the first time in history, under the control of large business organizations. Wharton and his colleagues employed traditional mercantile skills in law, accounting, finance, and economic analysis, each adapted to corporate business and industrial production. Being largely of genteel origin, they had been raised to exercise social authority; they turned this capacity to the control of vast integrated organizations at the apex of American social and political life. Wharton would have his new school pass these various skills to the next generation. To this end he detailed a curriculum of law, accounting, economics, and industrial management, all to follow two years' preparatory study in the liberal arts. [19, pp. 19-54].

Neither Wharton's school nor any other offered many commercial courses in the remaining years of the nineteenth century. During the first quarter of the twentieth, however, business schools sprang up at more than 160 universities and became an integral part of American higher education. While many organizers of these institutions pursued a practical, vocational pedagogy, the most prominent and vocal promoters professed the same ambition as did Wharton, to prepare a class of business leaders. Harlow S. Person, guiding light of Dartmouth's Tuck School, would "focus on the creative study of leadership in industry." [27 p. 182] Harvard's Graduate School of Business Administration prepared students "not for the repetitive, routine phases of business but for the creative and supervisory functions." [7, pp. 6-7] The leaders of Northwestern University's business school resisted "financial pressure to provide extensive technical education, [and] ... vocally reaffirmed their goal of creating a managerially-oriented program." [21, p. 76 and 84. Also 19, pp. 131-34; 26; 3, pp. 26-27]

This grand managerial program, however, for the most part gave way before powerful pressures from both business and

academe. The research university ideal divided learning into a series of bounded disciplines. It generated an array of specialized departments while casting a suspicious eye upon generalizing programs such as "management." The business world encouraged this academic development because it, too, had recently spawned a variety of functional specialties. Business school "disciplines" in fact reflected the areas of business concentration. [19, pp. 131-61; 21, pp. 117-25, and 135-74]

Rather than prepare generalist business leaders, these early American business schools adopted the technical training ideal and developed narrowly defined fields such as accounting, finance, insurance, management, marketing, real estate, and transportation. Positions in top management continued to derive not from academic preparation, but from family control or long service with a company. Business students used the school as training for well-paying jobs, for joining a family business, or for entering an independent profession such as accounting or insurance. [3, pp. 177, 187, 198-201 and 21, pp. 126-30; 4, p. 94.]

The sharp-eyed reader will have observed "management" listed among the technical specialties developed in America's young business schools. As that shrewd reader may have imagined, this posed an ideological dilemma: Could management be some narrowly defined technical skill and not a well-rounded, general purpose intelligence as understood by business school promoters? Could the activity that claimed to integrate all business activities itself be one speciality among many? The issue remained quiescent through 1920. But with the post-World War I return to "normalcy," the academic study of management shot ahead both within the context of specialization and as a genteel humanity. [19, pp. 152-57, 175-80; 3 p. 17]

The managerial specialties of the 1920s grew out of business's new function of organizing industrial production. One group of management professors taught production practices while another concentrated on the control of large industrial labor forces. Both prepared students for specific occupational slots, either as production planners or personnel managers, and provided an

eminently practical curriculum. At Wharton, a leader in specialization, Professor Richard H. Landsburgh's course in production took its lead from Frederick Taylor's scientific management and adopted an engineering approach. It discussed plant ventilation, power transmission, and inventory control as well as Taylor's better known work in time and motion study. Professors teaching industrial labor relations also constructed a curriculum with a strong vocational focus, studying labor turnover and techniques for fitting workers to company jobs. [13, pp. iii, 20-36; 3, pp. 285-87; 27, pp. 86-88, 118-119, and 128-133]

These specialists, nevertheless, viewed their work as much more than a vocational specialty. They saw themselves as different from their colleagues as they held to the broader, more ambitious concept of management. Landsburgh insisted that the field provided the key to modern economic affairs,

that in the force of management lies the path to better understanding of industrial problems and through that to better community life. The test of the present industrial system is its ability to adjust itself to modern conditions. Management will largely determine whether or not it will meet that test. [13, p. 2]

A disciple of Frederick Taylor, he heralded the discovery of "university applicable" "principles of scientific management" that would unlock a new age of prosperity and individual fulfillment. [13, p. iii; 24] In labor relations, Wharton's highly regarded faculty was equally ambitious. They saw the accommodation of labor and management as nothing less than "the greatest contemporary experiment in democratic government" [10, p. 6].

