

The more things change...

A seminal critique of American business education, five decades on.

When Harvard Business School celebrated its centenary last year (see article), there was a distinct air of optimism surrounding business education. MBAs were in demand like never before and business professors were beginning to regain their swagger after corporate scandals in the early 2000s dented their reputation. A year on and another date chimes more closely with the mood of the times—the 50th anniversary this year of a seminal commentary on the state of American business schools.

The “Higher Education for Business” report was written by Robert Aaron Gordon and James Edwin Howell, a pair of economists commissioned by the Ford Foundation. The Gordon-Howell report, as it became known, was one of two reports on business education published in 1959—the other being the Carnegie Foundation's “The Education of American Businessmen: A Study of University-College Programmes in Business Administration,” by Frank Pierson.

Both reports railed against standards in schools and argued that programmes were being developed too hastily. But Pierson's more reserved tone has ensured that Gordon-Howell is better remembered.

Gordon-Howell's conclusions damned schools to their foundations: academics at some schools were more akin to quacks; and the curricula offered were narrow, simple and weak. The calibre of staff and students alike was condemned, with the authors calling for more research and less consulting work by faculty, improved regulation, fewer case studies, more theory and analysis, and more teaching of ethics.

Its catalyst lay in the growth of business education programmes from the late 1950s. These had evolved alongside the American corporation, says Joseph Pastore of Pace University's Lubin School of Business in New York. As the likes of Ford, Standard Oil, General Electric and Carnegie Steel grew, they needed professional managers and strategic thinkers. But the broad approach schools were taking meant they were failing to supply them.

Criticism also came from other academic quarters. Business faculty tended to teach from field experience rather than theory—thus, business education was considered akin to learning a trade, rather than a true academic discipline, says Robert Sullivan, dean of the Rady School of Management at the University of California at San Diego. Gordon-Howell urged schools to include mathematics, strategy, arts and sciences in their programmes.

The report shocked schools. For years afterwards, it dominated curricula review, says Rick Cosier, dean of the Krannert School of Management at Purdue University and chair of the Association to Advance Collegiate Schools of Business (AACSB), the largest accreditor of schools. Still, with hindsight, it has its critics, among them Henry Mintzberg of McGill University (see article). Although the report helped schools become more respectable in research terms, he says, it had a fatal flaw, in that its research bias did not place enough emphasis on the teaching of the skill of management itself.

This meant schools did not either—a situation that continues to this day, with schools turning out MBAs unprepared for real-world management. Says Mr Mintzberg: “This is why we have people being managers by deeming numbers in their office, not understanding what they sell; or who they sell it to. This is precisely the problem in business today.”

Research vs rigour, revisited

So, five decades down the line, what are the long-term effects of Gordon-Howell? Its critics echo Mr Mintzberg: thanks at least in part to Gordon-Howell, business education's emphasis has moved too far away from practice towards theory. Perhaps. But it would be easy to move too far (once again) from the research role, at the expense of the academic rigour necessary in a university environment.

Besides, Gordon-Howell did not simply call for more research, but better research. On this front, there is much room for improvement: writings by business faculty in academic journals can be bad enough to be meaningless, as they seek tenure in their institutions through their publishing records.

Business professors, often still view themselves as the campus underdogs and, keen to boost their credibility, tend to favour dry topics to impress academics in other disciplines, rather than finding practical applications for their ideas. Criticism of how business schools may have helped create the end of the business world as we know it would seem to echo Gordon-Howell's point about the need for more emphasis on ethics. And the likes of the collapse of Enron also tend to loom large in the minds of critics of business morals.

Mr Sullivan argues that teaching of ethics has improved, and points to the community-focused programmes at some schools. At the Tepper School of Business at Carnegie Mellon University, for example, MBA students mentor teenagers, volunteer at soup kitchens or help the elderly. "Like most other students, MBA students want to give back to the community." Well, better late than never.

Undoubtedly, business schools have come a long way since Gordon-Howell. At least until recently, their graduates have tended to go on to become wealthier than those of other disciplines. The success of business education is reflected through applications for MBAs remaining high even since the slump, in spite of the decline in demand for executive and customised programmes. In 2008, the Graduate Management Admissions Council, which runs GMAT entrance exam required by many business schools, tracked roughly 245,000 people taking the test, the busiest season ever.

It could be argued that this is a moment of great change in business education, not unlike that which led to the Gordon-Howell report, as the research-practical application debate, the emphasis on ethics and the demand for MBAs provoked by the financial crisis come together.

Change is clearly under way: the AACSB, for one, is active, with its "Bridge Programme", launching this year, attempting to boost co-operation between business academics and those in other disciplines. Such collaboration is becoming part of the business-education environment.

Gordon-Howell aside, necessity is a great motivator for change. As Mr Sullivan points out, new realities are causing schools, and their customers, to examine their options. "Finance is not the option it was. Banks aren't hiring. Internships have waned and more students want specialised training or to become entrepreneurs. Business schools therefore must and will change."

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