Management professors also differed from their business school colleagues in their intellectual traditions. Accounting, business law, commerce, finance, insurance, and real estate were all specializations within the common practices and usages of Western mercantile life. Professors in any area could, and often did, teach courses in the others. The field of management, however, owed little to this ancient and well-developed commercial culture. Its doctoral students rarely took classes in

these subjects, and there was almost no transfer of faculty or scholarship between management and the other departments. It was not from the world of business that the discipline took its ideas: Engineering dominated the industrial production curriculum while social science was the major influence in labor relations. [19, pp. 140-42, 175-78, and 265-68]

What managerial engineers and social scientists shared, and what further differentiated them from their academic colleagues, was an attachment to "science." The other business school professors remained within the culture systems constructed by businessmen -- their law, accounting, and commercial technique. Within this culture, scholarship and reason were sufficient tools of discovery. But Taylor and the social scientists ventured outside culture, examining human nature and productive operations. They needed the "scientific method" to gain access to the world and the authority of "science" to support their assertions. Practicing managers were indeed struggling to define their human and material environment, a task that had to be accomplished before they could formulate effective policy. Management professors thus worked on gathering data on production and labor problems. Like their close relatives, the institutional economists, they pursued a "science of fact" not theory; they emphasized empirical description not deductions within an axiomatic system. Once informed by such science, the professors considered management as a matter of creativity and experienced executive judgment. And at this point -- the point of practice -- management as academic science met management as understood by the original business school promoters. [19, pp. 190-95; 3, pp. 341- 44, 353, 496, 491, and 512-13]

The managerial ideology made far more direct progress in the 1920s through a distinctive program developed at Harvard University. Setting Harvard apart was its complete acceptance of the managerial vision, its emphasis on traditional genteel leadership above all demands for technical training. Dean Wallace Donham, chief architect of Harvard's program, drew "a close analogy between the position of the governing class in earlier, simple societies, and that of the business group in our

present complex organization," and he would train his students in the skills of a governing elite. [8, p. 548]

Unlike the typical American business school, which was an undergraduate institution, Harvard offered only a two-year post-graduate course leading to its "Master of Business Administration" degree. Its program was not the usual university graduate school, with its intense specialization, but an English-style professional school: Students entered with collegiate degrees, usually in liberal arts, and had thus acquired the quotient of culture needed for elite consciousness and respectability. A liberal education gave students the "freedom" of society, and Harvard trained them to exercise that freedom in managerial situations. Harvard took pride in keeping "its instruction free, in large measure, from the intellectual control of other disciplines" [5, p. 177]. It capped the program with a course on general "business policy," not the specialized courses, seminars, or research projects of an academic graduate school, and pursued liberal management education through a pedagogical device, the case method, even more than through its curriculum. One professor wrote in summary that "education ... should consist of acquiring facility to act in the presence of new experience. It asks not how a man may be trained to know, but how he may be trained to act." [6, pp. 3-4] Decision-making ability in the face of novel circumstance had always been a key virtue of the genteel mind. Harvard's program would make it central to the managerial mind as well.

From 1920 onward, management professors from Harvard and elsewhere joined their deans and sponsors in a campaign to overthrow professional specialization as the ruling program of the business school. They argued that "training future executives [w]as a large, if not the major, part of their work" [12, p. 7] and that executive judgment was best cultivated through the liberal arts and social sciences. At Wharton, for example, the managerial party hoped to make economics, a social science, "central" to the work of the school and would substitute a faculty of institutional economists for purveyors of what they termed "a trade school routine." [2, p. 6]

For forty years the management advocates failed to reshape the American business school, a failure due largely to external factors. A rapidly expanding enrollment of vocationally minded students checked any significant managerial reform in the 1920s. Likewise depression and war froze innovation out between 1929 and 1945. After World War II, a renewed flood of practical-minded students again strengthened the procedural business programs. However, the postwar era brought tremendous intellectual advance in social science and industrial engineering, with theory and sophisticated mathematics assuming a central place in these fields of study. Corporations likewise decentralized authority and grew increasingly complex, both of which demanded more managerial skills. By the mid-1950s, the traditional business program thus appeared both intellectually backward and of declining importance to the business world.

By 1960, key philanthropic foundations, interested businessmen, management faculty, and academic administrators finally installed managerial programs at the nation's leading business schools. At the undergraduate level, they expanded course work in liberal arts and emphasized general business education at the expense of specialized training. These schools embraced social science and applied mathematics and encouraged their faculties to pursue scientific research. But most significant was the decision of the nation's most prestigious schools to give their M.B.A. programs a general management focus and to make the M.B.A. their primary course of instruction. [19, pp. 233-63; 11; 18; 4, pp. 96-107]

This liberal arts emphasis and the Ph.D. boom of the 1960s brought greater theoretical and mathematical sophistication to all business disciplines and made science, rather than procedure, the primary basis of higher business learning. Ambitious new managerial sciences were imported from engineering and social science and promised to become powerful instruments of administration. Reaching beyond the science pursued before World War II, those of the 1960s now attempted to prescribe policy and not just ascertain fact. Science now challenged genteel decision-making skill, as cultivated at Harvard, as the key to

managerial choice. Insofar as such policymaking sciences were valid, the essential managerial skills became not judgment and mastery of fact, but skill in the application of theory. [19, pp. 265-91 and 303-05; 27, pp. 407-92]

In the managerial specialties, the implications of the new science were quite clear. Operations research, a program of mathematical modeling and optimization, replaced Taylor's scientific management the leading science of production. At the same time, academic sociologists and social psychologists began exploring organizational and leadership dynamics. Both groups made extensive use of predictive models, were far more sophisticated in theory and statistical method than their prewar predecessors, and drew prescriptive conclusions for practicing managers. Speaking for the confident managerial social scientists in 1962, Herbert Simon declared himself "positively exhilarated by the progress we have made ... toward creating a viable science of management and an art based on that science." [22, p. 74; 27, pp. 407-92; 16, p. 5; 1, pp. 1-34; 15, pp. 139-46; 9, pp. 7-13; 14]

After World War II, as before, a common conceptual framework informed the academic management disciplines emerging from engineering and social science. While the "science of fact" had inspired professors in the 1920s and 30s, an excitement for systems theory swept through the management faculties. Systems theorists championed the organic nature of organizations, insisting that some intelligence coordinated the various internal elements, managed interactions with the environment, and guided the collectivity toward a common purpose. As management functioned as the control apparatus of an enterprise, systems theory provided an attractive framework for constructing broad managerial theories and became the ascendant synthesis among the management sciences. [27, pp. 432-33 and 479-91; 19, pp. 325-30]

Postwar management science achieved significant successes, contributing to issues ranging from inventory control to employee motivation. However science by no means reduced all managerial

problems to mathematical or theoretical form, and by the end of the 1960s the reputation of management science indeed fell on hard times. Neither the Great Society nor the Vietnam escalation, both supposedly under the direction of managerial "whiz kids," had prevented urban riot or jungle defeat. More serious were problems in systems theory, while broad-ranging systems theory had little empirical bite and no predictive value. Other than a weak and somewhat suspect impulse toward systemic integration, it had no energizing element as needed by predictive science, such as gravity in physics or greed in economics. The managerial sciences also had great difficulty defining the goals of large, complex enterprises and specifying the key elements in their environments. Hopes to anoint management science as queen of the business school went unfulfilled. [19, pp. 293-41, 311-13, and 325-30]

Science surprisingly achieved greater success in the traditional business specialties than in management. Managerial ideologues had been the principle champions of university values since 1920. But rigorous scientific work required well-defined problems, as found in the specialties, not open-ended managerial challenges. Policy-oriented science thus advanced far more quickly in finance and marketing than in management. At the leading schools, the scientific program was so successful that it overwhelmed procedural and institutional pedagogy in these key business specialties. By 1970 the field of management could no longer be associated with the cause of intellect; it had actually become the weak academic segment of business education. [19, pp. 265-91, and 318-20]

But as events had stymied the advance of the managerial party between 1920 and 1960, Clio now reversed the flow of serendipity to favor its fortunes. The baby boom generation completed its college years and came of professional-school age in the 1970s, and they flocked to the expanding programs in "graduate" business education. This led to a boom in M.B.A. enrollments and a relative decline in undergraduate and doctoral students. The undergraduate school had been the traditional home of the specialized, procedural professoriate -- the classic foe

of the managerial party. A thriving Ph.D. program could have embarrassed the management professors as their colleagues achieved greater research success. Ironically demography again assisted the least intellectual program assume preeminence in the business school. Management's long alliance with scholarship could dissolve, but its victory of 1960 lived on.

After the 1960 reform and the creation of numerous new managerial M.B.A. courses, Harvard's dominant position in management education began to erode. Simple competition explains much, but more important was the greater ability of other institutions to accommodate instruction in the business sciences. Harvard with its case method and antipathy toward things technical and deductive, had difficulty incorporating such material. But as science found only limited success in addressing sophisticated business problems, Harvard's traditional program hardly slipped into the abyss.

The contemporary M.B.A., as defined by most institutions, indeed evolved into a composite of the three major traditions in business education: Continuing the traditional business school program, the schools taught the basic procedures of accounting, finance, and marketing. Following Harvard, they used the case method to develop skill in the exercise of authority. The new theories, mathematics, and statistics from the scientific tradition, especially potent in the functional specialties, formed the third leg of the M.B.A. triangle [19, pp. 333-37].

Constructing this M.B.A. program, more than any scholarly or vocational achievement, indeed constituted the lasting contribution of the managerial ideology. The party of management's greatest success was as champion of the university arts and sciences in the world of business. Its long assault on the specialized procedural pedagogy attacked the competence of traditional business culture to nurture leaders for modern industrial society. The management movement served as a vehicle by which university-based traditions would expand into the elite positions once held by feudal classes and now held by businessmen. Harvard would put liberally educated gentlemen

atop the corporations. Professors in the management disciplines carried similar ambitions for engineers and social scientists. Neither succeeded in eliminating business training from the "business" school curriculum. But both won places in the tripartite M.B.A. program, thereby integrating university arts and sciences into the construction of the modern business class.

The managerial ideology thus catalyzed the American symbiosis between business and the university. This symbiosis should grow even stronger as a six year collegiate-M.B.A. program solidifies and as business school Ph.D. programs mature. The original ambition of the managerial ideology -- to create a class of business leaders -- continues to inspire both the creation of new management sciences and the cultivation of genteel virtues. But the major work has been accomplished: the liberal arts and sciences have become important parts of the businessmen's professional preparation. This integration is currently far stronger than it is in the training of lawyers -- the primary alternative to the businessman as the ideal modern "man of affairs." Because of the reformed M.B.A. curriculum, business school graduates already occupy a more significant place in the national leadership system. And on issues of industrial efficiency, equity, and authority, the American business school will clearly play a far more significant role in the future than it had in the past.

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DISSERTATION ABSTRACTS

